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Consolidated Financial Results
for the Six Months Ended September 30, 2024
[Under Japanese GAAP]
(Summary of Japanese announcement)

November 14, 2024

Company name: Japan Asia Investment Co., Ltd.
 URL: <https://www.jaic-vc.co.jp/>
 Listing: Tokyo Stock Exchange, Standard Market
 Securities code: 8518
 Representative: Shun Maruyama, Representative Director, President & CEO
 Inquiries: Kenji Kishimoto, Board Director, Managing Executive Officer CFO
 Telephone: +81-3-3221-8518 (main)
 Scheduled date to file semi-annual securities report: November 14, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes (Japanese-language only)
 Holding of financial results briefing: None

(Throughout this report, yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)
(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-------------------|------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended | | | | | | | | |
| September 30, 2024 | 1,432 | 12.9 | 68 | — | (2) | — | (75) | — |
| September 30, 2023 | 1,269 | 14.1 | (239) | — | (312) | — | (543) | — |

(Note) Comprehensive Income

For the six months ended September 30, 2024: (74) millions of yen (—%)

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

| | Basic earnings per share | | Diluted earnings per share | |
|--------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended | | | | |
| September 30, 2024 | (3.77) | | — | |
| September 30, 2023 | (30.72) | | — | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|--------------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| September 30, 2024 | 18,868 | 6,906 | 34.1 | 289.55 |
| March 31, 2024 | 16,796 | 6,132 | 33.0 | 312.71 |

(Reference) Equity

As of September 30, 2024: 6,429 millions of yen

As of March 31, 2024: 5,536 millions of yen

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | — | 0.00 | — | 0.00 | 0.00 |
| Fiscal year ending March 31, 2025 | — | 0.00 | | | |
| Fiscal year ending March 31, 2025 (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, 2025 (from April 1, 2024 to March 31, 2025)

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, 2025 (from April 1, 2024 to March 31, 2025)” on page 15 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) Result forecast consolidated under the Previous Accounting Standard” on page 23 in “Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese Standards]” disclosed on May 15, 2024.

***Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - company (Company name: -)

Excluded: 1 company (Company name: 1 Investment Fund)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to “3. Consolidated Financial Statements (5) Notes on Semi-annual Consolidated Financial Statements” on page 13 of the attached documents for detailed information.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|--------------------------|-------------------|
| As of September 30, 2024 | 22,284,392 shares |
| As of March 31, 2024 | 17,884,392 shares |

(ii) Number of treasury shares at the end of the period

| | |
|--------------------------|----------------|
| As of September 30, 2024 | 78,009 shares |
| As of March 31, 2024 | 181,009 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|-------------------|
| Six months ended September 30, 2024 | 20,041,006 shares |
| Six months ended September 30, 2023 | 17,703,383 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The additional materials of the financial results for the six months ended September 30, 2024 will be released on our website on November 14, 2024 (Japanese-language only).

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 “2. Outlook for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)” on page 15 in this report and “3. Business Performance and Financial Condition (3) Result forecast consolidated under the Previous Accounting Standard” on page 23 in “Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese Standards]” disclosed on May 15, 2024.

1. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) | For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) |
|--|---|---|---|
| Total operating revenue | 1,269 | 1,432 | 2,444 |
| Management fees | 60 | 62 | 123 |
| Proceeds of sales of operational investment securities | 644 | 277 | 1,244 |
| Fund interests income and Income gains etc. | 544 | 1,072 | 1,023 |
| Other operating revenue | 18 | 20 | 53 |
| | | | |
| Total operating cost | 834 | 669 | 2,279 |
| Cost of securities sold | 237 | 159 | 621 |
| Investment write-offs & Provision for allowance for possible investment losses | 218 | 12 | 777 |
| Fund interests losses etc. | 371 | 487 | 863 |
| Other operating cost | 7 | 10 | 16 |
| | | | |
| Operating gross profit | 434 | 763 | 165 |

(2) Breakdown of Loans payable and bonds

(Millions of yen)

| | As of September 30, 2023 | As of September 30, 2024 | As of March 31, 2024 |
|---|--------------------------|--------------------------|----------------------|
| Total of loans payable and bonds | 9,271 | 11,034 | 9,833 |
| Loans payable; Non-consolidated base | 4,633 | 3,819 | 4,314 |
| Loans payable by project finance and bonds; Consolidated projects | 4,638 | 7,214 | 5,519 |

2. Business Position

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

i) Number of IPOs

| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) | For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) |
|--|---|---|---|
| Number of IPOs (total of Japan & overseas) | 1 company | — | 1 company |
| First price multiple (average of Japan & overseas) | 1.4 times | — | 1.4 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

| Company Name | Date of IPO | Market | Business | Head quarters |
|------------------|----------------|----------|--|------------------|
| K. UNO Co., Ltd. | 8-Oct-24 | NSE Next | Manufacturing and sales, custom-made orders, remodeling, and repairs related to jewelry and watches | Japan |

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

| 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 |

iii) Unrealized gains and losses on listed operating investment stocks (Note)

(Millions of yen)

| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) | For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) |
|------------------------|---|---|---|
| Unrealized gain (loss) | 94 | (6) | (0) |

Note: “Unrealized gain (loss)” shows the amount attributable to the Group of the difference between the acquisition cost and the amount recorded on the quarterly consolidated balance sheet or consolidated balance sheet of the stock listed on the stock exchange among the stocks held as operating investment securities by the Group and by the investment funds managed under the Group.

(2) 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 the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | | | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) | | | For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) | | |
|---|---|--|--|---|--|--|---|--|--|
| | 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 | 11,812 | 3,605 | 7 | 12,596 | 4,040 | 6 | 12,612 | 3,928 |
| Maturity is being exte nded | — | — | — | — | — | — | — | — | — |
| During liquidation procedure | 2 | 2,852 | 1,432 | — | — | — | 2 | 2,885 | 881 |
| Total [Total commitment amount of JAIC group] | 8 | 14,664 [2,418] | 5,037 | 7 | 12,596 [1,544] | 4,040 | 8 | 15,497 [2,428] | 4,809 |

ii) Funds during operation period (as of September 30, 2024)

| 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 | 100 | 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 | 5,101 | Supporting the business succession needs of SMEs in Japan. Managed by AJ Capital Co., Ltd, a joint venture between JAIC and Aozora Bank, Ltd. |
| JAIC Wealth Fund, L.P | Jun. 2024 | Dec. 2033 | 35 | Venture capital fund targeting mainly venture companies in Japan assuming that private banks and wealthy individuals are the main investors |

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, 2024 | As of September 30, 2024 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,544 | 3,454 |
| Operational investment securities | 7,067 | 6,165 |
| Allowance for investment losses | (1,136) | (649) |
| Operating loans | 218 | 218 |
| Other | 358 | 662 |
| Allowance for doubtful accounts | (103) | (143) |
| Total current assets | 8,948 | 9,708 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 1,711 | 2,710 |
| Accumulated depreciation | (141) | (198) |
| Buildings and structures, net | 1,570 | 2,512 |
| Machinery and equipment | 3,807 | 4,853 |
| Accumulated depreciation | (720) | (859) |
| Machinery and equipment, net | 3,086 | 3,993 |
| Vehicles, tools, furniture and fixtures | 240 | 275 |
| Accumulated depreciation | (76) | (78) |
| Vehicles, tools, furniture and fixtures, net | 164 | 196 |
| Land | 369 | 500 |
| Construction in progress | 786 | 185 |
| Total property, plant and equipment | 5,977 | 7,388 |
| Intangible assets | | |
| Power production facilities concessions | 1,195 | 1,128 |
| Other | 132 | 113 |
| Total intangible assets | 1,328 | 1,242 |
| Investments and other assets | | |
| Investment securities | 75 | 56 |
| Distressed receivables | 103 | 103 |
| Other | 466 | 471 |
| Allowance for doubtful accounts | (103) | (103) |
| Total investments and other assets | 542 | 527 |
| Total non-current assets | 7,847 | 9,159 |
| Total assets | 16,796 | 18,868 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | 901 | 1,918 |
| Current portion of bonds payable | 8 | 8 |
| Accrued expenses | 158 | 68 |
| Income taxes payable | 55 | 61 |
| Provision for bonuses | 45 | 51 |
| Other | 160 | 255 |
| Total current liabilities | 1,330 | 2,364 |
| Non-current liabilities | | |
| Bonds payable | 162 | 158 |
| Long-term borrowings | 8,761 | 8,949 |
| Deferred tax liabilities | 13 | 44 |
| Retirement benefit liability | 127 | 132 |
| Asset retirement obligations | 254 | 291 |
| Other | 13 | 21 |
| Total non-current liabilities | 9,333 | 9,597 |
| Total liabilities | 10,663 | 11,961 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,426 | 5,925 |
| Capital surplus | 3,631 | 3,966 |
| Retained earnings | (3,576) | (3,652) |
| Treasury shares | (353) | (152) |
| Total shareholders' equity | 5,126 | 6,087 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 71 | 10 |
| Deferred gains or losses on hedges | (13) | (18) |
| Foreign currency translation adjustment | 351 | 349 |
| Total accumulated other comprehensive income | 409 | 342 |
| Share acquisition rights | 36 | — |
| Non-controlling interests | 560 | 476 |
| Total net assets | 6,132 | 6,906 |
| Total liabilities and net assets | 16,796 | 18,868 |

(2) Consolidated Statements of Income

| | (Millions of yen) | |
|---|---|---|
| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) |
| Operating revenue | 1,269 | 1,432 |
| Operating costs | 834 | 669 |
| Operating gross profit | 434 | 763 |
| Selling, general and administrative expenses | 674 | 694 |
| Operating profit (loss) | (239) | 68 |
| Non-operating income | | |
| Interest income | 2 | 1 |
| Dividend income | 0 | 0 |
| Foreign exchange gains | 11 | 36 |
| Rental income from facilities | 2 | 2 |
| Miscellaneous income | 0 | 1 |
| Total non-operating income | 17 | 42 |
| Non-operating expenses | | |
| Interest expenses | 88 | 98 |
| Share issuance costs | — | 13 |
| Miscellaneous losses | 1 | 0 |
| Total non-operating expenses | 90 | 112 |
| Ordinary loss | (312) | (2) |
| Extraordinary income | | |
| Subsidy income | 34 | — |
| Total extraordinary income | 34 | — |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 0 | 0 |
| Loss on tax purpose reduction entry of non-current assets | 34 | — |
| Total extraordinary losses | 34 | 0 |
| Loss before income taxes | (312) | (2) |
| Income taxes - current | 2 | 2 |
| Total income taxes | 2 | 2 |
| Loss | (315) | (4) |
| Profit attributable to non-controlling interests | 228 | 70 |
| Loss attributable to owners of parent | (543) | (75) |

(3) Consolidated Statements of Comprehensive Income

| | (Millions of yen) | |
|--|---|---|
| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) |
| Loss | (315) | (4) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (834) | (63) |
| Deferred gains or losses on hedges | — | (4) |
| Foreign currency translation adjustment | 59 | 35 |
| Share of other comprehensive income of entities accounted for using equity method | 11 | (37) |
| Total other comprehensive income | (763) | (69) |
| Comprehensive income | (1,079) | (74) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (730) | (142) |
| Comprehensive income attributable to non-controlling interests | (348) | 68 |

(4) Consolidated Statements of Cash Flows

| | (Millions of yen) | |
|---|---|---|
| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) |
| Cash flows from operating activities | | |
| Loss before income taxes | (312) | (2) |
| Depreciation | 23 | 23 |
| Increase (decrease) in allowance for doubtful accounts | 0 | 54 |
| Increase (decrease) in provision for bonuses | (25) | 5 |
| Increase (decrease) in retirement benefit liability | (1) | 5 |
| Interest and dividend income | (2) | (1) |
| Interest expenses | 38 | 30 |
| Loss on devaluation of operational investment securities | 22 | 0 |
| Decrease (increase) in operational investment securities | 156 | (3) |
| Decrease (increase) in operating loans receivable | (135) | (279) |
| Decrease (increase) in distressed receivables | 0 | — |
| Payment for purchase of investment funds | (811) | (275) |
| Dividends from investment funds | 1,620 | 592 |
| Increase (decrease) in investment funds of non-controlling interest | (245) | (62) |
| Other, net | (143) | 81 |
| Subtotal | 182 | 168 |
| Interest and dividends received | 2 | 1 |
| Interest paid | (54) | (43) |
| Income taxes paid | (19) | (45) |
| Income taxes refund | 274 | 34 |
| Net cash provided by (used in) operating activities | 385 | 116 |
| Cash flows from investing activities | | |
| Other, net | 1 | (0) |
| Net cash provided by (used in) investing activities | 1 | (0) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (509) | (495) |
| Proceeds from issuance of shares | — | 998 |
| Other, net | — | 0 |
| Net cash provided by (used in) financing activities | (509) | 503 |
| Effect of exchange rate change on cash and cash equivalents | 7 | 23 |
| Net increase (decrease) in cash and cash equivalents | (115) | 643 |
| Cash and cash equivalents at beginning of period | 1,762 | 1,396 |
| Cash and cash equivalents at end of period | 1,646 | 2,040 |

(5) Notes on Semi-annual Consolidated Financial Statements

(Changes in accounting policies)

(Application of "Accounting Standards for Corporate Tax, Resident Tax, Business Tax, etc.")

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27 revised on October 28, 2022, Accounting Standards Board of Japan (ASBJ); hereinafter the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the current first half consolidated accounting period.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 revised on October 28, 2022, ASBJ; hereinafter the "Revised Application Guidance of 2022"). There is no impact for semi-annual consolidated financial statements because of this change in accounting policy.

Regarding the revision related to revised treatment on consolidated financial statements when deferring gains or losses on sale of shares of subsidiaries, etc. conducted among consolidated companies for tax purposes, the Revised Application Guidance of 2022 has been adopted from the beginning of the current first half consolidated accounting period. There is no impact for semi-annual consolidated financial statements because of this change in accounting policy.

(Notes on Significant Changes in Shareholders' Equity)

On June 28, 2024, the Company received a payment from Governance Partners Asia Fund for a third-party allotment of new shares. As a result, capital increased by 499 million yen and capital surplus increased by 499 million yen. In addition, due to the disposal of treasury stock through the exercise of stock acquisition rights on June 28, 2024, capital surplus decreased by 163 million yen and treasury stock decreased by 201 million yen.

As a result, at the end of the current first quarter consolidated accounting period, capital was 5,925 million yen, capital surplus was 3,966 million yen, and treasury stock was 152 million yen.

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

No applicable items

Information for Reference Purposes:

Consolidated Financial Results for the Six Months Ended September 30, 2024

November 14, 2024

Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Six Months Ended September, 2024 (As of September 30, 2024)

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, yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| Six months ended | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-------------------|--------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2024 | 664 | 55.8 | (61) | — | (64) | — | (67) | — |
| September 30, 2023 | 426 | (36.3) | (535) | — | (558) | — | (560) | — |

| Six months ended | Basic earnings per share | | Diluted earnings per share | |
|--------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| September 30, 2024 | (3.36) | | — | |
| September 30, 2023 | (31.67) | | — | |

(2) Consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|--------------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| September 30, 2024 | 10,929 | 6,536 | 59.8 | 294.30 |
| March 31, 2024 | 10,438 | 5,670 | 54.0 | 318.21 |

(Reference) Equity

As of September 30, 2024: 6,535 millions of yen

As of March 31, 2024: 5,633 millions of yen

2. Outlook for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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 year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---------------------------------------|-------------------|-------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| For the year ending March 31, 2025 | 1,600 | 65.9 | 150 | — | 300 | — | 250 | — |
| | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ |
| | 2,650 | 174.7 | 850 | — | 1,000 | — | 950 | — |

| | Basic earnings per share |
|---------------------------------------|--------------------------|
| | Yen |
| For the year ending March 31, 2025 | 11.26 |
| | ~ |
| | 42.78 |

(Note) Revision from the latest earnings forecast: None

Basic earnings 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, 2024.

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) Result forecast consolidated under the Previous Accounting Standard” on page 23 in “Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese Standards]” disclosed on May 15, 2024.

3. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) | For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) |
|--|---|---|---|
| Total operating revenue | 426 | 664 | 964 |
| Management fees | 79 | 72 | 149 |
| Proceeds of sales of operational investment securities | 281 | 159 | 654 |
| Fund interests income and Income gains etc. | 32 | 390 | 74 |
| Other operating revenue | 32 | 41 | 85 |
| | | | |
| Total operating cost | 420 | 160 | 1,392 |
| Cost of securities sold | 132 | 98 | 451 |
| Investment write-offs & Provision for allowance for possible investment losses | 183 | 6 | 645 |
| Fund interests losses etc. | 97 | 45 | 279 |
| Other operating cost | 7 | 10 | 16 |
| | | | |
| Operating gross profit | 6 | 503 | (427) |

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

| | (Millions of yen) | |
|--|----------------------|--------------------------|
| | As of March 31, 2024 | As of September 30, 2024 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,750 | 2,274 |
| Operational investment securities | 8,612 | 7,840 |
| Allowance for possible investment loss | (1,087) | (594) |
| Operating loans | 931 | 1,210 |
| Other | 91 | 157 |
| Allowance for doubtful accounts | (112) | (167) |
| Total current assets | 10,187 | 10,721 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 38 | 38 |
| Accumulated depreciation | (9) | (10) |
| Buildings and structures, net | 28 | 27 |
| Vehicles, tools, furniture and fixtures | 59 | 53 |
| Accumulated depreciation | (52) | (47) |
| Vehicles, tools, furniture and fixtures, net | 7 | 5 |
| Land | 0 | 0 |
| Total property, plant and equipment | 35 | 33 |
| Intangible assets | | |
| Other | 110 | 90 |
| Total intangible assets | 110 | 90 |
| Investments and other assets | | |
| Investment securities | 75 | 56 |
| Other | 28 | 27 |
| Total investments and other assets | 104 | 84 |
| Total non-current assets | 250 | 208 |
| Total assets | 10,438 | 10,929 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | 318 | 647 |
| Accrued expenses | 46 | 25 |
| Income taxes payable | 54 | 61 |
| Provision for bonuses | 45 | 51 |
| Other | 164 | 258 |
| Total current liabilities | 630 | 1,044 |
| Non-current liabilities | | |
| Long-term borrowings | 3,996 | 3,172 |
| Deferred tax liabilities | 13 | 44 |
| Retirement benefit liability | 127 | 132 |
| Total non-current liabilities | 4,137 | 3,348 |
| Total liabilities | 4,767 | 4,393 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,426 | 5,925 |
| Capital surplus | 3,505 | 3,841 |
| Retained earnings | (3,354) | (3,421) |
| Treasury shares | (353) | (152) |
| Total shareholders' equity | 5,224 | 6,192 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 321 | 222 |
| Deferred gains or losses on hedges | (13) | (18) |
| Foreign currency translation adjustment | 101 | 138 |
| Total accumulated other comprehensive income | 409 | 342 |
| Share acquisition rights | 36 | — |
| Non-controlling interests | 0 | 0 |
| Total net assets | 5,670 | 6,536 |
| Total liabilities and net assets | 10,438 | 10,929 |

(2) Consolidated Statements of Income

| | (Millions of yen) | |
|---|---|---|
| | For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) | For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) |
| Operating revenue | 426 | 664 |
| Operating costs | 420 | 160 |
| Operating gross profit | 6 | 503 |
| Selling, general and administrative expenses | 542 | 565 |
| Operating loss | (535) | (61) |
| Non-operating income | | |
| Interest income | 2 | 1 |
| Dividend income | 0 | 0 |
| Foreign exchange gains | 11 | 36 |
| Rental income from facilities | 2 | 2 |
| Miscellaneous income | 0 | 0 |
| Total non-operating income | 17 | 41 |
| Non-operating expenses | | |
| Interest expenses | 38 | 30 |
| Share issuance costs | — | 13 |
| Miscellaneous losses | 1 | 0 |
| Total non-operating expenses | 39 | 44 |
| Ordinary loss | (558) | (64) |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 0 | 0 |
| Total extraordinary losses | 0 | 0 |
| Loss before income taxes | (558) | (65) |
| Income taxes - current | 2 | 2 |
| Total income taxes | 2 | 2 |
| Loss | (561) | (67) |
| Profit (loss) attributable to non-controlling interests | (0) | 0 |
| Loss attributable to owners of parent | (560) | (67) |