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**Consolidated Financial Results**  
**for the Year Ended March 31, 2021**  
**[Japanese Standards]**  
(Summary of Japanese announcement)

May 14, 2021

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: +81-3-3221-8518 (main)  
Scheduled date for ordinary general meeting of shareholders: June 25, 2021  
Scheduled date for submission of annual report: June 28, 2021  
Scheduled date for start of payment of dividends: —  
The additional materials of the Financial Results: Yes  
The briefing session of the Financial Results: None \*We will distribute a video explaining financial results in Japanese on our website.

(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, 2021 (April 1, 2020 to March 31, 2021)**

(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, 2021	3,709	(6.1)	(163)	—	(399)	—	33	(90.3)
For the year ended March 31, 2020	3,950	12.8	716	143.6	441	7,509.0	343	(40.5)

(Note) Comprehensive Income

For the year ended March 31, 2021: 174 millions of yen (71.9)%

For the year ended March 31, 2020: 619 millions of yen 129.5%

	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, 2021	1.89	1.88	0.5	(1.5)	(4.4)
For the year ended March 31, 2020	19.40	19.35	4.9	1.5	18.1

(Reference)Equity in earnings (loss) of affiliates

For the year ended March 31 2021: — millions of yen

For the year ended March 31 2020: — millions of yen

(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, 2021	25,165	9,106	29.1	413.98
As of March 31, 2020	28,548	8,716	25.3	407.79

(Reference) Total shareholders' equity;

As of March 31, 2021: 7,328 millions of yen / As of March 31, 2020: 7,219 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, 2021	1,728	61	(1,216)	3,301
For the year ended March 31, 2020	124	147	(1,617)	2,723

**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, 2021	—	0.00	—	0.00	0.00
Year ended March 31, 2020	—	0.00	—	0.00	0.00
Year ending March 31, 2022 (forecast)	—	0.00	—	0.00	0.00

**3. Outlook for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)**

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. For details, please refer to “2. Outlook for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)” on page 22.

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): None

[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: None

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

(iii) Changes in accounting estimates: None

(iv) Correction of prior period errors: None

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

(i) Shares issued and outstanding at the end of each period (including treasury stock)	The year ended March 31, 2021:	17,884,392 shares	The year ended March 31, 2020:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	The year ended March 31, 2021:	181,009 shares	The year ended March 31, 2020:	181,009 shares
(ii) Average number of shares during the period	The year ended March 31, 2021:	17,703,383 shares	The year ended March 31, 2020:	17,703,383 shares

## Reference: Non-consolidated results

### Business results for the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	2,907	13.4	196	(11.7)	152	63.0	134	(45.8)
For the year ended March 31, 2020	2,565	12.9	222	(35.3)	93	(61.9)	248	(57.8)

	Net income per share	Diluted net income per share
	Yen	Yen
For the year ended March 31, 2021	7.61	7.58
For the year ended March 31, 2020	14.04	14.00

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	14,254	7,001	48.9	393.89
As of March 31, 2020	15,418	6,901	44.6	388.44

(Reference) Total shareholders' equity As of March 31, 2021: 6,973 millions of yen / As of March 31, 2020: 6,876 millions of yen

\*This report is not subject to audit procedures.

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

The additional materials of the financial results for the year ended March 31, 2021 will be released on our website on May 14, 2021.

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) Breakdown of operating revenue and operating cost

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Total operating revenue	3,950	3,709
Management fees	134	122
Proceeds of sales of operational investment securities	2,768	2,112
Fund interests income and Income gains etc.	1,028	1,450
Other operating revenue	19	24

Total operating cost	1,956	2,516
Cost of securities sold	1,051	1,199
Investment write-offs & Provision for allowance for possible investment losses	283	199
Fund interests losses etc.	617	1,109
Other operating cost	5	7

Operating gross profit	1,993	1,192
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### (2) Investment income

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)			For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		
	Project investment	Private equity investment	total	Project investment	Private equity investment	total
Proceeds of sales of operational investment securities (A)	1,542	1,226	2,768	689	1,422	2,112
Cost of securities sold (B)	489	561	1,051	501	697	1,199
Realized capital gains (A)-(B)	1,052	664	1,717	188	725	913
Investment write-offs & Provision for allowance for possible investment losses (C)	—	283	283	—	199	199
Investment income (A)-(B)-(C)	1,052	381	1,434	188	525	713

(3) Cash flows

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Cash flow from operating activities	124	1,728
Cash flow from investing activities	147	61
Cash flow from financing activities	(1,617)	(1,216)
Cash and cash equivalents at the end of period	2,723	3,301

(4) Breakdown of total assets

(Millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	28,548	—	25,165	—
Cash and deposits	4,520	—	6,486	—
Property, plant and equipment	12,119	—	7,852	—
Operational Investment Securities (A)	9,848	—	9,379	—
Allowance for Possible Investment Loss (B)	(1,574)	16.0	(1,349)	14.4

(5) Breakdown of loans payable

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Total of loans payable and bonds	17,334	14,990
Loans payable; Non-consolidated base	8,166	6,950
Loans payable by project finance and bonds; Consolidated projects	9,167	8,039

## 2. Business Position

### (1) Investment activities (JAIC+Funds)

#### i) Breakdown of new investment and new loan

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)		For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area				
Project investment (Japan)	11	2,240	14	1,445
Private equity investment subtotal	12	1,224	5	322
Japan	12	1,224	5	322
China, Hong Kong, Taiwan etc.	-	-	-	-
2) Investment program				
Project oriented investment subtotal	11	2,240	14	1,445
Renewable energy	5	1,017	4	246
Healthcare	2	290	5	452
Smart agriculture	1	260	1	530
Distribution center	2	373	4	217
Other	1	300	-	-
Private equity investment subtotal	12	1,224	5	322
Strategic investment	5	632	2	214
Financial investment	7	591	3	107
Total	23	3,464	19	1,767

Note 1 Due to an increase in loan execution for the projects by the JAIC Group, the aggregation method has been changed from the current fiscal year under review to include loans extended to the projects (excluding distressed receivables) in the scope of aggregation. As a result of this change, new investments and loans in the previous fiscal year increased by 90 million yen in one project.

Note 2 Based on the Medium-term Management Plan (from FY Mar. 2022 to FY Mar. 2024) announced on December 28, 2020, the presentation by type has been changed from the current fiscal year under review. Due to this change, the figures for the previous fiscal year have also been reclassified.

Note 3 Strategic investment is investment in partner companies in the projects for which the JAIC Group makes investment or provides loans. Financial investment is investment in companies other than strategic investment.

ii) Balance of investment and loan

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)		For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area				
Project investment (Japan)	33	6,786	33	6,088
Private equity investment subtotal	98	8,405	88	6,767
Japan	52	3,815	48	3,652
China, Hong Kong, Taiwan etc.	46	4,589	40	3,115
2) Investment program				
Project oriented investment subtotal	33	6,786	33	6,088
Renewable energy	27	5,714	21	3,999
Healthcare	2	289	6	738
Smart agriculture	1	109	1	532
Distribution center	2	373	4	540
Other	1	300	1	277
Private equity investment subtotal	98	8,405	88	6,767
Strategic investment	6	1,005	6	1,155
Financial investment	92	7,399	82	5,612
Total	131	15,191	121	12,855

Note 1 Due to an increase in loan execution for the projects by the JAIC Group, the aggregation method has been changed from the current fiscal year under review to include loans extended to the projects (excluding distressed receivables) in the scope of aggregation. As a result of this change, the balance of investments and loans in the previous fiscal year increased by 89 million yen in one project.

Note 2 Based on the Medium-term Management Plan (from FY Mar. 2022 to FY Mar. 2024) announced on December 28, 2020, the presentation by type has been changed from the current fiscal year under review. Due to this change, the figures for the previous fiscal year have also been reclassified.

Note 3 Strategic investment is investment in partner companies in the projects for which the JAIC Group makes investment or provides loans. Financial investment is investment in companies other than strategic investment.

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

i) Number of IPOs

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Number of IPOs (total of Japan & overseas)	4 companies	2 companies
First price multiple (average of Japan & overseas)	5.2 times	2.3 times

Note: First price multiple = Market value of shares held by the Group calculated at first price/Total our acquisition cost.  
We do not include listed shares those we acquired by equity swaps when we calculate the first price multiple.

ii) 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 the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Company Name	Date of IPO	Market	Business	Head quarters
FunPep Company Limited	25-Dec-20	TSE Mothers	Research and development of pharmaceuticals based on functional peptides	Japan
Kringle Pharma, Inc.	28-Dec-20	TSE Mothers	Research and development of HGF (hepatocyte growth factor) protein as a therapeutic agent for intractable diseases	Japan



**(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, 2020			As of March 31, 2021		
	Number of funds	Commitment amount of investment funds (Millions of yen)	Net asset value of investment funds (Millions of yen)	Number of funds	Commitment amount of investment funds (Millions of yen)	Net asset value of investment funds (Millions of yen)
During operation period	5	8,236	3,874	4	6,510	2,720
Maturity is being extended	6	9,153	3,989	4	6,913	2,279
During liquidation procedure	—	—	—	3	3,026	1,053
Total (Total commitment amount of JAIC group)	11	17,390 (5,163)	7,864	11	16,450 (5,434)	6,053

Note: Since the number of funds in the course of being wound up while possessing investment assets has increased, funds during the liquidation procedure are included in the scope of disclosure from the current fiscal year under review.

ii) Funds during operation period (as of March 31, 2021)

Name of fund	Inception	Maturity	Total commitment amount (Millions of yen)	Features
JAIC Venture Capital Investment L.P.	Feb. 2016	Feb. 2026	2,000	Secondary investment fund targeting mainly venture companies in Japan. Domestic leading financial institution invested in this fund.
Succession Investment Limited Partnership, I	Jun. 2017	Jun. 2027	3,000	General partner of the Fund is a joint venture between JAIC and Aozora Bank, Ltd., an affiliated company not covered by the equity method. Supporting the business succession needs of SMEs in Japan.
JAIC-Solar Fund, L.P.,II	Mar. 2020	Dec. 2039	1,359	Investment target of the Fund is mega solar projects in operation.
Hokkaido SME Global Fund, L.P.	Apr. 2020	Dec. 2026	151	JAIC and Asian Market Planning Co., Ltd. jointly manage the Fund as Co-GP. Investing in SMEs in Hokkaido that operate or aim to operate in overseas market and that promote business to meet inbound demand

Notes:

- 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.
- 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 March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	4,520	6,486
Operational investment securities	9,848	9,379
Allowance for possible investment loss	(1,574)	(1,349)
Operating loans	204	204
Other	767	355
Total current assets	13,767	15,075
Non-current assets		
Property, plant and equipment		
Buildings and structures	29	211
Accumulated depreciation	(17)	(9)
Buildings and structures, net	12	201
Machinery and equipment	8,826	7,968
Accumulated depreciation	(373)	(514)
Machinery and equipment, net	8,452	7,453
Vehicles, tools, furniture and fixtures	71	55
Accumulated depreciation	(63)	(38)
Vehicles, tools, furniture and fixtures, net	7	16
Land	87	46
Construction in progress	3,559	133
Total property, plant and equipment	12,119	7,852
Intangible assets		
Power production facilities concessions	1,491	1,210
Other	228	246
Total intangible assets	1,719	1,456
Investments and other assets		
Investment securities	386	365
Distressed receivables	64	49
Other	509	377
Allowance for doubtful accounts	(18)	(12)
Total investments and other assets	941	780
Total non-current assets	14,780	10,089
Total assets	28,548	25,165

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,403	919
Current portion of bonds payable	540	6
Accrued expenses	1,756	389
Income taxes payable	80	39
Provision for bonuses	64	49
Other	31	30
<b>Total current liabilities</b>	<b>3,876</b>	<b>1,434</b>
Non-current liabilities		
Bonds payable	—	185
Long-term borrowings	15,390	13,879
Deferred tax liabilities	10	19
Retirement benefit liability	123	137
Asset retirement obligations	431	403
<b>Total non-current liabilities</b>	<b>15,955</b>	<b>14,624</b>
<b>Total liabilities</b>	<b>19,832</b>	<b>16,059</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,408	3,515
Retained earnings	(1,608)	(1,575)
Treasury shares	(353)	(353)
<b>Total shareholders' equity</b>	<b>6,871</b>	<b>7,012</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194	124
Foreign currency translation adjustment	152	191
<b>Total accumulated other comprehensive income</b>	<b>347</b>	<b>316</b>
Share acquisition rights	25	27
Non-controlling interests	1,472	1,749
<b>Total net assets</b>	<b>8,716</b>	<b>9,106</b>
<b>Total liabilities and net assets</b>	<b>28,548</b>	<b>25,165</b>

(2) Consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Operating revenue	3,950	3,709
Operating costs	1,956	2,516
Operating gross profit	1,993	1,192
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	150	158
Salaries and allowances	238	244
Taxes and dues	155	152
Fund interests expenses	245	308
Other	488	491
Total selling, general and administrative expenses	1,277	1,355
Operating profit (loss)	716	(163)
Non-operating income		
Interest income	9	8
Dividend income	4	2
Foreign exchange gains	2	26
Gain on investments in investment partnerships	6	43
Outsourcing service income	3	4
Rental income from facilities	3	3
Miscellaneous income	2	3
Total non-operating income	32	91
Non-operating expenses		
Interest expenses	305	328
Miscellaneous losses	2	0
Total non-operating expenses	307	328
Ordinary profit (loss)	441	(399)
Extraordinary income		
Gain on sale of non-current assets	6	622
Gain on sale of investment securities	173	4
Other	8	10
Total extraordinary income	189	637
Extraordinary losses		
Loss on valuation of investment securities	—	25
Loss on redemption of investment securities	2	0
Other	—	2
Total extraordinary losses	2	29
Profit before income taxes	628	208
Income taxes - current	23	16
Total income taxes	23	16
Profit	604	191
Profit attributable to non-controlling interests	261	158
Profit attributable to owners of parent	343	33

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Profit	604	191
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	96
Foreign currency translation adjustment	(47)	40
Share of other comprehensive income of entities accounted for using equity method	185	(154)
Total other comprehensive income	15	(17)
Comprehensive income	619	174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	423	2
Comprehensive income attributable to non-controlling interests	197	171

(4) Consolidated Statements of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,426	3,408	(1,952)	(353)	6,528
Changes during period					
Profit attributable to owners of parent			343		343
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	343	—	343
Balance at end of period	5,426	3,408	(1,608)	(353)	6,871

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	71	195	267	21	1,583	8,400
Changes during period						
Profit attributable to owners of parent						343
Change in ownership interest of parent due to transactions with non-controlling interests						—
Net changes in items other than shareholders' equity	122	(43)	79	3	(110)	(27)
Total changes during period	122	(43)	79	3	(110)	315
Balance at end of period	194	152	347	25	1,472	8,716

For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,426	3,408	(1,608)	(353)	6,871
Changes during period					
Profit attributable to owners of parent			33		33
Change in ownership interest of parent due to transactions with non-controlling interests		107			107
Net changes in items other than shareholders' equity					
Total changes during period	—	107	33	—	140
Balance at end of period	5,426	3,515	(1,575)	(353)	7,012

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	194	152	347	25	1,472	8,716
Changes during period						
Profit attributable to owners of parent						33
Change in ownership interest of parent due to transactions with non-controlling interests						107
Net changes in items other than shareholders' equity	(69)	38	(30)	2	277	249
Total changes during period	(69)	38	(30)	2	277	389
Balance at end of period	124	191	316	27	1,749	9,106

(5) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	628	208
Depreciation	15	29
Increase (decrease) in allowance for investment loss	73	(332)
Increase (decrease) in allowance for doubtful accounts	(6)	(6)
Increase (decrease) in provision for bonuses	1	(15)
Increase (decrease) in retirement benefit liability	7	13
Interest and dividend income	(8)	(7)
Interest expenses	153	129
Loss (gain) on investments in investment partnerships	(6)	(43)
Loss (gain) on sale of investment securities	(173)	(4)
Loss (gain) on redemption of investment securities	2	(8)
Loss (gain) on sale of shares of subsidiaries and associates	(4)	—
Loss on valuation of operational investment securities	49	—
Decrease (increase) in investment securities for sale	(1,446)	173
Decrease (increase) in operating loans receivable	(89)	(149)
Decrease (increase) in distressed receivables	18	15
Payment for purchase of investment funds	(1,590)	(1,284)
Dividends from investment funds	2,954	3,171
Increase (decrease) in investment funds of minority interest	(302)	(46)
Other, net	9	(102)
Subtotal	285	1,738
Interest and dividends received	8	7
Interest paid	(159)	(134)
Income taxes paid	(44)	(24)
Income taxes refund	34	142
Net cash provided by (used in) operating activities	124	1,728
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(0)	(48)
Purchase of intangible assets	(123)	(29)
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	215	46
Proceeds from redemption of investment securities	62	38
Other, net	(4)	57
Net cash provided by (used in) investing activities	147	61
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(1,617)	(1,216)
Other, net	(0)	—
Net cash provided by (used in) financing activities	(1,617)	(1,216)
Effect of exchange rate change on cash and cash equivalents	(12)	3
Net increase (decrease) in cash and cash equivalents	(1,358)	577
Cash and cash equivalents at beginning of period	4,082	2,723
Cash and cash equivalents at end of period	2,723	3,301



(6) Notes to Consolidated Financial Statements

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

No applicable items

(Additional Information)

COVID-19 has a widespread impact on the economy and business activities. However, the impact on the Group has been limited since the end of the previous consolidated fiscal year. We make accounting estimates of investment valuations based on the assumption that the impact of this infectious disease on the economy and corporate activities will be new normal.

(Segment Information)

Segment information is not provided as the Group has single segment; Investment business.

(Per-share Data)

	For the year ended March 31, 2020 (April 1, 2019, to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020, to March 31, 2021)
Net assets per share	¥407.79	¥413.98
Net income per share	¥19.40	¥1.89
Diluted net income per share	¥19.35	¥1.88

Note:

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, 2020 (April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	343	33
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent relating to common stock (Millions of yen)	343	33
Average no. of shares outstanding during the term (Thousands)	17,703	17,703
Diluted net income per share		
Adjustment of net income attributable to owners of parent (Millions of yen)	—	—
Increase in common stock (Thousands)	49	61
<i>Share acquisition rights</i>	49	61
Latent shares not included in diluted net income per share calculation due to lack of dilution effect	—	—

(Important Subsequent Events)

No applicable items

#### 4. Non-consolidated Financial Statements

##### (1) Balance Sheets

(Millions of yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,506	3,277
Operational investment securities	11,696	10,426
Allowance for possible investment loss	(1,092)	(843)
Operating loans	294	444
Accounts receivable - other	147	72
Other	45	89
Total current assets	14,597	13,466
Non-current assets		
Property, plant and equipment		
Buildings	12	33
Tools, furniture and fixtures	4	12
Land	9	0
Total property, plant and equipment	26	46
Intangible assets		
Other	13	15
Total intangible assets	13	15
Investments and other assets		
Investment securities	246	266
Shares of subsidiaries and associates	373	333
Distressed receivables	64	49
Other	113	90
Allowance for doubtful accounts	(18)	(12)
Total investments and other assets	780	726
Total non-current assets	820	788
<b>Total assets</b>	<b>15,418</b>	<b>14,254</b>

(Millions of yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	513	507
Accrued expenses	62	51
Income taxes payable	69	35
Provision for bonuses	58	43
Other	24	15
Total current liabilities	729	654
Non-current liabilities		
Long-term borrowings	7,653	6,442
Provision for retirement benefits	123	137
Deferred tax liabilities	10	19
Total non-current liabilities	7,787	6,599
Total liabilities	8,516	7,253
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus		
Legal capital surplus	1,426	1,426
Other capital surplus	2,081	2,081
Total capital surplus	3,507	3,507
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(2,066)	(1,932)
Total retained earnings	(2,066)	(1,932)
Treasury shares	(353)	(353)
Total shareholders' equity	6,513	6,647
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	363	325
Total valuation and translation adjustments	363	325
Share acquisition rights	25	27
Total net assets	6,901	7,001
<b>Total liabilities and net assets</b>	<b>15,418</b>	<b>14,254</b>

(2) Statements of Income

(Millions of yen)

	For year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Operating revenue	2,565	2,907
Operating costs	1,393	1,783
Operating gross profit	1,171	1,124
Selling, general and administrative expenses	949	928
Operating profit	222	196
Non-operating income		
Interest income	3	3
Dividend income	4	2
Foreign exchange gains	1	26
Gain on investments in investment partnerships	6	43
Outsourcing service income	3	4
Rental income from facilities	4	4
Miscellaneous income	0	0
Total non-operating income	24	84
Non-operating expenses		
Interest expenses	153	129
Total non-operating expenses	153	129
Ordinary profit	93	152
Extraordinary income		
Gain on sale of non-current assets	6	3
Gain on sale of investment securities	173	4
Gain on redemption of investment securities	—	8
Other	0	—
Total extraordinary income	180	16
Extraordinary losses		
Loss on valuation of investment securities	—	25
Loss on redemption of investment securities	2	0
Loss on valuation of shares of subsidiaries and associates	13	—
Loss on liquidation of subsidiaries and associates	3	—
Other	0	2
Total extraordinary losses	19	29
Profit before income taxes	253	139
Income taxes - current	5	4
Total income taxes	5	4
Profit	248	134

## Information for Reference Purposes:

### Consolidated Financial Results for the Year Ended March 31, 2021

May 14, 2021

#### Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Year Ended March 31, 2021 (As of March 31, 2021)

#### 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, 2021 (April 1, 2020 to March 31, 2021)

##### (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, 2021	3,089	11.9	214	(19.2)	173	23.5	144	(52.1)
For the year ended March 31, 2020	2,760	11.5	265	49.6	140	67.9	302	(47.7)

	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, 2021	8.18	8.15	2.0	1.1	6.9
For the year ended March 31, 2020	17.09	17.04	4.3	0.9	9.6

##### (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, 2021	14,657	7,366	50.1	414.50
As of March 31, 2020	15,800	7,248	45.7	408.06

(Reference) Total shareholders' equity As of March 31, 2021: 7,338 millions of yen / As of March 31, 2020: 7,223 millions of yen

**2. Outlook for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)**

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, 2021	700	29.4	(220)	—	(250)	—	(250)	—
For the year ending March 31, 2022	2,950	(4.5)	510	137.8	430	147.2	340	134.8

	Net income per share
	Yen
For six months ending September 30, 2021	(14.12)
For the year ending March 31, 2022	19.21

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, 2021.

### 3. Business Performance and Financial Condition

#### (1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Total operating revenue	2,760	3,089
Management fees	199	169
Proceeds of sales of operational investment securities	2,349	2,221
Fund interests income and Income gains etc.	172	648
Other operating revenue	40	49

Total operating cost	1,401	1,788
Cost of securities sold	965	1,249
Investment write-offs & Provision for allowance for possible investment losses	245	194
Fund interests losses etc.	184	336
Other operating cost	5	7

Operating gross profit	1,359	1,301
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#### (2) Investment income

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)			For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		
	Project investment	Private equity investment	total	Project investment	Private equity investment	total
Proceeds of sales of operational investment securities (A)	1,542	806	2,349	880	1,341	2,221
Cost of securities sold (B)	489	476	965	587	662	1,249
Realized capital gains (A)-(B)	1,052	330	1,383	293	678	972
Investment write-offs & Provision for allowance for possible investment losses (C)	—	245	245	—	194	194
Investment income (A)-(B)-(C)	1,052	85	1,137	293	484	777

(3) Asset, Liability and Net asset (Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Total asset	15,800	14,657
Total liabilities	8,551	7,291
Loans payable	8,166	6,950
Total net asset	7,248	7,366
Total shareholders' equity	7,223	7,338

(4) Result forecast consolidated under the Previous Accounting Standard

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.

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.

Assumptions used in the "result forecast consolidated under the Previous Accounting Standard" are as follows.

(A) Operating revenue

Consolidated operating revenue is expected to be 2,950 million yen. The breakdown is as follows.

Management fees will decrease from the fiscal year ended March 2021 to 120 million yen in line with a decline in assets under management of existing funds. There will be no success fees.

Out of revenues of investment operations, proceeds of sales of operational investment securities will increase from the fiscal year ended March 2021 to 2,300 million yen as a result of the sale of shares in private equity investment. This will attributable mainly to IPOs in Japan and the sales of unlisted shares in Greater China, and we expected to record 700 million yen for IPOs and 1,600 million yen for unlisted shares. As for revenues from projects, we expected to record 460 million yen as the gains on the sale of four projects in total including mega solar, distribution center and other projects as well as revenues from mega solar projects in operation. In addition, we expect to record 70 million yen as consulting fees and income gains.

(B) Operating income

Operating cost is expected to be 1,320 million yen, including cost of securities sold of 960 million yen. As for breakdown, we expect to record 120 million yen for IPOs and 840 million yen for unlisted shares. Valuation losses and provisions are expected to be 270 million yen, assuming that they will occur at a certain ratio to the investment balance. As for profit from the projects operated by JAIC, fund interests losses are expected to 70 million yen due to the anticipatory expenses for renewable energy projects and vegetable factories. Other operating cost will be 20 million yen.

Selling, general and administrative expenses are expected to 1,120 million yen, about the same level as the fiscal year ended March 2021. As a result, consolidated operating profit is expected to be 510 million yen.

(C) Ordinary income

Non-operating income such as foreign exchange gains will be 30 million yen, and non-operating expenses such as interest expenses will be 110 million yen. As a result, consolidated ordinary profit is expected to be 430 million yen.

(D) Profit attributable to owners of parent

There will be no extraordinary income or loss. Tax expenses are expected to be 90 million yen, and profit attributable to owners of parent is expected to be 340 million yen.



4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,920	3,699
Operational investment securities	11,728	10,457
Allowance for possible investment losse	(1,092)	(845)
Operating loans	294	444
Other	219	187
Total current assets	15,070	13,942
Non-current assets		
Property, plant and equipment		
Buildings and structures	29	36
Accumulated depreciation	(17)	(3)
Buildings and structures, net	12	33
Vehicles, tools, furniture and fixtures	70	54
Accumulated depreciation	(63)	(38)
Vehicles, tools, furniture and fixtures, net	6	15
Land	9	0
Total property, plant and equipment	28	49
Intangible assets		
Other	213	231
Total intangible assets	213	231
Investments and other assets		
Investment securities	386	365
Distressed receivables	64	49
Other	55	32
Allowance for doubtful accounts	(18)	(12)
Total investments and other assets	488	434
Total non-current assets	730	715
Total assets	15,800	14,657

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	513	507
Accrued expenses	64	57
Income taxes payable	80	39
Provision for bonuses	64	49
Other	40	38
Total current liabilities	764	691
Non-current liabilities		
Long-term borrowings	7,653	6,442
Deferred tax liabilities	10	19
Retirement benefit liability	123	137
Total non-current liabilities	7,787	6,599
Total liabilities	8,551	7,291
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,703)	(1,559)
Treasury shares	(353)	(353)
Total shareholders' equity	6,874	7,019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	353	318
Foreign currency translation adjustment	(3)	0
Total accumulated other comprehensive income	349	318
Share acquisition rights	25	27
Total net assets	7,248	7,366
Total liabilities and net assets	15,800	14,657

(2) Consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Operating revenue	2,760	3,089
Operating cost	1,401	1,788
Operating gross profit	1,359	1,301
Selling, general and administrative expenses		
Remuneration for directors(and other officers)	150	158
Salaries and allowances	238	244
Operations consignment expenses	121	112
Taxes and dues	154	147
Other	429	424
Total selling, general and administrative expenses	1,094	1,086
Operating profit	265	214
Non-operating income		
Interest income	8	7
Dividend income	4	2
Foreign exchange gains	2	26
Gain on investments in investment partnerships	6	43
Outsourcing service income	3	4
Rental income from facilities	3	3
Miscellaneous income	0	0
Total non-operating income	29	88
Non-operating expenses		
Interest expenses	153	129
Miscellaneous loss	0	—
Total non-operating expenses	153	129
Ordinary profit	140	173
Extraordinary income		
Gain on sales of non-current assets	6	3
Gain on sales of investment securities	173	4
Gain on redemption of investment securities	—	8
Other	7	—
Total extraordinary income	187	16
Extraordinary losses		
Loss on valuation of investment securities	—	25
Loss on redemption of investment securities	2	0
Other	—	2
Total extraordinary losses	2	29
Profit before income taxes	326	161
Income taxes - current	23	16
Total income taxes	23	16
Profit	302	144
Profit attributable to owners of parent	302	144