

This document has been translated from a part of the 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 Second Quarter Ended September 30, 2022
[Japanese Standards]
(Summary of Japanese announcement)

November 14, 2022

Company name: Japan Asia Investment Co., Ltd.

Listed on: Tokyo Stock Exchange, Standard Market (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 submission of quarterly report: November 14, 2022

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 Second quarter ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(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 six months ended September 30, 2022	1,112	9.3	(488)	—	(579)	—	(671)	—
For six months ended September 30, 2021	1,018	(19.0)	(413)	—	(529)	—	(651)	—

(Note) Comprehensive Income

For six months ended September 30, 2022: (738) millions of yen (—%)

For six months ended September 30, 2021: (640) millions of yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
For six months ended September 30, 2022	(37.95)	—
For six months ended September 30, 2021	(36.77)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	18,405	7,886	38.6	401.01
As of March 31, 2022	20,231	9,443	38.4	438.69

(Reference) Total shareholders' equity As of September 30, 2022: 7,099 millions of yen/As of March 31, 2022: 7,766 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, 2022	—	0.00	—	0.00	0.00
Year ending March 31, 2023	—	0.00			
Year ending March 31, 2023(forecast)			—	—	—

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

3. Outlook for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2023 (April 1, 2022 to March 31, 2023)” on page 18 in this report.

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 “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 19 in this report, “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 26 in “Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese Standards]” disclosed on May 13, 2022 and “Differences between the “Result Forecast Consolidated under the Previous Accounting Standard” and the Results for First Half of Fiscal Year ending March 2023 and Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for Full Year of Fiscal Year ending March 2023” disclosed on November 14, 2022.

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)	Six months ended September 30,2022:	17,884,392 shares	Year ended March 31, 2022:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	Six months ended September 30,2022:	181,009 shares	Year ended March 31, 2022:	181,009 shares
(ii) Average number of shares during the period (cumulative quarterly consolidated period)	Six months ended September 30,2022:	17,703,383 shares	Six months ended September 30,2021:	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 second quarter ended September 30, 2022 will be released on our

website on November 14, 2022.

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 “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 19 in this report, “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 26 in “Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese Standards]” disclosed on May 13, 2022 and “Differences between the “Result Forecast Consolidated under the Previous Accounting Standard” and the Results for First Half of Fiscal Year ending March 2023 and Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for Full Year of Fiscal Year ending March 2023” disclosed on November 14, 2022.

1. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Total operating revenue	1,018	1,112	3,204
Management fees	59	58	117
Proceeds of sales of operational investment securities	213	444	1,732
Fund interests income and Income gains etc.	730	599	1,330
Other operating revenue	14	9	24
Total operating cost	724	965	1,971
Cost of securities sold	168	322	887
Investment write-offs & Provision for allowance for possible investment losses	152	287	160
Fund interests losses etc.	398	348	914
Other operating cost	4	6	10
Operating gross profit	293	146	1,232

(2) Cash flows

(Millions of yen)

	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash flow from operating activities	(1,232)	126	(145)
Cash flow from investing activities	55	(0)	212
Cash flow from financing activities	(697)	(494)	(1,007)
Cash and cash equivalents at the end of period	1,445	2,055	2,397

(3) Breakdown of total assets

(Millions of yen)

	As of September 30, 2021		As of September 30, 2022		As of March 31, 2022	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	23,743	—	18,405	—	20,231	—
Cash and deposits	5,035	—	3,857	—	5,666	—
Property, plant and equipment	8,184	—	4,584	—	4,148	—
Operational Investment Securities (A)	9,070	—	9,142	—	9,538	—
Allowance for Possible Investment Loss (B)	(1,439)	15.9	(1,626)	17.8	(1,492)	15.6

(4) Breakdown of Loans payable and bonds

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022	As of March 31, 2022
Total of loans payable and bonds	14,155	9,291	9,521
Loans payable; Non-consolidated base	6,253	5,448	5,943
Loans payable by project finance and bonds; Consolidated projects	7,902	3,842	3,578

2. Business Position

(1) Investment activities (JAIC+Funds)

i) Execution of investment and loan

	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)		For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)		For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area						
Project investment (Japan)	10	932	8	600	19	1,938
Private equity investment subtotal	5	1,282	6	724	8	1,482
Japan	5	1,282	6	724	8	1,482
China, Hong Kong, Taiwan etc.	-	-	-	-	-	-
2) Investment program						
Project oriented investment subtotal	10	932	8	600	19	1,938
Renewable energy	4	382	2	308	4	497
Healthcare	3	87	1	29	8	219
Smart agriculture	1	350	1	105	1	415
Distribution center	2	112	-	-	4	632
Other	-	-	4	158	2	174
Private equity investment subtotal	5	1,282	6	724	8	1,482
Strategic investment	3	359	2	170	3	359
Financial investment	2	922	4	554	5	1,122
Total	15	2,214	14	1,324	27	3,420

Note: 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

	As of September 30, 2021		As of September 30, 2022		As of March 31, 2022	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area						
Project investment (Japan)	37	6,986	44	6,191	43	6,344
Private equity investment sub total	87	7,754	84	7,427	86	7,440
Japan	48	4,824	49	4,996	47	4,510
China, Hong Kong, Taiwan etc.	39	2,929	35	2,430	39	2,929
2) Investment program						
Project oriented investment s subtotal	37	6,986	44	6,191	43	6,344
Renewable energy	21	4,408	18	3,444	19	3,286
Healthcare	9	825	14	679	14	952
Smart agriculture	1	850	1	830	1	879
Distribution center	5	652	5	680	6	801
Other	1	250	6	555	3	424
Private equity investment sub total	87	7,754	84	7,427	86	7,440
Strategic investment	7	1,483	9	1,590	7	1,432
Financial investment	80	6,270	75	5,836	79	6,007
Total	124	14,741	128	13,618	129	13,784

Note: 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Number of IPOs (total of Japan & overseas)	1 company	-	4 companies
First price multiple (average of Japan & overseas)	1.6 times	-	3.7 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

For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

No applicable items

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Company Name	Date of IPO	Market*	Business	Head quarters
WonderPlanet Inc.	10-Jun-21	TSE Mothers	Entertainment Services Business	Japan
Last One Mile Co., Ltd.	24-Nov-21	TSE Mothers	Selling new electronic power, new gas and internet connections etc. as a sales agency utilizing inside sales etc., and providing our original service "Marutto Series"	Japan
Renewable Japan Co., Ltd.	22-Dec-21	TSE Mothers	Development and operation of renewable energy power plants	Japan
TORICO Co., Ltd.	23-Mar-22	TSE Mothers	Operation of Comic EC "MANGAZENKAN.COM" and planning, development, marketing, sales of Manga/Japanese animation goods and various Manga based services	Japan

*Note: Listed markets indicate the markets as of the date of IPO.

(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 September 30, 2021			As of September 30, 2022			As of March 31, 2022		
	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)	Number of funds	Commitment amount of investment funds (Millions of yen)	Net asset value of investment funds (Millions of yen)
During operation period	5	7,511	3,745	6	9,312	3,644	5	7,511	3,349
Extending maturity	3	5,805	998	1	2,751	171	2	4,328	818
During liquidation procedure	2	2,568	1,083	3	4,724	1,307	3	4,624	1,237
Total [Total commitment amount of JAIC group]	10	15,884 [4,716]	5,826	10	16,787 [3,849]	5,124	10	16,463 [4,953]	5,404

ii) Funds during operation period (as of September 30, 2022)

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 oversea market and that promote business to meet inbound demand

Name of fund	Inception	Maturity	Total commitment amount (Millions of yen)	Features
AJC Venture Capital Investment Limited Partnership	Jun. 2021	Jun. 2031	1,001	Secondary investment fund targeting mainly venture companies in Japan. General partner of the Fund is a joint venture between JAIC and Aozora Bank, Ltd. an affiliated company not covered by the equity method.
Succession Investment Limited Partnership, II	Aug. 2022	Aug. 2032	1,801	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.

Notes:

1. The amounts stated for funds denominated in foreign currencies are calculated based on 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	5,666	3,857
Operational investment securities	9,538	9,142
Allowance for investment losses	(1,492)	(1,626)
Operating loans	204	204
Other	411	488
Allowance for doubtful accounts	(51)	(51)
Total current assets	<u>14,277</u>	<u>12,016</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	394	880
Accumulated depreciation	(24)	(45)
Buildings and structures, net	<u>370</u>	<u>834</u>
Machinery and equipment	3,181	3,198
Accumulated depreciation	(327)	(421)
Machinery and equipment, net	<u>2,854</u>	<u>2,777</u>
Vehicles, tools, furniture and fixtures	150	156
Accumulated depreciation	(50)	(60)
Vehicles, tools, furniture and fixtures, net	<u>100</u>	<u>96</u>
Land	172	189
Construction in progress	651	686
Total property, plant and equipment	<u>4,148</u>	<u>4,584</u>
Intangible assets		
Power production facilities concessions	1,112	1,101
Other	215	191
Total intangible assets	<u>1,327</u>	<u>1,293</u>
Investments and other assets		
Investment securities	59	59
Distressed receivables	7	1
Other	418	451
Allowance for doubtful accounts	(7)	(1)
Total investments and other assets	<u>477</u>	<u>510</u>
Total non-current assets	<u>5,954</u>	<u>6,388</u>
Total assets	<u>20,231</u>	<u>18,405</u>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Short-term borrowings	654	844
Current portion of bonds payable	7	7
Accrued expenses	662	83
Income taxes payable	61	59
Provision for bonuses	75	47
Other	38	599
Total current liabilities	1,500	1,641
Non-current liabilities		
Bonds payable	177	174
Long-term borrowings	8,681	8,264
Deferred tax liabilities	53	56
Retirement benefit liability	143	151
Asset retirement obligations	230	230
Total non-current liabilities	9,287	8,877
Total liabilities	10,787	10,519
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,515	3,631
Retained earnings	(1,571)	(2,243)
Treasury shares	(353)	(353)
Total shareholders' equity	7,017	6,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	470	258
Foreign currency translation adjustment	278	381
Total accumulated other comprehensive income	749	639
Share acquisition rights	31	32
Non-controlling interests	1,646	754
Total net assets	9,443	7,886
Total liabilities and net assets	20,231	18,405

(2) Consolidated Statements of Income

	(Millions of yen)	
	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)
Operating revenue	1,018	1,112
Operating costs	724	965
Operating gross profit	293	146
Selling, general and administrative expenses	707	635
Operating loss	(413)	(488)
Non-operating income		
Interest income	5	2
Dividend income	1	0
Foreign exchange gains	3	—
Gain on investments in investment partnerships	1	—
Rental income from facilities	1	1
Miscellaneous income	0	0
Total non-operating income	14	5
Non-operating expenses		
Interest expenses	129	95
Foreign exchange losses	—	0
Miscellaneous losses	0	0
Total non-operating expenses	130	95
Ordinary loss	(529)	(579)
Extraordinary income		
Gain on sale of investment securities	0	—
Gain on reversal of share acquisition rights	—	0
Insurance claim income	0	—
Total extraordinary income	0	0
Extraordinary losses		
Loss on valuation of investment securities	101	13
Other	—	0
Total extraordinary losses	101	13
Loss before income taxes	(630)	(591)
Income taxes - current	4	2
Total income taxes	4	2
Loss	(634)	(594)
Profit attributable to non-controlling interests	16	77
Loss attributable to owners of parent	(651)	(671)

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)
Loss	(634)	(594)
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(207)
Foreign currency translation adjustment	46	42
Share of other comprehensive income of entities accounted for using equity method	(36)	20
Total other comprehensive income	(5)	(144)
Comprehensive income	(640)	(738)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(663)	(781)
Comprehensive income attributable to non-controlling interests	22	43

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Loss before income taxes	(630)	(591)
Depreciation	9	28
Increase (decrease) in allowance for investment loss	26	260
Increase (decrease) in allowance for doubtful accounts	(4)	(0)
Increase (decrease) in provision for bonuses	(12)	(28)
Increase (decrease) in retirement benefit liability	7	7
Interest and dividend income	(4)	(1)
Interest expenses	55	46
Loss (gain) on investments in investment partnerships	(1)	—
Loss (gain) on sale of investment securities	(0)	—
Loss (gain) on valuation of investment securities	101	13
Loss on devaluation of operational investment securities	29	—
Decrease (increase) in investment securities for sale	(254)	(215)
Decrease (increase) in operating loans receivable	(86)	(27)
Decrease (increase) in distressed receivables	41	0
Payment for purchase of investment funds	(961)	(618)
Dividends from investment funds	143	768
Increase (decrease) in investment funds of non-controlling interest	(9)	(61)
Other, net	390	554
Subtotal	(1,159)	133
Interest and dividends received	4	1
Interest paid	(78)	(65)
Income taxes paid	(8)	(6)
Income taxes refund	8	61
Net cash provided by (used in) operating activities	(1,232)	126
Cash flows from investing activities		
Proceeds from sale of investment securities	55	—
Other, net	0	(0)
Net cash provided by (used in) investing activities	55	(0)
Cash flows from financing activities		
Repayments of long-term borrowings	(697)	(494)
Other, net	(0)	—
Net cash provided by (used in) financing activities	(697)	(494)
Effect of exchange rate change on cash and cash equivalents	19	26
Net increase (decrease) in cash and cash equivalents	(1,855)	(342)
Cash and cash equivalents at beginning of period	3,301	2,397
Cash and cash equivalents at end of period	1,445	2,055

(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

(Additional Information)

The assumptions regarding the impact of COVID-19 on the Group have not changed significantly since the end of the previous consolidated fiscal year.

Information for Reference Purposes:

Consolidated Financial Results for the Second Quarter Ended September 30, 2022

November 14, 2022

Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Second Quarter Ended September 30, 2022 (As of September 30, 2022)

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 Second quarter ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(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 six months ended September 30, 2022	669	75.8	(598)	—	(640)	—	(655)	—
For six months ended September 30, 2021	381	(29.6)	(496)	—	(538)	—	(643)	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
For six months ended September 30, 2022	(37.01)		—	
For six months ended September 30, 2021	(36.36)		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	13,576	7,051	51.7	396.51
As of March 31, 2022	14,972	7,810	52.0	439.41

(Reference) Total shareholders' equity As of September 30, 2022: 7,019 millions of yen/As of March 31, 2022: 7,779 millions of yen

2. Outlook for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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 the year ending March 31, 2023	3,150	30.7	320	270.6	280	354.4	160	225.0

	Net income per share
	Yen
For the year ending March 31, 2023	9.04

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

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 September 30, 2022.

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 “3. Business Performance and Financial Condition (3) Cautionary Statements with Respect to Forward-looking Statements such as Consolidated Earnings Forecast under the Previous Accounting Standard” on page 19 in this report, and “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 26 in “Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese Standards]” disclosed on May 13, 2022 and “Differences between the “Result Forecast Consolidated under the Previous Accounting Standard” and the Results for First Half of Fiscal Year ending March 2023 and Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for Full Year of Fiscal Year ending March 2023” disclosed on November 14, 2022.

3. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Total operating revenue	381	669	2,409
Management fees	81	69	154
Proceeds of sales of operational investment securities	176	441	1,573
Fund interests income and Income gains etc.	95	136	631
Other operating revenue	27	22	50
Total operating cost	327	715	1,133
Cost of securities sold	131	320	810
Investment write-offs & Provision for allowance for possible investment losses	124	275	145
Fund interests losses etc.	66	113	167
Other operating cost	4	6	10
Operating gross profit	53	(46)	1,276

(3) Asset, Liability and Net asset

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022	As of March 31, 2022
Total asset	13,740	13,576	14,972
Total liabilities	7,070	6,524	7,161
Loans payable	6,253	5,448	5,943
Total net asset	6,669	7,051	7,810
Total shareholders' equity	6,640	7,019	7,779

(4) Cautionary Statements with Respect to Forward-looking Statements such as Consolidated Earnings Forecast under the Previous Accounting Standard

Based on the recent business performance etc., JAIC has revised its “result forecast consolidated under the Previous Accounting Standard” for the year ending March 1, 2023 disclosed on May 13, 2022 in “Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese Standards] (Summary of Japanese announcement)”. For details, please refer to “Differences between the “Result Forecast Consolidated under the Previous Accounting Standard” and the Results for First Half of Fiscal Year ending March 2023 and Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for Full Year of Fiscal Year ending March 2023” disclosed on November 14, 2022.

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. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,740	2,394
Operational investment securities	12,238	11,276
Allowance for investment loss	(1,099)	(1,267)
Operating loans	660	688
Other	150	231
Allowance for doubtful accounts	(51)	(51)
Total current assets	14,639	13,271
Non-current assets		
Property, plant and equipment		
Buildings and structures	36	36
Accumulated depreciation	(5)	(6)
Buildings and structures, net	31	30
Vehicles, tools, furniture and fixtures	55	58
Accumulated depreciation	(44)	(48)
Vehicles, tools, furniture and fixtures, net	10	10
Land	0	0
Total property, plant and equipment	42	40
Intangible assets		
Other	199	173
Total intangible assets	199	173
Investments and other assets		
Investment securities	59	59
Distressed receivables	7	1
Other	31	31
Allowance for doubtful accounts	(7)	(1)
Total investments and other assets	90	90
Total non-current assets	332	304
Total assets	14,972	13,576

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Short-term borrowings	309	622
Suspense receipt	750	577
Accrued expenses	87	41
Income taxes payable	61	58
Provision for bonuses	75	47
Other	45	143
Total current liabilities	1,330	1,491
Non-current liabilities		
Long-term borrowings	5,633	4,825
Deferred tax liabilities	53	56
Retirement benefit liability	143	151
Total non-current liabilities	5,831	5,033
Total liabilities	7,161	6,524
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,509)	(2,165)
Treasury shares	(353)	(353)
Total shareholders' equity	7,068	6,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	656	500
Foreign currency translation adjustment	54	105
Total accumulated other comprehensive income	710	606
Share acquisition rights	31	32
Total net assets	7,810	7,051
Total liabilities and net assets	14,972	13,576

(2) Consolidated Statements of Income

	(Millions of yen)	
	For six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)
Operating revenue	381	669
Operating costs	327	715
Operating gross profit (loss)	53	(46)
Selling, general and administrative expenses	550	552
Operating loss	(496)	(598)
Non-operating income		
Interest income	4	2
Dividend income	1	0
Foreign exchange gains	3	—
Gain on investments in investment partnerships	1	—
Rental income from facilities	1	1
Miscellaneous income	0	0
Total non-operating income	14	5
Non-operating expenses		
Interest expenses	55	46
Foreign exchange losses	—	0
Miscellaneous losses	0	—
Total non-operating expenses	55	47
Ordinary loss	(538)	(640)
Extraordinary income		
Gain on sale of investment securities	0	—
Gain on reversal of share acquisition rights	—	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on valuation of investment securities	101	13
Other	—	0
Total extraordinary losses	101	13
Loss before income taxes	(639)	(653)
Income taxes - current	3	1
Total income taxes	3	1
Loss	(643)	(655)
Loss attributable to owners of parent	(643)	(655)