

This document has been translated from Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. JAIC assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Consolidated Financial Results
for the First Quarter Ended June 30, 2020
[Japanese Standards]
(Summary of Japanese announcement)

August 14, 2020

Company name: Japan Asia Investment Co., Ltd.
Listed on: First Section of the Tokyo Stock Exchange (Stock code: 8518) URL: <https://www.jaic-vc.co.jp/>
Head office: Tokyo
Representative: Tetsuro Shimomura, President and CEO
Contact: Kenji Kishimoto, Executive Officer
Tel: +81-3-3259-8518 (main)
Scheduled date for submission of quarterly report: August 14, 2020
Scheduled date for start of payment of dividends: —
The additional materials of the Financial Results: Yes
The briefing session of the Financial Results: None

(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, 2020 (April 1, 2020 to June 30, 2020)

(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, 2020	617	27.8	(185)	—	(232)	—	(245)	—
For three months ended June 30, 2019	483	14.3	(57)	—	(126)	—	(143)	—

(Note) Comprehensive Income

For three months ended June 30, 2020: (274) millions of yen (—%)

For three months ended June 30, 2019: (244) millions of yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
For three months ended June 30, 2020	(13.85)	—
For three months ended June 30, 2019	(8.09)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	30,459	8,538	22.7	390.93
As of March 31, 2020	28,548	8,716	25.3	407.79

(Reference) Total shareholders' equity As of June 30, 2020: 6,920 millions of yen As of March 31, 2020: 7,219 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, 2020	—	0.00	—	0.00	0.00
Year ending March 31, 2021	—				
Year ending March 31, 2021 (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, 2021 (from April 1, 2020 to March 31, 2021)

The overall private equity 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.

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, 2021 (April 1, 2020 to March 31, 2021)” on page 17 in this report, “2. Outlook for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)” on page 21 in “Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese Standards] (Summary of Japanese announcement)” disclosed on May 15, 2020 and “Notice of Revision on “Result Forecast Consolidated Under the Previous Accounting Standard” for the First Half of FY March 2021” disclosed on August 14, 2020.

4. Other matters

(1) Changes among significant subsidiaries (Changes among specific subsidiaries resulting in changes in the scope of consolidation): None

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

(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting principles due to revisions to accounting standards: None

(ii) Changes other than shown in (i) above: None

(iii) Changes in accounting estimates: None

(iv) Correction of prior period errors: None

(4) 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, 2020:	17,884,392 shares	Year ended March 31, 2020:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	Three months ended June 30, 2020:	181,009 shares	Year ended March 31, 2020:	181,009 shares
(ii) Average number of shares during the period (cumulative quarterly consolidated period)	Three months ended June 30, 2020:	17,703,383 shares	Three months ended June 30, 2019	17,703,383 shares

*The above quarterly financial results are not subject to a quarterly review required under the Financial Instruments and Exchange Act.

*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, 2020 will be released on our website by August 14, 2020.

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. For details, please refer to “2. Outlook for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)” on page 17 in this report, “2. Outlook for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)” on page 21 in “Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese Standards] (Summary of Japanese announcement)” disclosed on May 15, 2020 and “Notice of Revision on “Result Forecast Consolidated Under the Previous Accounting Standard” for the First Half of FY March 2021” disclosed on August 14, 2020.

1. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Total operating revenue (A)	483	617	3,950
Management fees	35	33	134
Proceeds of sales of operational investment securities (B)	113	75	2,768
Fund interests income and Income gains etc.	328	502	1,028
Other operating revenue	5	6	19
Total operating cost (C)	190	464	1,956
Cost of securities sold (D)	55	20	1,051
Investment write-offs & Provision for allowance for possible investment losses (E)	15	0	283
Fund interests losses etc.	118	441	617
Other operating cost	1	1	5
Operating gross profit (A) - (C)	292	153	1,993
Realized capital gains (B) - (D)	58	54	1,717
Investment income (B) - (D) - (E)	43	54	1,434

(2) Cash flows

(Millions of yen)

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Cash flow from operating activities	(187)	28	124
Cash flow from investing activities	43	39	147
Cash flow from financing activities	(896)	(513)	(1,617)
Cash and cash equivalents at the end of period	3,048	2,274	2,723

(3) Breakdown of total assets

(Millions of yen)

	As of June 30, 2019		As of June 30, 2020		As of March 31, 2020	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	28,974	—	30,459	—	28,548	—
Cash and deposits	5,426	—	4,592	—	4,520	—
Property, plant and equipment	12,278	—	13,527	—	12,119	—
Operational Investment Securities (A)	10,317	—	9,786	—	9,848	—
Allowance for Possible Investment Loss (B)	(1,514)	14.7	(1,568)	16.0	(1,574)	16.0

(4) Breakdown of Loans payable

(Millions of yen)

	As of June 30, 2019	As of June 30, 2020	As of March 31, 2020
Total of loans payable and bonds	19,984	20,715	17,334
Loans payable; Non-consolidated base	8,887	7,653	8,166
Loans payable by Project finance and bonds ; Consolidated projects	11,096	13,062	9,167

2. Business Position

(1) Investment activities (JAIC+Funds)

i) Breakdown of new investment

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)		For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)		For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	
	Number of companies or projects	Amount (Millions of yen)	Number of companies or projects	Amount (Millions of yen)	Number of companies or projects	Amount (Millions of yen)
Area						
Japan	9	1,144	4	464	22	3,374
China, Hong Kong, Taiwan etc.	—	—	—	—	—	—
Industry						
Project Oriented Investment	4	380	3	280	10	2,150
Private Equity Investment	5	764	1	184	12	1,224
Sub total						
QOL(Quality of Life)	1	52	—	—	2	152
IT/Internet	1	77	—	—	2	112
Machinery/ Precision machine	1	260	—	—	2	379
Service	1	25	—	—	3	117
Others	1	350	1	184	3	461
Total	9	1,144	4	464	22	3,374

ii) Balance of investment

	As of June 30, 2019		As of June 30, 2020		As of March 31, 2020	
	Number of companies or projects	Amount (Millions of yen)	Number of companies or projects	Amount (Millions of yen)	Number of companies or projects	Amount (Millions of yen)
Area						
Japan	85	9,645	84	10,930	84	10,512
China, Hong Kong, Taiwan etc.	52	5,305	45	4,581	46	4,589
Industry						
Project Oriented Investment	29	5,923	32	6,951	32	6,696
Private Equity Investment	108	9,026	97	8,560	98	8,405
Sub total						
QOL(Quality of Life)	29	3,593	24	3,123	24	3,123
IT/Internet	46	2,060	40	1,846	40	1,854
Machinery/ Precision machine	7	684	6	748	7	748
Service	14	1,179	14	1,049	15	1,070
Others	12	1,508	13	1,792	12	1,608
Total	137	14,950	129	15,512	130	15,101

Note:

1. QOL (Quality of Life); Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
2. The aggregation method has been changed from the 3rd quarter of FY Mar 2020 to better reflect JAIC's investment performance. In the past, investments in funds managed by third parties other than JAIC, for which the JAIC Group is not involved in fund management, had not been included. However, from the 3rd quarter of FY Mar 2020, investments in such funds for which the investment targets are specified etc. have been included. As a result, the amount of new investments in project oriented investment for FY Mar 2020 and balance of project oriented investments as of March 31, 2020 increased by 823 million yen respectively compared with the amount aggregated by using the previous method. The balance of project oriented investments as of June 30, 2020 also increased by 822 million yen compared with the amount aggregated by using the previous method. On the other hand, there are no effect on the figures of the 1st quarter of FY 2020 from this change in the aggregation method.

(2)JAIC-Backed IPOs (JAIC+Funds)

i)Number of IPOs

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Japan	—	—	3 companies
Overseas	—	—	1 company
Total	—	—	4 companies

ii) First price multiple

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Japan	—	—	5.2 times
Overseas	—	—	8.6 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

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

Company Name	Date of IPO	Market	Business	Head quarters
StemRIM	9-Aug-19	TSE Mothers	Research, development, manufacture and sales of pharmaceuticals and medical devices that promote regeneration of damaged tissues by activating and utilizing patient's own stem cells in the body, and gene therapy products for intractable diseases	Japan
PBsystems, Inc.	12-Sep-19	FSE Q-Board	"Secure Cloud Systems Business" which provides an enterprise's Core Systems as cloud computing systems, and "Emotional Systems Business" which manufactures and sells VR-theater "4D king"	Japan
Fangdd Network Group Ltd.	1-Nov-19	NASDAQ Global	Operator of "房多多", china's largest online real estate marketplace	China
Ligua Inc.	13-Mar-20	TSE Mothers	Consulting for Judo therapy establishments, Insurance agency, Financial adviser and Independent contractor management	Japan

For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

No applicable items

(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, 2019	As of June 30, 2020	As of March 31, 2020
Total commitment amount in investment funds (Millions of yen) (Total commitment amount of JAIC group)	16,150 (5,216)	16,480 (4,887)	17,390 (5,163)
No. of funds	10	11	11

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

ii) Funds newly established or those commitment amount increased

For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)			
Newly established		Commitment amount increased	
Total commitment amount in investment funds (Millions of yen)	—	Total commitment amount increased (Millions of yen)	—
No. of funds	—	No. of funds	—

For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)			
Newly established		Commitment amount increased	
Total commitment amount in investment funds (Millions of yen)	151	Total commitment amount increased (Millions of yen)	—
No. of funds	1	No. of funds	—

For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)			
Newly established		Commitment amount increased	
Total commitment amount in investment funds (Millions of yen)	1,359	Total commitment amount increased (Millions of yen)	—
No. of funds	1	No. of funds	—

iii) Details of funds newly established or those commitment amount increased

For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

No applicable items

For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

Name of fund	Date of establishment	Total commitment amount (Millions of yen)	Main investment targets
Hokkaido SME Global Fund, L.P.	April 2020	151	SMEs in Hokkaido those intend to grow the business through overseas expansion and incorporation of demand related to inbound tourism

For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

Name of fund	Date of commitment amount increased	Total commitment amount increased (Millions of yen)	Main investment targets
JAIC-Solar Fund, L.P., II	March 2020	1,359	Mega solar projects in operation

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

	For the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)	For the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total commitment amount in investment funds (Millions of yen)	9,470	500	—
No. of funds	6	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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	4,520	4,592
Operational investment securities	9,848	9,786
Allowance for possible investment loss	(1,574)	(1,568)
Operating loans	204	204
Other	767	1,229
Total current assets	13,767	14,244
Non-current assets		
Property, plant and equipment		
Buildings and structures	29	204
Accumulated depreciation	(17)	(23)
Buildings and structures, net	12	180
Machinery and equipment	8,826	11,335
Accumulated depreciation	(373)	(533)
Machinery and equipment, net	8,452	10,802
Vehicles, tools, furniture and fixtures	71	72
Accumulated depreciation	(63)	(64)
Vehicles, tools, furniture and fixtures, net	7	8
Land	87	100
Construction in progress	3,559	2,435
Total property, plant and equipment	12,119	13,527
Intangible assets		
Power production facilities concessions	1,491	1,426
Other	228	241
Total intangible assets	1,719	1,667
Investments and other assets		
Investment securities	386	377
Distressed receivables	64	61
Other	509	597
Allowance for doubtful accounts	(18)	(16)
Total investments and other assets	941	1,019
Total non-current assets	14,780	16,214
Total assets	28,548	30,459

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Short-term borrowings	1,403	2,188
Current portion of bonds payable	540	1,648
Accrued expenses	1,756	444
Income taxes payable	80	31
Provision for bonuses	64	18
Other	31	42
Total current liabilities	3,876	4,373
Non-current liabilities		
Bonds payable	—	191
Long-term borrowings	15,390	16,686
Deferred tax liabilities	10	18
Retirement benefit liability	123	128
Asset retirement obligations	431	521
Total non-current liabilities	15,955	17,547
Total liabilities	19,832	21,920
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,408	3,408
Retained earnings	(1,608)	(1,853)
Treasury shares	(353)	(353)
Total shareholders' equity	6,871	6,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194	150
Foreign currency translation adjustment	152	143
Total accumulated other comprehensive income	347	293
Share acquisition rights	25	25
Non-controlling interests	1,472	1,591
Total net assets	8,716	8,538
Total liabilities and net assets	28,548	30,459

(2) Consolidated Statements of Income

	(Millions of yen)	
	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Operating revenue	483	617
Operating costs	190	464
Operating gross profit	292	153
Selling, general and administrative expenses	350	338
Operating loss	(57)	(185)
Non-operating income		
Interest income	1	1
Dividend income	3	1
Foreign exchange gains	0	3
Gain on investments in investment partnerships	6	26
Miscellaneous income	1	1
Total non-operating income	12	34
Non-operating expenses		
Interest expenses	82	81
Miscellaneous loss	0	—
Total non-operating expenses	82	81
Ordinary loss	(126)	(232)
Extraordinary income		
Gain on redemption of investment securities	—	8
Gain on liquidation of subsidiaries and associates	3	—
Gain on sales of shares of subsidiaries and associates	4	—
Other	0	0
Total extraordinary income	7	8
Extraordinary losses		
Loss on redemption of investment securities	—	0
Total extraordinary losses	—	0
Loss before income taxes	(119)	(224)
Income taxes - current	3	3
Total income taxes	3	3
Loss	(123)	(227)
Profit attributable to non-controlling interests	20	17
Loss attributable to owners of parent	(143)	(245)

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Loss	(123)	(227)
Other comprehensive income		
Valuation difference on available-for-sale securities	(105)	44
Foreign currency translation adjustment	(2)	(8)
Share of other comprehensive income of entities accounted for using equity method	(12)	(81)
Total other comprehensive income	(121)	(46)
Comprehensive income	(244)	(274)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(225)	(298)
Comprehensive income attributable to non-controlling interests	(19)	24

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Cash flows from operating activities		
Loss before income taxes	(119)	(224)
Depreciation	3	9
Increase (decrease) in allowance for investment loss	(0)	(2)
Increase (decrease) in allowance for doubtful accounts	(5)	(1)
Increase (decrease) in provision for bonuses	(39)	(45)
Increase (decrease) in retirement benefit liability	3	4
Interest and dividend income	(4)	(2)
Interest expenses	40	34
Loss (gain) on investments in investment partnerships	(6)	(26)
Loss on valuation of operational investment securities	0	—
Decrease (increase) in investment securities for sale	(314)	122
Decrease (increase) in operating loans receivable	—	(58)
Decrease (increase) in distressed receivables	7	2
Payment for purchase of investment funds	(144)	(295)
Dividends from investment funds	492	648
Increase (decrease) in investment funds of non-controlling interest	(19)	(13)
Other, net	(13)	(61)
Subtotal	(118)	90
Interest and dividends received	4	2
Interest paid	(62)	(53)
Income taxes paid	(10)	(12)
Net cash provided by (used in) operating activities	(187)	28
Cash flows from investing activities		
Purchase of intangible assets	(3)	(9)
Proceeds from sales of investment securities	0	4
Proceeds from redemption of investment securities	47	38
Other, net	(0)	6
Net cash provided by (used in) investing activities	43	39
Cash flows from financing activities		
Repayments of long-term borrowings	(896)	(513)
Other, net	(0)	—
Net cash provided by (used in) financing activities	(896)	(513)
Effect of exchange rate change on cash and cash equivalents	5	(3)
Net increase (decrease) in cash and cash equivalents	(1,034)	(449)
Cash and cash equivalents at beginning of period	4,082	2,723
Cash and cash equivalents at end of period	3,048	2,274

(5) Notes on Quarterly Consolidated Financial Statements

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

No applicable items

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

No applicable items

Information for Reference Purposes:

Consolidated Financial Results for the First Quarter Ended June 30, 2020

August 14, 2020

Consolidated Financial Statements, etc., under the Previous Accounting Standards for the First Quarter Ended June 30, 2020 (As of June 30, 2020)

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 first quarter ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(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, 2020	282	43.6	(246)	—	(246)	—	(241)	—
For three months ended June 30, 2019	196	3.7	(118)	—	(146)	—	(142)	—

	Net income per share	Diluted net income per share
	Yen	Yen
For three months ended June 30, 2020	(13.65)	—
For three months ended June 30, 2019	(8.07)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	14,877	6,954	46.6	391.39
As of March 31, 2020	15,800	7,248	45.7	408.06

(Reference) Total shareholders' equity As of June 30, 2020: 6,928 millions of yen, As of March 31, 2020: 7,223 millions of yen

2. Outlook for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

The private equity investment business conducted by the Group will be significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment. For the convenience of investors and shareholders, however, we disclose “result forecast consolidated under the Previous Accounting Standard” even though it doesn’t have enough rationality.

(Percentages indicate changes from the corresponding period of the previous fiscal year)

	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 six months ending September 30, 2020	670	(3.1)	(390)	—	(420)	—	(440)	—
For the year ending March 31, 2021	3,250	17.7	350	31.9	200	42.0	180	(40.5)

Net income per share	
Yen	
For six months ending September 30, 2020	(24.85)
For the year ending March 31, 2021	10.17

(Note) Revision of dividends forecast during the current quarterly period: Yes

For details, please refer to “Notice of Revision to “Result Forecast Consolidated Under the Previous Accounting Standard” disclosed on August 14, 2020.

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 June 30, 2020.

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, 2021 (April 1, 2020 to March 31, 2021)” on page 21 in “Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese Standards] (Summary of Japanese announcement)” disclosed on May 15, 2020 and “Notice of Revision on “Result Forecast Consolidated Under the Previous Accounting Standard” for the First Half of FY March 2021” disclosed on August 14, 2020.

3. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Total operating revenue (A)	196	282	2,760
Management fees	55	45	199
Proceeds of sales of operational investment securities (B)	90	73	2,349
Fund interests income and Income gains etc.	40	150	172
Other operating revenue	10	12	40
Total operating cost (C)	59	270	1,401
Cost of securities sold (D)	50	19	965
Investment write-offs & Provision for allowance for possible investment losses (E)	5	0	245
Fund interests losses etc.	1	249	184
Other operating cost	1	1	5
Operating gross profit (A) - (C)	136	11	1,359
Realized capital gains (B) - (D)	39	54	1,383
Investment income (B) - (D)-(E)	34	53	1,137

(2) Asset, Liability and Net asset

(Millions of yen)

	As of June 30, 2019	As of June 30, 2020	As of March 31, 2020
Total asset	16,029	14,877	15,800
Total liabilities	9,392	7,922	8,551
Loans payable	8,887	7,653	8,166
Total net asset	6,637	6,954	7,248
Total shareholders' equity	6,615	6,928	7,223

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	3,920	2,914
Operational investment securities	11,728	11,761
Allowance for possible investment loss	(1,092)	(1,089)
Operating loans	294	352
Other	219	212
Total current assets	15,070	14,151
Non-current assets		
Property, plant and equipment		
Buildings and structures	29	29
Accumulated depreciation	(17)	(22)
Buildings and structures, net	12	6
Vehicles, tools, furniture and fixtures	70	71
Accumulated depreciation	(63)	(64)
Vehicles, tools, furniture and fixtures, net	6	6
Land	9	9
Total property, plant and equipment	28	22
Intangible assets		
Other	213	226
Total intangible assets	213	226
Investments and other assets		
Investment securities	386	377
Claims provable in bankruptcy, claims provable in rehabilitation and other	64	61
Other	55	53
Allowance for doubtful accounts	(18)	(16)
Total investments and other assets	488	476
Total non-current assets	730	725
Total assets	15,800	14,877

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Short-term borrowings	513	1,199
Accrued expenses	64	36
Income taxes payable	80	31
Provision for bonuses	64	18
Other	40	35
Total current liabilities	764	1,321
Non-current liabilities		
Long-term borrowings	7,653	6,453
Deferred tax liabilities	10	18
Retirement benefit liability	123	128
Total non-current liabilities	7,787	6,600
Total liabilities	8,551	7,922
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,703)	(1,945)
Treasury shares	(353)	(353)
Total shareholders' equity	6,874	6,632
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	353	303
Foreign currency translation adjustment	(3)	(7)
Total accumulated other comprehensive income	349	296
Share acquisition rights	25	25
Total net assets	7,248	6,954
Total liabilities and net assets	15,800	14,877

(2) Consolidated Statements of Income

	(Millions of yen)	
	For three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Operating revenue	196	282
Operating cost	59	270
Operating gross profit	136	11
Selling, general and administrative expenses	255	257
Operating loss	(118)	(246)
Non-operating income		
Interest income	1	1
Dividend income	3	1
Foreign exchange gains	0	3
Gain on investments in investment partnerships	6	26
Miscellaneous income	1	1
Total non-operating income	12	34
Non-operating expenses		
Interest expenses	40	34
Miscellaneous loss	0	—
Total non-operating expenses	40	34
Ordinary loss	(146)	(246)
Extraordinary income		
Gain on redemption of investment securities	—	8
Gain on liquidation of subsidiaries and associates	3	—
Gain on sales of shares of subsidiaries and associates	4	—
Other	0	—
Total extraordinary income	7	8
Extraordinary losses		
Loss on redemption of investment securities	—	0
Total extraordinary losses	—	0
Loss before income taxes	(139)	(238)
Income taxes - current	3	3
Total income taxes	3	3
Loss	(142)	(241)
Loss attributable to owners of parent	(142)	(241)