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**Consolidated Financial Results**  
**for the Year Ended March 31, 2023**  
**[Japanese Standards]**  
(Summary of Japanese announcement)

May 15, 2023

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 ordinary general meeting of shareholders: June 28, 2023  
Scheduled date for submission of annual report: June 29, 2023  
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, 2023 (from April 1, 2022 to March 31, 2023)**

(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, 2023	3,872	20.9	11	—	(126)	—	(295)	—
For the year ended March 31, 2022	3,204	(13.6)	(237)	—	(412)	—	19	(42.5)

(Note) Comprehensive Income

For the year ended March 31, 2023: 563 millions of yen (29.4%)

For the year ended March 31, 2022: 798 millions of yen 358.4%

	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, 2023	(16.69)	—	(3.8)	(0.7)	0.3
For the year ended March 31, 2022	1.09	1.08	0.3	(1.8)	(7.4)

(Reference)Equity in earnings (loss) of affiliates

For the year ended March 31 2023: — millions of yen

For the year ended March 31 2022: — 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, 2023	18,775	9,101	40.4	428.22
As of March 31, 2022	20,231	9,443	38.4	438.69

(Reference) Total shareholders' equity;

As of March 31, 2023: 7,581 millions of yen / As of March 31, 2022: 7,766 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, 2023	157	0	(806)	1,762
For the year ended March 31, 2022	(145)	212	(1,007)	2,397

**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 ended March 31, 2023	—	0.00	—	0.00	0.00
Year ending March 31, 2024 (forecast)	—	0.00	—	0.00	0.00

**3. Outlook for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)**

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 does not have enough rationality. For details, please refer to “2. Outlook for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)” on page 23.

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. Numerous 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): Yes

[New - company (company name: -) Excluded 1 company (company name: 1 Investment Fund)]

(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, 2023:	17,884,392 shares	The year ended March 31, 2022:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	The year ended March 31, 2023:	181,009 shares	The year ended March 31, 2022:	181,009 shares
(ii) Average number of shares during the period	The year ended March 31, 2023:	17,703,383 shares	The year ended March 31, 2022:	17,703,383 shares

## Reference: Non-consolidated results

### Business results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	2,876	28.1	(99)	—	(126)	—	(170)	—
For the year ended March 31, 2022	2,244	(22.8)	132	(32.4)	118	(22.3)	106	(20.9)

	Net income per share	Diluted net income per share
	Yen	Yen
For the year ended March 31, 2023	(9.61)	—
For the year ended March 31, 2022	6.02	5.99

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	12,967	7,267	55.8	408.61
As of March 31, 2022	14,571	7,454	50.9	419.29

(Reference) Total shareholders' equity As of March 31, 2023: 7,233 millions of yen / As of March 31, 2022: 7,422 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, 2023 will be released on our website on May 15, 2023.

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. Numerous 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, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	3,204	3,872
Management fees	117	113
Proceeds of sales of operational investment securities	1,732	2,071
Fund interests income and Income gains etc.	1,330	1,668
Other operating revenue	24	18

Total operating cost	1,971	2,453
Cost of securities sold	887	1,316
Investment write-offs & Provision for allowance for possible investment losses	160	316
Fund interests losses etc.	914	806
Other operating cost	10	12

Operating gross profit	1,232	1,419
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### (2) Investment income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)			For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		
	Project investment	Private equity investment	total	Project investment	Private equity investment	total
Proceeds of sales of operational investment securities (A)	669	1,062	1,732	149	1,921	2,071
Cost of securities sold (B)	521	365	887	90	1,226	1,316
Realized capital gains (A)-(B)	147	697	845	59	695	754
Investment write-offs & Provision for allowance for possible investment losses (C)	—	160	160	75	241	316
Investment income (A)-(B)-(C)	147	537	685	(15)	453	437

(3) Cash flows

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash flow from operating activities	(145)	157
Cash flow from investing activities	212	0
Cash flow from financing activities	(1,007)	(806)
Cash and cash equivalents at the end of period	2,397	1,762

(4) Breakdown of total assets

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	20,231	—	18,775	—
Cash and deposits	5,666	—	3,130	—
Property, plant and equipment	4,148	—	5,432	—
Operational Investment Securities (A)	9,538	—	9,375	—
Allowance for Possible Investment Loss (B)	(1,492)	15.6	(1,588)	16.9

(5) Breakdown of loans payable and bonds

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Total of loans payable and bonds	9,521	8,993
Loans payable; Non-consolidated base	5,943	5,137
Loans payable by project finance and bonds and others; Consolidated projects and others	3,578	3,856

## 2. Business Position

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

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

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area				
Project investment subtotal	19	1,938	18	2,152
Japan	19	1,938	16	2,107
Southeast Asia	-	-	2	45
Private equity investment subtotal	8	1,482	10	1,408
Japan	8	1,482	10	1,408
China, Hong Kong, Taiwan etc.	-	-	-	-
2) Investment program				
Project oriented investment subtotal	19	1,938	18	2,152
Renewable energy	4	497	6	1,034
Healthcare	8	219	2	58
Smart agriculture	1	415	1	170
Distribution center	4	632	2	620
Other	2	174	7	269
Private equity investment subtotal	8	1,482	10	1,408
Strategic investment	3	359	3	200
Financial investment	5	1,122	7	1,208
Total	27	3,420	28	3,561

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

ii) Balance of investment and loan

	As of March 31, 2022		As of March 31, 2023	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
1) Area				
Project investment subtotal	43	6,344	50	7,123
Japan	43	6,344	48	7,087
Southeast Asia	-	-	2	36
Private equity investment subtotal	86	7,440	81	7,010
Japan	47	4,510	49	4,915
China, Hong Kong, Taiwan etc.	39	2,929	32	2,094
2) Investment program				
Project oriented investment subtotal	43	6,344	50	7,123
Renewable energy	19	3,286	22	4,078
Healthcare	14	952	15	707
Smart agriculture	1	879	1	741
Distribution center	6	801	5	1,237
Other	3	424	7	358
Private equity investment subtotal	86	7,440	81	7,010
Strategic investment	7	1,432	7	962
Financial investment	79	6,007	74	6,047
Total	129	13,784	131	14,133

(Note) Strategic investment is investment in partner companies in the projects for which the 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, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Number of IPOs (total of Japan & overseas)	4 companies	1 company
First price multiple (average of Japan & overseas)	3.7 times	30.0 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 the year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Company Name	Date of IPO	Market	Business	Head quarters
TMS Co., Ltd.	22-Nov-22	TSE Growth	Research and development of drug products, quasi-drugs, (an official drug classification approved by Japanese MHLW for compounds with mild pharmacological activity), drug substances, medical devices, and medical commodities	Japan

From April 1, 2023 to May 15, 2023

Company Name	Date of IPO	Market	Business	Head quarters
JAPAN SYSTEMBANK CORPORATION	14-Apr-23	NSE Main	Operation of coin-operated parking lots, sales and maintenance of parking equipment	Japan

For the 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) The listed market is the market 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 March 31, 2022			As of March 31, 2023		
	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	3,349	6	11,212	3,804
Maturity is being extended	2	4,328	818	-	-	-
During liquidation procedure	3	4,624	1,237	3	4,638	2,380
Total [Total commitment amount of JAIC group]	10	16,463 [4,953]	5,404	9	15,850 [3,389]	6,185

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, 2023)

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
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.

Name of fund	Inception	Maturity	Total commitment amount (Millions of yen)	Features
Succession Investment Limited Partnership, II	Aug. 2022	Aug. 2032	3,701	Supporting the business succession needs of SMEs in Japan. Managed by AJ Capital Co., Ltd, a joint venture between JAIC and Aozora Bank, Ltd.

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 March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,666	3,130
Operational investment securities	9,538	9,375
Allowance for possible investment loss	(1,492)	(1,588)
Operating loans	204	204
Other	411	515
Allowance for doubtful accounts	(51)	(51)
Total current assets	14,277	11,587
Non-current assets		
Property, plant and equipment		
Buildings and structures	394	980
Accumulated depreciation	(24)	(73)
Buildings and structures, net	370	906
Machinery and equipment	3,181	3,421
Accumulated depreciation	(327)	(516)
Machinery and equipment, net	2,854	2,904
Vehicles, tools, furniture and fixtures	150	175
Accumulated depreciation	(50)	(68)
Vehicles, tools, furniture and fixtures, net	100	106
Land	172	201
Construction in progress	651	1,313
Total property, plant and equipment	4,148	5,432
Intangible assets		
Power production facilities concessions	1,112	1,080
Other	215	168
Total intangible assets	1,327	1,248
Investments and other assets		
Investment securities	59	61
Distressed receivables	7	104
Other	418	445
Allowance for doubtful accounts	(7)	(104)
Total investments and other assets	477	506
Total non-current assets	5,954	7,188
<b>Total assets</b>	20,231	18,775

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	654	555
Current portion of bonds payable	7	7
Accrued expenses	662	64
Income taxes payable	61	70
Provision for bonuses	75	81
Other	38	33
Total current liabilities	1,500	812
Non-current liabilities		
Bonds payable	177	170
Long-term borrowings	8,681	8,260
Deferred tax liabilities	53	32
Retirement benefit liability	143	158
Asset retirement obligations	230	238
Total non-current liabilities	9,287	8,861
Total liabilities	10,787	9,673
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,515	3,631
Retained earnings	(1,571)	(1,867)
Treasury shares	(353)	(353)
Total shareholders' equity	7,017	6,836
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	470	464
Foreign currency translation adjustment	278	280
Total accumulated other comprehensive income	749	744
Share acquisition rights	31	33
Non-controlling interests	1,646	1,487
Total net assets	9,443	9,101
Total liabilities and net assets	20,231	18,775

(2) Consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating revenue	3,204	3,872
Operating costs	1,971	2,453
Operating gross profit	1,232	1,419
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	154	152
Salaries and allowances	289	282
Taxes and dues	160	172
Fund interests expenses	285	144
Other	579	656
Total selling, general and administrative expenses	1,470	1,408
Operating profit (loss)	(237)	11
Non-operating income		
Interest income	9	5
Dividend income	1	1
Foreign exchange gains	65	33
Gain on investments in investment partnerships	1	—
Rental income from facilities	3	4
Miscellaneous income	0	5
Total non-operating income	82	50
Non-operating expenses		
Interest expenses	255	188
Miscellaneous losses	0	0
Total non-operating expenses	256	188
Ordinary loss	(412)	(126)
Extraordinary income		
Gain on sale of non-current assets	836	—
Gain on sale of investment securities	99	—
Gain on reversal of share acquisition rights	—	0
Insurance claim income	1	0
Total extraordinary income	936	1
Extraordinary losses		
Loss on sale of investment securities	107	—
Loss on redemption of investment securities	—	0
Other	0	0
Total extraordinary losses	107	0
Profit (loss) before income taxes	417	(125)
Income taxes - current	4	45
Total income taxes	4	45
Profit (loss)	412	(171)
Profit attributable to non-controlling interests	393	123
Profit (loss) attributable to owners of parent	19	(295)

(3) Consolidated Statements of Comprehensive Income

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
	(Millions of yen)	
Profit (loss)	412	(171)
Other comprehensive income		
Valuation difference on available-for-sale securities	381	772
Foreign currency translation adjustment	17	(22)
Share of other comprehensive income of entities accounted for using equity method	(13)	(14)
Total other comprehensive income	385	735
Comprehensive income	798	563
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	451	(299)
Comprehensive income attributable to non-controlling interests	346	863

(4) Consolidated Statements of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,426	3,515	(1,575)	(353)	7,012
Changes during period					
Profit (loss) attributable to owners of parent			19		19
Change in scope of consolidation			(15)		(15)
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	4	—	4
Balance at end of period	5,426	3,515	(1,571)	(353)	7,017

	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	124	191	316	27	1,749	9,106
Changes during period						
Profit (loss) attributable to owners of parent						19
Change in scope of consolidation						(15)
Change in ownership interest of parent due to transactions with non-controlling interests						0
Net changes in items other than shareholders' equity	345	87	432	3	(103)	332
Total changes during period	345	87	432	3	(103)	337
Balance at end of period	470	278	749	31	1,646	9,443

For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,426	3,515	(1,571)	(353)	7,017
Changes during period					
Profit (loss) attributable to owners of parent			(295)		(295)
Change in scope of consolidation			(0)		(0)
Change in ownership interest of parent due to transactions with non-controlling interests		115			115
Net changes in items other than shareholders' equity					
Total changes during period	—	115	(296)	—	(180)
Balance at end of period	5,426	3,631	(1,867)	(353)	6,836

	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	470	278	749	31	1,646	9,443
Changes during period						
Profit (loss) attributable to owners of parent						(295)
Change in scope of consolidation						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						115
Net changes in items other than shareholders' equity	(5)	1	(4)	2	(159)	(161)
Total changes during period	(5)	1	(4)	2	(159)	(342)
Balance at end of period	464	280	744	33	1,487	9,101



(5) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	417	(125)
Depreciation	38	55
Increase (decrease) in allowance for investment loss	16	183
Increase (decrease) in allowance for doubtful accounts	46	(1)
Increase (decrease) in provision for bonuses	26	5
Increase (decrease) in retirement benefit liability	6	15
Interest and dividend income	(7)	(4)
Interest expenses	106	89
Loss (gain) on investments in investment partnerships	(1)	—
Loss (gain) on sale of investment securities	8	—
Loss on valuation of operational investment securities	29	—
Decrease (increase) in operational investment securities	(1,269)	576
Decrease (increase) in operating loans receivable	(216)	(55)
Decrease (increase) in distressed receivables	42	1
Payment for purchase of investment funds	(1,968)	(2,359)
Dividends from investment funds	3,037	1,826
Increase (decrease) in investment funds of minority interest	(363)	(98)
Other, net	16	139
Subtotal	(34)	247
Interest and dividends received	7	4
Interest paid	(111)	(93)
Income taxes paid	(15)	(62)
Income taxes refund	8	61
Net cash provided by (used in) operating activities	(145)	157
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(6)	—
Proceeds from sale of investment securities	219	—
Other, net	0	0
Net cash provided by (used in) investing activities	212	0
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(1,007)	(806)
Other, net	(0)	—
Net cash provided by (used in) financing activities	(1,007)	(806)
Effect of exchange rate change on cash and cash equivalents	36	11
Net increase (decrease) in cash and cash equivalents	(903)	(635)
Cash and cash equivalents at beginning of period	3,301	2,397
Cash and cash equivalents at end of period	2,397	1,762

(6) Notes on Consolidated Financial Statements

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

No applicable items

(Segment Information)

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

(Per-share Data)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	¥438.69	¥428.22
Net profit (loss) per share	¥1.09	(¥16.69)
Diluted net profit per share	¥1.08	¥—

Note:

i )Diluted net profit per share for the year ended March 31, 2023 is not disclosed because of net loss.

ii )The basis for the calculation of net profit (loss) per share and diluted net profit per share is as follows.

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net profit (loss) per share		
Net profit (loss) attributable to owners of parent (Millions of yen)	19	(295)
Amount not attributable to common shareholders (Millions of yen)	—	—
Net profit (loss) attributable to owners of parent relating to common stock (Millions of yen)	19	(295)
Average no. of shares outstanding during the term (Thousands)	17,703	17,703
Diluted net profit per share		
Adjustment of net profit attributable to owners of parent (Millions of yen)	—	—
Increase in common stock (Thousands)	74	—
[Share acquisition rights (Thousands)]	[74]	[—]
Latent shares not included in diluted net profit 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,367	2,113
Operational investment securities	11,956	10,459
Allowance for possible investment loss	(925)	(1,076)
Operating loans	660	716
Accounts receivable - other	66	288
Other	61	81
Allowance for doubtful accounts	(51)	(51)
Total current assets	14,136	12,531
Non-current assets		
Property, plant and equipment		
Buildings	31	30
Tools, furniture and fixtures	8	7
Land	0	0
Total property, plant and equipment	40	38
Intangible assets		
Other	12	10
Total intangible assets	12	10
Investments and other assets		
Investment securities	26	28
Shares of subsidiaries and associates	307	311
Distressed receivables	7	0
Other	48	47
Allowance for doubtful accounts	(7)	(0)
Total investments and other assets	382	387
Total non-current assets	435	435
Total assets	14,571	12,967

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	309	311
Suspense receipt	749	175
Accrued expenses	84	41
Income taxes payable	61	69
Provision for bonuses	67	71
Other	13	12
Total current liabilities	1,286	683
Non-current liabilities		
Long-term borrowings	5,633	4,825
Provision for retirement benefits	143	158
Deferred tax liabilities	53	32
Total non-current liabilities	5,831	5,016
Total liabilities	7,117	5,700
<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	(1,825)	(1,995)
Total retained earnings	(1,825)	(1,995)
Treasury shares	(353)	(353)
Total shareholders' equity	6,754	6,584
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	668	649
Total valuation and translation adjustments	668	649
Share acquisition rights	31	33
Total net assets	7,454	7,267
Total liabilities and net assets	14,571	12,967

(2) Statements of Income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating revenue	2,244	2,876
Operating costs	1,131	2,055
Operating gross profit	1,113	821
Selling, general and administrative expenses	980	921
Operating profit (loss)	132	(99)
Non-operating income		
Interest income	3	2
Dividend income	1	1
Foreign exchange gains	66	34
Gain on investments in investment partnerships	1	—
Rental income from facilities	19	19
Miscellaneous income	0	5
Total non-operating income	92	62
Non-operating expenses		
Interest expenses	106	89
Miscellaneous losses	—	0
Total non-operating expenses	106	89
Ordinary profit (loss)	118	(126)
Extraordinary income		
Gain on sale of investment securities	99	—
Gain on reversal of share acquisition rights	—	0
Total extraordinary income	99	0
Extraordinary losses		
Loss on sale of investment securities	107	—
Loss on redemption of investment securities	—	0
Other	0	0
Total extraordinary losses	107	0
Profit (loss) before income taxes	109	(125)
Income taxes - current	3	44
Total income taxes	3	44
Profit (loss)	106	(170)

## Information for Reference Purposes:

### Consolidated Financial Results for the Year Ended March 31, 2023

May 15, 2023

#### Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Year Ended March 31, 2023 (As of March 31, 2023)

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

As of Fiscal year ended March 31, 2007 the 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 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, 2023 (from April 1, 2022 to March 31, 2023)

##### (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, 2023	3,017	25.2	(185)	—	(224)	—	(269)	—
For the year ended March 31, 2022	2,409	(22.0)	86	(59.7)	61	(64.6)	49	(66.0)

	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, 2023	(15.22)	—	(3.5)	(1.6)	(6.1)
For the year ended March 31, 2022	2.78	2.77	0.7	0.4	3.6

##### (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, 2023	13,413	7,552	56.1	424.68
As of March 31, 2022	14,972	7,810	52.0	439.41

(Reference) Total shareholders' equity As of March 31, 2023: 7,518 millions of yen / As of March 31, 2022: 7,779 millions of yen

**2. Outlook for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)**

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 does not 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, 2023	525	(21.6)	(370)	—	(410)	—	(410)	—
For the year ending March 31, 2024	2,300	(23.8)	200	—	120	—	120	—

	Net income per share
	Yen
For six months ending September 30, 2023	(22.03)
For the year ending March 31, 2024	6.78

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 Company at the time of writing and certain assumptions. The achievement is not promised. Numerous 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 of March 31, 2023.

### 3. Business Performance and Financial Condition

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

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	2,409	3,017
Management fees	154	134
Proceeds of sales of operational investment securities	1,573	2,057
Fund interests income and Income gains etc.	631	781
Other operating revenue	50	44

Total operating cost	1,133	2,056
Cost of securities sold	810	1,311
Investment write-offs & Provision for allowance for possible investment losses	145	304
Fund interests losses etc.	167	426
Other operating cost	10	12

Operating gross profit	1,276	961
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#### (2) Investment income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)			For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		
	Project investment	Private equity investment	total	Project investment	Private equity investment	total
Proceeds of sales of operational investment securities (A)	657	915	1,573	149	1,907	2,057
Cost of securities sold (B)	509	300	810	90	1,221	1,311
Realized capital gains (A)-(B)	147	615	762	59	686	745
Investment write-offs & Provision for allowance for possible investment losses (C)	—	145	145	75	229	304
Investment income (A)-(B)-(C)	147	469	617	(15)	457	441



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

	As of March 31, 2022	As of March 31, 2023
Total asset	14,972	13,413
Total liabilities	7,161	5,860
Loans payable	5,943	5,142
Total net asset	7,810	7,552
Total shareholders' equity	7,779	7,518

(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 does not 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 the Company at the time of writing and certain assumptions. The achievement is not promised. Numerous 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 2,300 million yen (down 23.8% year-on-year), due to a decrease in proceeds of sales of operational investment securities. The breakdown is as follows.

Proceeds of sales of operational investment securities will decrease from the fiscal year ended March 2023 to 1,470 million yen. These revenues will attributable mainly to unlisted shares with relatively large investment amounts in Japan. We expect to only 1 IPO, JAPAN SYSTEMBANK CORPORATION, which was listed in April 2023.

Of the fund interests income and income gains etc., we expect to record 580 million yen for the gains on the sale of projects. We expect to sell projects including a distribution center and group homes for the handicapped.

In addition, we expect to record 250 million yen as total of management fees, fund interest incomes for funds operated by third parties and consulting fees.

(B) Operating income

Operating cost is expected to be 1,000 million yen (down 51.4% year-on-year). As for breakdown, we expect to record 400 million yen for cost of securities sold. Since we do not expect any capital losses but expect higher profitability for securities to be sold, cost of securities sold is expected to decrease year-on-year. Valuation losses and provisions are expected to be 430 million yen, conservatively assuming that they will increase year-on-year. Fund interests losses are expected to 160 million yen due to the expenses for renewable energy projects not yet in operation, the loss from the vegetable factory, the loss from the biogas power plant and other losses. In addition, we expect to record 10 million yen as other operating costs.

Selling, general and administrative expenses are expected to 1,100 million yen (down 4.1% year-on-year). As a result, consolidated operating profit is expected to be 200 million yen.

(C) Ordinary income

We expect to record 80 million yen for non-operating expenses such as interest expense. As a result, consolidated ordinary profit is expected to be 120 million yen.

(D) Profit attributable to owners of parent

We expect to record no extraordinary income, no extraordinary loss and no tax expenses. As a result, profit attributable to owners of parent is expected to be 120 million yen.

We expect a cumulative deficit until the third quarter, since most of the profits are expected to be generated in the third quarter and in the fourth quarter when securities and projects will be sold.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,740	2,464
Operational investment securities	12,238	10,878
Allowance for investment loss	(1,099)	(1,252)
Operating loans	660	716
Other	150	374
Allowance for doubtful accounts	(51)	(51)
Total current assets	14,639	13,129
Non-current assets		
Property, plant and equipment		
Buildings and structures	36	39
Accumulated depreciation	(5)	(8)
Buildings and structures, net	31	31
Vehicles, tools, furniture and fixtures	55	60
Accumulated depreciation	(44)	(50)
Vehicles, tools, furniture and fixtures, net	10	9
Land	0	0
Total property, plant and equipment	42	40
Intangible assets		
Other	199	150
Total intangible assets	199	150
Investments and other assets		
Investment securities	59	61
Distressed receivables	7	0
Other	31	31
Allowance for doubtful accounts	(7)	(0)
Total investments and other assets	90	92
Total non-current assets	332	283
Total assets	14,972	13,413

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	309	316
Suspense receipt	750	175
Accrued expenses	87	44
Income taxes payable	61	70
Provision for bonuses	75	81
Other	45	155
Total current liabilities	1,330	843
Non-current liabilities		
Long-term borrowings	5,633	4,825
Deferred tax liabilities	53	32
Retirement benefit liability	143	158
Total non-current liabilities	5,831	5,016
<b>Total liabilities</b>	<b>7,161</b>	<b>5,860</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,509)	(1,779)
Treasury shares	(353)	(353)
Total shareholders' equity	7,068	6,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	656	654
Foreign currency translation adjustment	54	64
Total accumulated other comprehensive income	710	719
Share acquisition rights	31	33
Non-controlling interests	—	0
<b>Total net assets</b>	<b>7,810</b>	<b>7,552</b>
<b>Total liabilities and net assets</b>	<b>14,972</b>	<b>13,413</b>

(2) Consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating revenue	2,409	3,017
Operating costs	1,133	2,056
Operating gross profit	1,276	961
Selling, general and administrative expenses		
Remuneration for directors(and other officers)	154	152
Salaries and allowances	289	282
Taxes and dues	145	146
Other	599	565
Total selling, general and administrative expenses	1,189	1,147
Operating profit (loss)	86	(185)
Non-operating income		
Interest income	8	5
Dividend income	1	1
Foreign exchange gains	65	33
Gain on investments in investment partnerships	1	—
Rental income from facilities	3	4
Miscellaneous income	0	5
Total non-operating income	82	50
Non-operating expenses		
Interest expenses	106	89
Miscellaneous losses	0	0
Total non-operating expenses	106	89
Ordinary profit (loss)	61	(224)
Extraordinary income		
Gain on sale of investment securities	99	—
Gain on reversal of share acquisition rights	—	0
Total extraordinary income	99	0
Extraordinary losses		
Loss on sale of investment securities	107	—
Loss on redemption of investment securities	—	0
Other	0	0
Total extraordinary losses	107	0
Profit (loss) before income taxes	53	(224)
Income taxes - current	4	45
Total income taxes	4	45
Profit (loss)	49	(269)
Profit (loss) attributable to owners of parent	49	(269)