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**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2023**  
**[Japanese Standards]**  
(Summary of Japanese announcement)

November 14, 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, Senior Executive Officer  
Tel: +81-3-3221-8518 (main)  
Scheduled date for submission of quarterly report: November 14, 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 second quarter ended September 30, 2023 (April 1, 2023 to September 30, 2023)**

(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, 2023	1,269	14.1	(239)	—	(312)	—	(543)	—
For six months ended September 30, 2022	1,112	9.3	(488)	—	(579)	—	(671)	—

(Note) Comprehensive Income

For six months ended September 30, 2023: (1,079) millions of yen (—%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
For six months ended September 30, 2023	(30.72)	—
For six months ended September 30, 2022	(37.95)	—

(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, 2023	17,780	7,621	38.5	386.43
As of March 31, 2023	18,775	9,101	40.4	428.22

(Reference) Total shareholders' equity

As of September 30, 2023: 6,841 millions of yen, As of March 31, 2023: 7,581 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, 2023	—	0.00	—	0.00	0.00
Year ending March 31, 2024	—	0.00			
Year ending March 31, 2024 (forecast)			—	0.00	0.00

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

## 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 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. Numerous 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 20 in this report, “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 25 in “Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese Standards]” disclosed on May 15, 2023.

## 4. Other matters

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

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

(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, 2023:	17,884,392 shares	Year ended March 31, 2023:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	Six months ended September 30, 2023:	181,009 shares	Year ended March 31, 2023:	181,009 shares
(ii) Average number of shares during the period (cumulative quarterly consolidated period)	Six months ended September 30, 2023:	17,703,383 shares	Six months ended September 30, 2022:	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, 2023 will be released on our website on November 14, 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. 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 20 in this report, “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 25 in “Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese Standards]” disclosed on May 15, 2023.

## 1. Business Performance and Financial Condition

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

(Millions of yen)

	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	1,112	1,269	3,872
Management fees	58	60	113
Proceeds of sales of operational investment securities	444	644	2,071
Fund interests income and Income gains etc.	599	544	1,668
Other operating revenue	9	18	18
Total operating cost	965	834	2,453
Cost of securities sold	322	237	1,316
Investment write-offs & Provision for allowance for possible investment losses	287	218	316
Fund interests losses etc.	348	371	806
Other operating cost	6	7	12
Operating gross profit	146	434	1,419

### (2) Cash flows

(Millions of yen)

	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash flow from operating activities	126	385	157
Cash flow from investing activities	(0)	1	0
Cash flow from financing activities	(494)	(509)	(806)
Cash and cash equivalents at the end of period	2,055	1,646	1,762

(3) Breakdown of total assets

(Millions of yen)

	As of September 30, 2022		As of September 30, 2023		As of March 31, 2023	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	18,405	—	17,780	—	18,775	—
Cash and deposits	3,857	—	3,099	—	3,130	—
Property, plant and equipment	4,584	—	5,711	—	5,432	—
Operational Investment Securities (A)	9,142	—	8,131	—	9,375	—
Allowance for Possible Investment Loss (B)	(1,626)	17.8	(1,763)	21.7	(1,588)	16.9

(4) Breakdown of Loans payable and bonds

(Millions of yen)

	As of September 30, 2022	As of September 30, 2023	As of March 31, 2023
Total of loans payable and bonds	9,291	9,271	8,993
Loans payable; Non-consolidated base	5,448	4,633	5,137
Loans payable by project finance and bonds; Consolidated projects	3,842	4,638	3,856

## 2. Business Position

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

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

	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)		For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)		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)	Number of companies	Amount (Millions of yen)
1) Area						
Project investment subtotal	8	600	12	563	18	2,152
Japan	8	600	11	543	16	2,107
Southeast Asia etc.	-	-	1	19	2	45
Private equity investment subtotal	6	724	7	555	10	1,408
Japan	6	724	7	555	10	1,408
China, Hong Kong, Taiwan etc.	-	-	-	-	-	-
2) Investment program						
Project investment subtotal	8	600	12	563	18	2,152
Renewable energy	2	308	4	287	6	1,034
Healthcare	1	29	5	137	2	58
Smart agriculture	1	105	-	-	1	170
Distribution center	-	-	-	-	2	620
Other	4	158	3	139	7	269
Private equity investment subtotal	6	724	7	555	10	1,408
Strategic investment	2	170	2	30	3	200
Financial investment	4	554	5	525	7	1,208
Total	14	1,324	19	1,118	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 September 30, 2022		As of September 30, 2023		As of March 31, 2023	
	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 subtotal	44	6,191	55	6,980	50	7,123
Japan	44	6,191	54	6,926	48	7,087
Southeast Asia etc.	-	-	1	54	2	36
Private equity investment subtotal	84	7,427	72	6,478	81	7,010
Japan	49	4,996	50	4,459	49	4,915
China, Hong Kong, Taiwan etc.	35	2,430	22	2,019	32	2,094
2) Investment program						
Project investment subtotal	44	6,191	55	6,980	50	7,123
Renewable energy	18	3,444	23	3,732	22	4,078
Healthcare	14	679	19	826	15	707
Smart agriculture	1	830	1	711	1	741
Distribution center	5	680	5	1,237	5	1,237
Other	6	555	7	472	7	358
Private equity investment subtotal	84	7,427	72	6,478	81	7,010
Strategic investment	9	1,590	7	992	7	962
Financial investment	75	5,836	65	5,485	74	6,047
Total	128	13,618	127	13,458	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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Number of IPOs (total of Japan & overseas)	-	1 company	1 company
First price multiple (average of Japan & overseas)	-	1.4 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 six months ended September 30, 2023 (from April 1, 2023 to September 30, 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

Fiscal year ended March 31, 2023 (from 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



(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

	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)			For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)			For the year ended March 31, 2023 (from April 1, 2022 to 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)	Number of funds	Commitment amount of investment funds (Millions of yen)	Net asset value of investment funds (Millions of yen)
During operation period	6	9,312	3,644	6	11,812	3,605	6	11,212	3,804
Maturity is being extended	1	2,751	171	-	-	-	-	-	-
During liquidation procedure	3	4,724	1,307	2	2,852	1,432	3	4,638	2,380
Total [Total commitment amount of JAIC group]	10	16,787 [3,849]	5,124	8	14,664 [2,418]	5,037	9	15,850 [3,389]	6,185

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

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	4,301 (Note 3)	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. On October 31, 2023, Succession Investment Limited Partnership, II increased its total commitment amount and completed the final closing with a total amount 5,101 million yen.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,130	3,099
Operational investment securities	9,375	8,131
Allowance for investment losses	(1,588)	(1,763)
Operating loans	204	204
Other	515	430
Allowance for doubtful accounts	(51)	(51)
Total current assets	11,587	10,051
Non-current assets		
Property, plant and equipment		
Buildings and structures	980	1,180
Accumulated depreciation	(73)	(103)
Buildings and structures, net	906	1,076
Machinery and equipment	3,421	4,000
Accumulated depreciation	(516)	(633)
Machinery and equipment, net	2,904	3,366
Vehicles, tools, furniture and fixtures	175	213
Accumulated depreciation	(68)	(68)
Vehicles, tools, furniture and fixtures, net	106	144
Land	201	365
Construction in progress	1,313	758
Total property, plant and equipment	5,432	5,711
Intangible assets		
Power production facilities concessions	1,080	1,135
Other	168	150
Total intangible assets	1,248	1,285
Investments and other assets		
Investment securities	61	65
Distressed receivables	104	103
Other	445	665
Allowance for doubtful accounts	(104)	(103)
Total investments and other assets	506	731
Total non-current assets	7,188	7,728
Total assets	18,775	17,780

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	555	1,636
Current portion of bonds payable	7	7
Accrued expenses	64	109
Income taxes payable	70	59
Provision for bonuses	81	56
Other	33	221
Total current liabilities	812	2,091
Non-current liabilities		
Bonds payable	170	166
Long-term borrowings	8,260	7,460
Deferred tax liabilities	32	22
Retirement benefit liability	158	157
Asset retirement obligations	238	261
Total non-current liabilities	8,861	8,067
Total liabilities	9,673	10,158
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,631	3,631
Retained earnings	(1,867)	(2,420)
Treasury shares	(353)	(353)
Total shareholders' equity	6,836	6,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	207
Foreign currency translation adjustment	280	350
Total accumulated other comprehensive income	744	558
Share acquisition rights	33	35
Non-controlling interests	1,487	744
Total net assets	9,101	7,621
Total liabilities and net assets	18,775	17,780

(2) Consolidated Statements of Income

	(Millions of yen)	
	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)
Operating revenue	1,112	1,269
Operating costs	965	834
Operating gross profit	146	434
Selling, general and administrative expenses	635	674
Operating loss	(488)	(239)
Non-operating income		
Interest income	2	2
Dividend income	0	0
Foreign exchange gains	—	11
Rental income from facilities	1	2
Miscellaneous income	0	0
Total non-operating income	5	17
Non-operating expenses		
Interest expenses	95	88
Foreign exchange losses	0	—
Miscellaneous losses	0	1
Total non-operating expenses	95	90
Ordinary loss	(579)	(312)
Extraordinary income		
Subsidy income	—	34
Gain on reversal of share acquisition rights	0	—
Total extraordinary income	0	34
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	34
Loss on valuation of investment securities	13	—
Other	0	0
Total extraordinary losses	13	34
Loss before income taxes	(591)	(312)
Income taxes - current	2	2
Total income taxes	2	2
Loss	(594)	(315)
Profit attributable to non-controlling interests	77	228
Loss attributable to owners of parent	(671)	(543)

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)
Loss	(594)	(315)
Other comprehensive income		
Valuation difference on available-for-sale securities	(207)	(834)
Foreign currency translation adjustment	42	59
Share of other comprehensive income of entities accounted for using equity method	20	11
Total other comprehensive income	(144)	(763)
Comprehensive income	(738)	(1,079)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(781)	(730)
Comprehensive income attributable to non-controlling interests	43	(348)

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)
<b>Cash flows from operating activities</b>		
Loss before income taxes	(591)	(312)
Depreciation	28	23
Increase (decrease) in allowance for investment loss	260	—
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(28)	(25)
Increase (decrease) in retirement benefit liability	7	(1)
Interest and dividend income	(1)	(2)
Interest expenses	46	38
Loss (gain) on valuation of investment securities	13	—
Loss on devaluation of operational investment securities	—	22
Decrease (increase) in operational investment securities	(215)	156
Decrease (increase) in operating loans receivable	(27)	(135)
Decrease (increase) in distressed receivables	0	0
Payment for purchase of investment funds	(618)	(811)
Dividends from investment funds	768	1,620
Increase (decrease) in investment funds of non-controlling interest	(61)	(245)
Other, net	554	(143)
<b>Subtotal</b>	<b>133</b>	<b>182</b>
Interest and dividends received	1	2
Interest paid	(65)	(54)
Income taxes paid	(6)	(19)
Income taxes refund	61	274
<b>Net cash provided by (used in) operating activities</b>	<b>126</b>	<b>385</b>
<b>Cash flows from investing activities</b>		
Other, net	(0)	1
<b>Net cash provided by (used in) investing activities</b>	<b>(0)</b>	<b>1</b>
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(494)	(509)
<b>Net cash provided by (used in) financing activities</b>	<b>(494)</b>	<b>(509)</b>
Effect of exchange rate change on cash and cash equivalents	26	7
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(342)</b>	<b>(115)</b>
Cash and cash equivalents at beginning of period	2,397	1,762
Cash and cash equivalents at end of period	2,055	1,646

(5) Notes on Quarterly Consolidated Financial Statements

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

No applicable items

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

No applicable items



## Information for Reference Purposes:

### Consolidated Financial Results for the Second Quarter Ended September 30, 2023

November 14, 2023

#### Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Second Quarter Ended September 30, 2023 (As of September 30, 2023)

#### 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, 2023 (April 1, 2023 to September 30, 2023)

##### (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, 2023	426	(36.3)	(535)	—	(558)	—	(560)	—
For six months ended September 30, 2022	669	75.8	(598)	—	(640)	—	(655)	—

	Net income per share	Diluted net income per share
	Yen	Yen
For six months ended September 30, 2023	(31.67)	—
For six months ended September 30, 2022	(37.01)	—

##### (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, 2023	12,147	6,835	56.0	384.13
As of March 31, 2023	13,413	7,552	56.1	424.68

(Reference) Total shareholders' equity:

As of September 30, 2023: 6,800 millions of yen

As of March 31, 2023: 7,518 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 the year ending March 31, 2024	2,300	(23.8)	200	—	120	—	120	—

	Net income per share
	Yen
For the year ending March 31, 2024	6.78

(Note) Revision from the latest earnings forecast: None

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 September 30, 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 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.

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 20 in this report, and “3. Business Performance and Financial Condition (4) Result forecast consolidated under the Previous Accounting Standard” on page 25 in “Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese Standards]” disclosed on May 15, 2023.

### 3. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	669	426	3,017
Management fees	69	79	134
Proceeds of sales of operational investment securities	441	281	2,057
Fund interests income and Income gains etc.	136	32	781
Other operating revenue	22	32	44
Total operating cost	715	420	2,056
Cost of securities sold	320	132	1,311
Investment write-offs & Provision for allowance for possible investment losses	275	183	304
Fund interests losses etc.	113	97	426
Other operating cost	6	7	12
Operating gross profit	(46)	6	961

(2) Asset, Liability and Net asset

(Millions of yen)

	As of September 30, 2022	As of September 30, 2023	As of March 31, 2023
Total asset	13,576	12,147	13,413
Total liabilities	6,524	5,311	5,860
Loans payable	5,448	4,633	5,142
Total net asset	7,051	6,835	7,552
Total shareholders' equity	7,019	6,800	7,518

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

There are no revisions on the earnings forecast disclosed on May 15, 2023 in “Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese Standards] (Summary of Japanese announcement)”.

The results for six months ended September 30, 2023 were lower than the forecast. Progression ratio of operating revenue was 81.3% and the deficit widened by ¥150 million. Operating revenue was below the forecast because a part of the planned stock sales has been delayed from the third quarter of FY 2024 onward. Quarterly profit attributable to owners of parent was below the forecast because an unplanned capital loss was incurred, and cost of securities sold exceeded the forecast.

JAIC expects, however, to complete the stock sales by the end of the fiscal year. JAIC also expects to compensate for the capital loss through a decrease of investment write-offs & provision for allowance for possible investment losses. At the beginning of the fiscal year, JAIC conservatively assumed that write-offs & provision would increase year-on-year. The actual amount of write-offs & provision, however, has been below the forecast. If the same situation continues after the third quarter of FY 2024, the full year actual amount is also expected to decrease from the forecast. These factors resulted in no revisions on the earnings forecast.

In the full year earning forecast at the beginning of the fiscal year, JAIC expected proceeds of sales of operational investment securities of 1,470 million yen mainly from unlisted shares with relatively large investment amount in Japan. JAIC also expected fund interests income of 580 million yen mainly from sales of a distribution center and group homes for disabled people.

JAIC will focus on realizing these capital gains those key factors for achieving the full-year earnings forecast.

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. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,464	2,032
Operational investment securities	10,878	10,304
Allowance for investment losses	(1,252)	(1,384)
Operating loans	716	851
Other	374	133
Allowance for doubtful accounts	(51)	(52)
<b>Total current assets</b>	<b>13,129</b>	<b>11,885</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	39	38
Accumulated depreciation	(8)	(8)
Buildings and structures, net	31	29
Vehicles, tools, furniture and fixtures	60	59
Accumulated depreciation	(50)	(50)
Vehicles, tools, furniture and fixtures, net	9	8
Land	0	0
<b>Total property, plant and equipment</b>	<b>40</b>	<b>38</b>
Intangible assets		
Other	150	129
<b>Total intangible assets</b>	<b>150</b>	<b>129</b>
Investments and other assets		
Investment securities	61	65
Distressed receivables	0	0
Other	31	29
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>92</b>	<b>94</b>
<b>Total non-current assets</b>	<b>283</b>	<b>262</b>
<b>Total assets</b>	<b>13,413</b>	<b>12,147</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	316	636
Accrued expenses	44	41
Income taxes payable	70	58
Provision for bonuses	81	56
Other	330	342
Total current liabilities	843	1,135
Non-current liabilities		
Long-term borrowings	4,825	3,996
Deferred tax liabilities	32	22
Retirement benefit liability	158	157
Total non-current liabilities	5,016	4,175
Total liabilities	5,860	5,311
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,779)	(2,339)
Treasury shares	(353)	(353)
Total shareholders' equity	6,799	6,238
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	654	463
Foreign currency translation adjustment	64	98
Total accumulated other comprehensive income	719	561
Share acquisition rights	33	35
Non-controlling interests	0	0
Total net assets	7,552	6,835
<b>Total liabilities and net assets</b>	<b>13,413</b>	<b>12,147</b>

(2) Consolidated Statements of Income

	(Millions of yen)	
	For six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	For six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)
Operating revenue	669	426
Operating costs	715	420
Operating gross profit (loss)	(46)	6
Selling, general and administrative expenses	552	542
Operating loss	(598)	(535)
Non-operating income		
Interest income	2	2
Dividend income	0	0
Foreign exchange gains	—	11
Rental income from facilities	1	2
Miscellaneous income	0	0
Total non-operating income	5	17
Non-operating expenses		
Interest expenses	46	38
Foreign exchange losses	0	—
Miscellaneous losses	—	1
Total non-operating expenses	47	39
Ordinary loss	(640)	(558)
Extraordinary income		
Gain on reversal of share acquisition rights	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	—	0
Loss on valuation of investment securities	13	—
Other	0	—
Total extraordinary losses	13	0
Loss before income taxes	(653)	(558)
Income taxes - current	1	2
Total income taxes	1	2
Loss	(655)	(561)
Loss attributable to non-controlling interests	—	(0)
Loss attributable to owners of parent	(655)	(560)