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April 26, 2023

**Financial Results for the Year Ended March 31, 2023**

[Japanese GAAP]

(Summary of Japanese announcement)

(Japanese yen figures less than one million yen are rounded down)

**1. Consolidated Performance for the Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)****(1) Consolidated Operating Results**

(Figures with % indicate the rate of change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to JAFCO Group Co., Ltd. stockholders	
	[¥ million]	[%]	[¥ million]	[%]	[¥ million]	[%]	[¥ million]	[%]
For the year ended March 31, 2023	14,073	(49.2)	(4,414)	-	(3,048)	-	40,571	169.0
For the year ended March 31, 2022	27,677	28.7	16,876	88.2	18,360	56.8	15,080	(60.8)

Note: Comprehensive income Year ended March 31, 2023: (¥20,795 million) [-%]  
Year ended March 31, 2022: ¥25,678 million [(36.9%)]

	Net income per share [¥]	Fully diluted net income per share [¥]	Return on equity [%]	Ordinary income/total assets [%]	Operating income/net sales [%]
For the year ended March 31, 2023	586.92	-	24.7	(1.6)	(31.4)
For the year ended March 31, 2022	192.50	-	7.3	7.4	61.0

(Ref.) Equity method investment gain or loss Year ended Mar. 31, 2023: ¥- million Year ended Mar. 31, 2022: ¥- million

(Note) The Company conducted a 3-for-1 stock split as of February 1, 2022. "Net income per share" was calculated assuming that the stock split took place at the beginning of the previous fiscal year.

**(2) Consolidated Financial Position**

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of March 31, 2023	159,847	130,745	81.8	2,404.11
As of March 31, 2022	233,024	197,390	84.7	2,769.16

(Reference) Shareholders' equity As of March 31, 2023: ¥130,745 million As of March 31, 2022: ¥197,390 million

**(3) Consolidated cash flows**

	Cash flows from operating activities [¥ million]	Cash flows from investing activities [¥ million]	Cash flows from financial activities [¥ million]	Cash and cash equivalents at end of period [¥ million]
For the year ended March 31, 2023	(7,245)	69,640	(46,225)	69,481
For the year ended March 31, 2022	(12,958)	748	(43,474)	52,603

**2. Dividends**

(Record date)	Dividend per share [¥]					Total dividends paid [¥ million]	Payout ratio [consolidated]	Dividend/ shareholders' equity [consolidated]
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total			
For the year ended March 31, 2022	-	-	-	51.00	51.00	3,635	26.5%	3.0%
For the year ended March 31, 2023	-	-	-	150.00	150.00	8,157	25.6%	7.8%
For the year ending March 31, 2024 (Forecast)	-	-	-	-	-		-	

Notes: The dividend for the year ended March 31, 2023 is based on current plans. The forecast of dividend for the year ending March 31, 2024 is unfixed. The Company set a policy to pay dividends of approximately 3% of shareholders' equity (initial and term-end average value) effective fiscal year ended March 31, 2017, but from the fiscal year ending March 31, 2024 onwards, the policy will be changed to the greater of 3% of shareholders' equity (initial and term-end average value) or 50% of net income.

Dividend/ Shareholders' equity: Dividend per share/ Shareholders' equity per share (initial and term-end average value)

**3. Business Forecasts for the Year ending March 31, 2024 (April 1, 2023 – March 31, 2024)**

Volatility in stock markets and the IPO environment in Japan and overseas causes performance to fluctuate, as a result of which it is difficult to make meaningful forecasts in earnings. Therefore, instead of announcing projections, the Company makes timely disclosure of quarterly financial results.

**\*Other Information**

- (1) Changes in significant subsidiaries during this period: None
- (2) Changes in accounting principles, accounting estimates and correction of prior period errors
  - ① Changes in accounting principles due to revisions to accounting standards: None
  - ② Changes in accounting principles other than ①: None
  - ③ Changes in accounting estimates: None
  - ④ Correction of prior period errors: None
- (3) Number of issued shares (common stock)
  - ① Number of issued shares (including treasury shares)

As of March 31, 2023:	56,060,000	As of March 31, 2022:	80,910,000
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  - ② Number of treasury shares

As of March 31, 2023:	1,675,979	As of March 31, 2022:	9,628,015
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  - ③ Average number of shares

Year ended March 31, 2023:	69,126,546
Year ended March 31, 2022:	78,338,168

Note: The Company conducted a 3-for-1 stock split as of February 1, 2022. "Average number of shares" was calculated assuming that the stock split took place at the beginning of the previous fiscal year.

## (Reference) Summary of Unconsolidated Performance

## Unconsolidated Performance for the Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Figures with % indicate the year-on-year rate of change)

## (1) Unconsolidated Operating Results

	Net sales [¥ million] [%]	Operating income [¥ million] [%]	Ordinary income [¥ million] [%]	Profit attributable to JAFCO Group Co., Ltd. stockholders [¥ million] [%]
For the year ended March 31, 2023	13,156 (50.5)	(4,514) -	(1,169) -	42,502 186.3
For the year ended March 31, 2022	26,589 30.3	16,542 98.9	18,099 66.1	14,840 (60.7)

	Net income per share [¥]	Fully diluted net income per share [¥]
For the year ended March 31, 2023	614.85	-
For the year ended March 31, 2022	189.44	-

Note: The Company conducted a 3-for-1 stock split as of February 1, 2022. "Net income per share" was calculated assuming that the stock split took place at the beginning of the previous fiscal year.

## (2) Unconsolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of March 31, 2023	153,205	126,739	82.7	2,330.45
As of March 31, 2022	225,528	192,558	85.4	2,701.36

(Reference) Shareholders' equity  
 As of March 31, 2023: ¥126,739 million  
 As of March 31, 2022: ¥192,558 million

**\*These financial results are not subject to audit procedures.**

**\*Cautionary statements with respect to forward-looking statements and other notes**

(Access to the financial supplement materials)

The presentation material for the year ended March 31, 2023 will be released on the Company's website on April 26, 2023.

**\*Note to XBRL**

Please note that the names of the English accounts contained in XBRL data, which are available through EDINET and TDNet, may be different from those of the English accounts in our financial statements.

## 1. Outline of Operating Results

### (1) Outline of Operating Results

In the consolidated fiscal year ended March 31, 2023, the Company and its consolidated subsidiaries (collectively the “Company Group”) posted net sales of ¥14,073 million, (down 49.2% from ¥27,677 million for the previous fiscal year), operating loss of ¥4,414 million (previous fiscal year: operating income of ¥16,876 million), ordinary loss of ¥3,048 million (previous fiscal year: ordinary income of ¥18,360 million), and profit attributable to JAFCO Group Co., Ltd. stockholders of ¥40,571 million (up 169.0% from ¥15,080 million).

During the current fiscal year, there were five portfolio IPOs (five in Japan and none overseas), but hit by a harsh market environment, investment multiple declined, capital gains remained at a low level and additions to investment loss reserves rose.

During the current fiscal year, the Company sold its entire holdings in Nomura Research Institute, Inc. (23,968,100 shares of common stock, excluding shares less than one unit). As a result, gains on sale of ¥63,796 million were recorded (of which, extraordinary gains were ¥62,783 million).

#### (Outline of Capital Gains)

There were five portfolio IPOs (five in Japan and none overseas), but hit by a harsh market environment, investment multiple declined and capital gains remained at a low level. Capital gains plunged compared to the previous consolidated fiscal year, when there was a major IPO.

(Millions of Yen)

	Year ended March 31, 2022 (A)	Year ended March 31, 2023 (B)	Comparison (%) (B) / (A)
Revenues from operational investment securities (1)	20,257	9,665	47.7
Proceeds from sale of securities	20,147	9,523	47.3
Dividend and interest income	109	142	130.7
Cost of operational investment securities (2)	7,619	5,981	78.5
Cost of securities sold	6,848	5,508	80.4
Impairment	770	473	61.4
Capital gains (1) – (2)	12,638	3,684	29.2
Multiple (1) / (2)	2.66	1.62	-
Capital gains on listed shares	12,596	3,026	24.0
Capital gains on unlisted shares	41	658	1,586.4
Gain on sale	3,142	2,153	68.5
Loss on sale	3,100	1,495	48.2

## (Outline of Investment Loss Reserves)

In the current consolidated fiscal year, the Company recorded significant investment losses reserves in the fourth quarter based on the possibility of a deteriorating market environment and market slowdown for exits. As a result, the balance of investment loss reserves increased as additions to investment loss reserves significantly exceeded reversals. The ratio of reserves to the balance of unlisted operational investment securities also rose.

Please note that general reserves were fully reversed at the end of the current consolidated fiscal year due to its small balance.

(Millions of Yen)

	Year ended March 31, 2022 (A)	Year ended March 31, 2023 (B)	Comparison (%) (B) / (A)
Additions to investment loss reserves (1)	1,108	7,853	708.4
Company-by-company reserves	1,137	7,969	700.5
(Reversal of) General reserves	(29)	(116)	-
Reversal of investment loss reserves (2)	3,094	2,369	76.6
Net additions = (1)-(2) (minus figures are reversals)	(1,985)	5,484	-

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Balance of investment loss reserves	8,969	14,490
Company-by-company reserves	8,853	14,490
General reserves	116	-
Ratio to all unlisted operational investment securities	12.1%	17.0%

## (Outline of Balance of Operational Investment Securities)

The balance of operational investment securities rose due to steady investment mainly in startup companies.

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Difference between acquisition cost and market value of listed operational investment securities	12,510	10,809
Securities whose market value exceeds acquisition cost	12,510	10,990
Securities whose market value falls below acquisition cost	-	(181)

(Millions of Yen)

	Year ended March 31, 2022	Year ended March 31, 2023
(Reversal of) Unrealized losses on operational investment securities	-	181

## Balance of Operational Investment Securities

(Millions of Yen)

	As of March 31, 2022		As of March 31, 2023	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the consolidated B/S
Listed	1,755	14,266	2,462	13,271
Unlisted	70,515	73,914	80,507	85,258
Total	72,271	88,180	82,970	98,530

## (Outline of Fund Operations)

Success fees decreased significantly from the previous year, when there was a major IPO. Management fees increased from the previous year due to the launch of the JAFCO SV7 Series.

(Millions of Yen)

	Year ended March 31, 2022 (A)	Year ended March 31, 2023 (B)	Comparison (%) (B) / (A)
Income from partnership management	7,410	4,402	59.4
Fund management fees	2,949	3,391	115.0
Success fees	4,461	1,011	22.7

Note: Fund management fees and success fees are based on capital commitments excluding the Company Group's interests.

**(2) Outline of Financial Condition**

## (i) Outline of assets, liabilities, and net assets

Assets, liabilities, and net assets decreased as a result of the sale of the Company's entire holdings in Nomura Research Institute, Inc. and the acquisition of a total of 17,002,200 treasury shares (acquisition cost: ¥42,384 million).

Based on the resolution of the Board of Directors meeting held on October 22, 2021, ¥384 million in treasury shares were bought back between April 1, 2022 and April 4, 2022, and based on the resolution of the Board of Directors meeting held on December 21, 2022, ¥42,000 million in treasury shares were bought back in a TOB by issuer.

Based on the resolution of the Board of Directors meeting held on April 22, 2022, 7,630,000 treasury shares were cancelled as of May 10, 2022, and a further 17,220,000 treasury shares were cancelled as of March 1, 2023 based on the resolution of the Board of Directors meeting held on February 16, 2023. As a result, retained earnings and treasury shares decreased by ¥58,318 million.

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Total assets	233,024	159,847
Current assets	134,407	156,079
Non-current assets	98,616	3,767
Total liabilities	35,633	29,101
Current liabilities	4,563	25,678
Non-current liabilities	31,070	3,423
Net assets	197,390	130,745

## (ii) Outline of cash flows

(Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023	
	Amount	Amount	Main factor
Cash flows from operating activities	(12,958)	(7,245)	Increase in operational investment securities, etc.
Cash flows from investing activities	748	69,640	Revenue from the sale of investment securities, etc.
Cash flows from financing activities	(43,474)	(46,225)	Expenditure related to share buyback, etc.
Other	769	708	Exchange rate fluctuation
Term-end balance of cash and cash equivalents	52,603	69,481	
[Of which, interests in funds]	[8,838]	[8,491]	

Note: The Company Group's uncalled commitments to funds managed by the Company Group as of March 31, 2023 were ¥40,868 million, compared with ¥28,125 million as of the end of previous fiscal year.

## (Cash flow indices)

Fiscal year ended	March 2019	March 2020	March 2021	March 2022	March 2023
Equity ratio (%)	88.6	84.8	82.0	84.7	81.8
Market price-based equity ratio (%)	66.6	39.2	73.8	57.4	64.4
Cash flows/ Interest-bearing debt ratio (year)	-	0.0	14.3	-	-
Interest coverage ratio (times)	-	7,727.8	7.7	-	-

Equity ratio: Shareholders' equity / Total assets

Market price-based equity ratio: Market capitalization/ Total assets

Cash flow/ Interest-bearing debt ratio: Interest-bearing debt/ Cash flows

Interest coverage ratio: Cash flows/ Interest expense

- Notes: 1. Market capitalization is based on the number of issued shares excluding treasury shares.  
2. Operating cash flows are used as cash flows.  
3. The interest-bearing debts include all liabilities on the balance sheets, whose interest is being paid.  
4. Cash flows/ Interest-bearing debt ratio and interest coverage ratio for the fiscal years ended March 31, 2019, March 31, 2022, and March 31, 2023 are not shown because operating cash flows were negative.

### **(3) Policy on Distribution of Profits and Dividends for the Current Fiscal Year/ Next Fiscal Year**

In November 2022, the Company reviewed the policy on distributions of profits and announced the “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency.” The basic dividend policy was changed from 3% of shareholders' equity (average of beginning and end of period) to the greater of 3% of shareholders' equity (average of beginning and end of period) or 50% of net income. The Company also reduced the necessary funds for business continuity from ¥120 billion to about ¥60 billion, and decided to consider a share buyback of funds exceeding the necessary funds.

During the current fiscal year, the Company sold its entire shareholdings in Nomura Research Institute, Inc. and bought back ¥42,000 million in treasury shares through a share buyback and a TOB by issuer based on the resolution of the Board of Directors meeting held on December 21, 2022.

Regarding the dividend for the current consolidated fiscal year, the Company plans to pay a dividend of ¥150 per share in order to provide more returns to shareholders who continued to own the Company's shares despite the aforementioned TOB by issuer.

The Company will continue to enhance its corporate value by improving capital efficiency and promoting growth strategies.

## **2. Basic Rationale for Selection of Accounting Standards**

Valuation of unlisted shares and the scope of consolidation for funds, which are essential for the proper representation of the JAFCO Group's financial conditions and operating performance, differ between Japanese Accounting Standards and IFRS. At present, we consider Japanese Accounting Standards reasonable and have no immediate plans to convert to IFRS for the preparation of consolidated financial statements.



### 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	52,603	69,481
Operational investment securities	88,180	98,530
Investment loss reserves	(8,969)	(14,490)
Other	2,593	2,556
Total current assets	134,407	156,079
Non-current assets		
Property, plant and equipment		
Buildings, net	259	182
Furniture and fixture	57	47
Total property, plant and equipment	316	229
Intangible assets		
Software	168	95
Total intangible assets	168	95
Investments and other assets		
Investment securities	97,251	2,497
Long-term loans receivable	208	281
Deferred tax assets	279	284
Other	390	377
Total investments and other assets	98,130	3,442
Total non-current assets	98,616	3,767
<b>Total assets</b>	<b>233,024</b>	<b>159,847</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term borrowings	134	34
Income taxes payable	357	21,813
Provision for bonuses	313	344
Allowance for extraordinary compensation for directors	95	48
Other	3,662	3,437
<b>Total current liabilities</b>	<b>4,563</b>	<b>25,678</b>
<b>Non-current liabilities</b>		
Long-term borrowings	49	115
Retirement benefit liability	423	382
Deferred tax liabilities	30,518	2,883
Other	79	42
<b>Total non-current liabilities</b>	<b>31,070</b>	<b>3,423</b>
<b>Total liabilities</b>	<b>35,633</b>	<b>29,101</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	76,579	55,148
Treasury shares	(20,268)	(4,115)
<b>Total shareholders' equity</b>	<b>122,368</b>	<b>117,090</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	73,645	11,513
Foreign currency translation adjustment	1,376	2,141
<b>Total accumulated other comprehensive income</b>	<b>75,022</b>	<b>13,655</b>
<b>Total net assets</b>	<b>197,390</b>	<b>130,745</b>
<b>Total liabilities and net assets</b>	<b>233,024</b>	<b>159,847</b>

**(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income**  
**(Consolidated Statements of Income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Revenue from operational investment securities	20,257	9,665
Income from investment partnership management	7,410	4,402
Other sales	9	4
Total net sales	27,677	14,073
Cost of sales		
Cost of operational investment securities	7,619	5,981
Other costs	1,133	1,360
Total cost of sales	8,752	7,341
Gross profit	18,924	6,731
(Reversal of) Additions to investment loss reserves	(1,985)	5,484
(Reversal of) unrealized losses on operational investment securities	—	181
Gross profit - net	20,909	1,066
Selling, general and administrative expenses	4,033*	5,480*
Operating profit (loss)	16,876	(4,414)
Non-operating income		
Interest income	45	216
Dividend income	990	1,083
Foreign exchange gains	186	—
Gain on investment in other funds	342	148
Miscellaneous income	15	57
Total non-operating income	1,581	1,505
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	—	19
Contribution to an investee	12	10
Commission for purchase of treasury shares	81	108
Miscellaneous losses	3	1
Total non-operating expenses	97	139
Ordinary profit (loss)	18,360	(3,048)
Extraordinary income		
Gain on sale of investment securities	186	63,528
Recoveries of written off receivables	—	888
Total extraordinary income	186	64,417
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	18,547	61,368
Income taxes - current	3,589	20,825
Income taxes - deferred	(121)	(27)
Total income taxes	3,467	20,797
Profit	15,080	40,571
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFCO Group Co., Ltd. stockholders	15,080	40,571

\*see note (i) on P.16

**(Consolidated Statement of Comprehensive Income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	15,080	40,571
Other comprehensive income		
Valuation difference on available-for-sale securities	9,957	(62,132)
Foreign currency translation adjustment	640	764
Total other comprehensive income	10,598	(61,367)
Comprehensive income	25,678	(20,795)
Comprehensive income attributable to		
Comprehensive income attributable to JAFCO Group Co., Ltd. stockholders	25,678	(20,795)
Comprehensive income attributable to non-controlling interests	—	—

**(3) Consolidated Statements of Changes in Shareholders' Equity**

Previous Consolidated Fiscal Year (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	33,251	32,806	102,497	(17,741)	150,813
Change of items during the period					
Dividends of surplus			(4,059)		(4,059)
Profit attributable to JAFCO Group Co., Ltd. stockholders			15,080		15,080
Purchase of treasury shares				(39,464)	(39,464)
Cancellation of treasury shares			(36,938)	36,938	-
Net change of items other than shareholders' equity					
Total change of items during the period	-	-	(25,917)	(2,526)	(28,444)
Balance at end of period	33,251	32,806	76,579	(20,268)	122,368

	Other accumulated comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income	
Balance at beginning of current period	63,688	735	64,424	215,237
Change of items during the period				
Dividends of surplus				(4,059)
Profit attributable to JAFCO Group Co., Ltd. stockholders				15,080
Purchase of treasury shares				(39,464)
Cancellation of treasury shares				-
Net change of items other than shareholders' equity	9,957	640	10,598	10,598
Total change of items during the period	9,957	640	10,598	(17,846)
Balance at end of period	73,645	1,376	75,022	197,390

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,251	32,806	76,579	(20,268)	122,368
Changes during period					
Dividends of surplus			(3,635)		(3,635)
Profit attributable to JAFCO Group Co., Ltd. stockholders			40,571		40,571
Purchase of treasury shares				(42,385)	(42,385)
Disposal of treasury shares			(48)	219	170
Cancellation of treasury shares			(58,318)	58,318	-
Net changes in items other than shareholders' equity					
Total change of items during the period	—	—	(21,431)	16,153	(5,278)
Balance at end of period	33,251	32,806	55,148	(4,115)	117,090

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	73,645	1,376	75,022	197,390
Changes during period				
Dividends of surplus				(3,635)
Profit attributable to JAFCO Group Co., Ltd. stockholders				40,571
Purchase of treasury shares				(42,385)
Disposal of treasury shares				170
Cancellation of treasury shares				-
Net changes in items other than shareholders' equity	(62,132)	764	(61,367)	(61,367)
Total change of items during the period	(62,132)	764	(61,367)	(66,645)
Balance at end of period	11,513	2,141	13,655	130,745

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,547	61,368
Depreciation	205	208
Share-based payment expenses	—	153
Increase (decrease) in allowance for investment loss	(1,985)	5,484
Increase (decrease) in provision for bonuses	56	31
Increase (decrease) in allowance for extraordinary compensation for directors and corporate auditors	9	(47)
Increase (decrease) in retirement benefit liability	(3)	(40)
(Reversal of) unrealized losses on operational investment securities	—	181
Interest and dividend income	(1,036)	(1,299)
Interest expenses	0	0
Foreign exchange losses (gains)	(230)	4
Loss (gain) on sale of investment securities	(186)	(63,528)
Gain on investments in other funds	(342)	(148)
Decrease (increase) in operational investment securities	(7,982)	(10,520)
Recoveries of written off receivables	—	(888)
Other, net	(795)	(379)
Subtotal	6,254	(9,420)
Interest and dividends received	1,036	1,299
Interest paid	(0)	(0)
Income taxes paid	(20,252)	(694)
Income taxes refund	3	1,570
Net cash provided by (used in) operating activities	(12,958)	(7,245)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(59)	(34)
Purchase of intangible assets	(17)	(5)
Proceeds from sale of investment securities	390	68,843
Proceeds from recoveries of written off receivables	—	888
Long-term loan advances	(62)	(95)
Proceeds from collection of long-term loans receivable	17	22
Payment for investments in other funds	(82)	(137)
Proceeds from share of profits on investments in other funds	559	151
Increase in other investments and assets	(19)	(5)
Decrease in other investments and assets	22	12
Net cash provided by (used in) investing activities	748	69,640
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	100	100
Repayments of long-term borrowings	(32)	(134)
Dividends paid	(4,059)	(3,632)
Purchase of treasury shares	(39,483)	(42,558)
Net cash provided by (used in) financing activities	(43,474)	(46,225)
Effect of exchange rate change on cash and cash equivalents	769	708
Net increase (decrease) in cash and cash equivalents	(54,914)	16,878
Cash and cash equivalents at beginning of period	107,517	52,603
Cash and cash equivalents at end of period	52,603*	69,481*

\*see notes (i) (ii) on P.16

**(5) Notes for Consolidated Financial Statements**

(Notes on premise of going concern)

None

(Related to consolidated statements of income)

(i) Selling, general and administrative expenses (major items)

	(Millions of Yen)	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Directors' compensation	203	223
Allowance for extraordinary compensation for directors	92	46
Salaries	1,275	1,677
Bonuses to employees	500	432
Retirement benefit expenses	88	74
Rental expenses	184	190
Taxes and dues	550	1,357

(Related to consolidated statements of cash flows)

(i) Relationship between the balance of cash and cash equivalents as of the year-end and the items stated in the consolidated balance sheets

	(Millions of Yen)	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Cash and time deposits	52,603	69,481
Cash and cash equivalents	52,603	69,481

(ii) Breakdown of JAFCO's interest of cash and cash equivalents in funds

	(Millions of Yen)	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Cash and time deposits	8,838	8,491
Cash and cash equivalents	8,838	8,491

(iii) The Company Group's uncalled commitments to funds managed by the Company Group as of March 31, 2023 were ¥40,868 million, compared with ¥28,125 million as of the end of previous fiscal year.

(Segment information)

Previous fiscal year (April 1, 2021 –March 31, 2022) and current fiscal year (April 1, 2022 –March 31, 2023)

Since the JAFCO Group carries out managements of funds as a single business segment, business segment information is not presented.

(Notes on marketable securities)

(i) Held-to-maturity bonds

None



## (ii) Available-for-sale securities

(Millions of Yen)

	Type	As of March 31, 2022			As of March 31, 2023		
		Figures on the consolidated B/S	Acquisition cost	Difference	Figures on the consolidated B/S	Acquisition cost	Difference
Securities whose B/S amount exceeds acquisition cost	Operational investment securities						
	(1) Stock						
	Listed securities	14,266	1,755	12,510	13,006	2,015	10,990
	Other listed securities	105	76	29	-	-	-
	(2) Bond	1,210	731	479	1,280	748	532
	(3) Others	1,048	968	80	364	329	35
	Subtotal	16,631	3,532	13,098	14,651	3,093	11,558
	Investment securities						
	(1) Stock	96,067	5,851	90,216	1,235	543	692
	(2) Bond	-	-	-	-	-	-
(3) Others	-	-	-	-	-	-	
Subtotal	96,067	5,851	90,216	1,235	543	692	
Total	112,698	9,383	103,315	15,887	3,636	12,250	
Securities whose B/S amount falls below acquisition cost	Operational investment securities						
	(1) Stock						
	Listed securities	-	-	-	265	447	(181)
	Other listed securities	747	751	(3)	737	753	(15)
	(2) Bond	398	452	(54)	128	128	-
	(3) Others	42	42	(0)	808	808	(0)
	Subtotal	1,188	1,246	(58)	1,940	2,137	(197)
	Investment securities						
	(1) Stock	20	32	(11)	23	32	(9)
	(2) Bond	-	-	-	-	-	-
(3) Others	-	-	-	-	-	-	
Subtotal	20	32	(11)	23	32	(9)	
Total	1,208	1,278	(69)	1,963	2,170	(206)	
Grand total	113,906	10,661	103,245	17,850	5,806	12,044	

Note: 1. Securities listed on the TOKYO PRO Market and on Emerging Stock Board of the Taipei Exchange (TPEX) are classified as "Other listed securities." Please note that, taking into account the liquidity of these markets, these securities are classified under "unlisted shares" in disclosure information other than the information related to this note.

2. The following items are not included in the above table because they are unlisted stock, etc.

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
	Figures on the consolidated B/S	Figures on the consolidated B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	70,361	81,938
Investment securities		
Unlisted stock	606	610
Others	364	435

## (iii) Available-for-sale securities which were sold

(Millions of Yen)

	Year ended March 31, 2022			Year ended March 31, 2023		
	Proceeds from sale	Total gain on sale	Total loss on sale	Proceeds from sale	Total gain on sale	Total loss on sale
Operational investment securities	20,147	15,629	(2,329)	9,523	5,037	(1,022)
Investment securities	390	186	(2)	68,843	63,533	-
Total	20,538	15,816	(2,331)	78,366	68,570	(1,022)

## (iv) Impairment of securities

In the current fiscal year, impairment losses (write-down of acquisition costs) of ¥473 million were recorded on available-for-sale securities (all operating investment securities) (previous consolidated fiscal year: ¥770 million on available-for-sale securities (all operating investment securities)).

(Revenue recognition related)

## Breakdown of revenue from contracts with customers

The Company Group operates in a single segment of the fund management business. Of net sales, income from partnership management consisting of management fees and success fees is derived from contracts with customers. The breakdown of the said revenue from contracts with customers by fund series is given below.

	Year ended March 31, 2022 (from Apr. 1, 2022 to Mar. 31, 2022)			Year ended March 31, 2023 (from Apr. 1, 2022 to Mar. 31, 2023)		
	Income from fund management			Income from fund management		
Fund name	Management fees	Success fees	Total	Management fees	Success fees	Total
JAFCO SV3 Series	-	2,870	2,870	-	-	-
JAFCO SV4 Series	275	1,277	1,553	161	925	1,087
JAFCO SV5 Series	703	-	703	588	-	588
JAFCO SV6 Series	1,244	-	1,244	1,245	-	1,245
JAFCO SV7 Series	-	-	-	576	-	576
JAFCO Asia Technology Fund VI L.P.	132	303	436	117	85	203
JAFCO Asia Technology Fund VII L.P.	197	-	197	225	-	225
JAFCO Taiwan I Venture Capital Limited Partnership	-	-	-	143	-	143
JAFCO Asia S-8 Fund Limited Partnership / JAFCO Asia S-8(A) Fund Limited Partnership	-	-	-	171	-	171
JAFCO Taiwan II Venture Capital Limited Partnership	-	-	-	7	-	7
Others	395	9	404	153	-	153
Total	2,949	4,461	7,410	3,391	1,011	4,402

## (Per share information)

For the year ended March 31, 2022		For the year ended March 31, 2023	
Net assets per share [¥]	2,769.16	Net assets per share [¥]	2,404.11
Net income per share [¥]	192.50	Net income per share [¥]	586.92

- Notes: 1. Fully diluted net income per share is not shown because there are no dilutive potential shares.  
2. The Company conducted a 3-for-1 stock split as of February 1, 2022. Net assets per share and net income per share were calculated assuming that the stock split took place at the beginning of the previous fiscal year.  
3. Net income per share is calculated based on the following data.

	For the year ended March 31, 2022	For the year ended March 31, 2023
Net income per share		
Profit attributable to JAFCO Group Co., Ltd. stockholders (¥ million)	15,080	40,571
Amount not appertaining to common stock shareholders (¥ million)	-	-
Profit related to common shares attributable to JAFCO Group Co., Ltd. stockholders (¥ million)	15,080	40,571
Weighted average number of common shares (thousand shares)	78,338	69,126

## (Significant subsequent events)

None

## 4. Other Information

### (1) Investments and IPOs

#### (i) Investments

(Millions of Yen)

	Year ended March 31, 2022 (A)		Year ended March 31, 2023 (B)		Comparison (%) (B) / (A)
	Amount (A)	No. of companies	Amount (B)	No. of companies	
Equity					
(Japan)	23,216	56	27,873	47	120.1
(USA)	7,775	16	8,630	16	111.0
(Asia)	6,060	21	5,286	22	87.2
Total	37,053	93	41,790	85	112.8

- Notes: 1. Investment amount is a total of investments by the Company Group and funds.  
2. Investments denominated in foreign currencies are translated into yen on a quarterly basis using the exchange rate at the end of each quarter.  
3. Overseas investments made by the Investment Division in Japan are included in "Japan."

#### (ii) IPOs

##### (Japan)

(Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Number of IPOs	4	5
Investment cost (1)	3,074	3,934
Market value at IPOs (2)	41,515	11,014
Multiple (2)/(1)	13.5	2.8

- Notes: 1. "Investment cost" and "Market value at IPO" are total amounts by the Company Group and funds.  
2. "Market value at IPO" is calculated by multiplying the number of shares held prior to the IPO by first price.

##### (Overseas)

(Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Number of IPOs	2	-
Investment cost (1)	1,942	-
Market value at IPOs (2)	5,291	-
Multiple (2)/(1)	2.7	-

- Notes: 1. "Investment cost" and "Market value at IPO" are total amounts by the Company Group and funds. Exchange rate at the time of IPO is used for conversion.  
2. "Market value at IPO" is calculated by multiplying the number of shares held prior to the IPO by first price.

**(2) Establishment of Funds**

Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

## (i) Newly established funds:

Fundraising for the JAFCO SV7 Series, established in the current consolidated fiscal year continues, and the most immediate status is as shown below. Targeted total fund size of the SV7 Series is higher than that of the previous SV6 Series of ¥80 billion (upper limit: ¥95 billion).

(Unit: Millions of yen)

Fund name	Total capital commitments as of Apr. 26, 2023	Total capital commitments as of Mar. 31, 2023
JAFCO SV7 Fund Series (composed of a VC fund, a buyout fund, a parallel fund, and other)	78,300	74,400

(Millions of TWD)

Fund name	Total commitments as of March 31, 2023
JAFCO Taiwan II Venture Capital Limited Partnership	501

Note: Yen equivalent based on the exchange rate as of March 31, 2023: ¥2,179 million

## (ii) Funds established in previous years and still continue fundraising

(Millions of USD)

Fund name	Total commitments as of March 31, 2023	Total commitments as of March 31, 2022	Increase in commitments
Icon Ventures VII, L.P.	229	227	2

Previous full year (April 1, 2021 - March 31, 2022)

## (i) Newly established funds that have started fundraising

(Millions of USD)

Fund name	Total commitments as of March 31, 2022
JAFCO Asia S-8 Fund Limited Partnership JAFCO Asia S-8(A) Fund Limited Partnership	130

Final closing took place in December 2021.

## (ii) Funds established in previous years and still continue fundraising

(Millions of USD)

Fund name	Total commitments as of March 31, 2022	Total commitments as of March 31, 2021	Increase amount
Icon Ventures VII, L.P.	227	178	48

Fundraising underway.