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Consolidated Financial Results
for the Third Quarter Ended December 31, 2023
[Japanese Standards]
(Summary of Japanese announcement)

February 14, 2024

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: February 14, 2024
Scheduled date for start of payment of dividends: —
The additional materials of the Financial Results: Yes
The briefing session of the Financial Results: None

(Throughout this report, fractional amounts have been rounded down to the nearest one million yen.)

1. Consolidated business results for the third quarter ended December 31, 2023 (April 1, 2023 to December 31, 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 nine months ended December 31, 2023	1,728	(48.8)	(829)	—	(942)	—	(1,273)	—
For nine months ended December 31, 2022	3,377	22.0	233	275.3	127	—	(103)	—

(Note) Comprehensive Income

For nine months ended December 31, 2023: (1,936) millions of yen (—%)

For nine months ended December 31, 2022: 1,003 millions of yen [521.2%]

	Net income per share	Diluted net income per share
	Yen	Yen
For nine months ended December 31, 2023	(71.92)	—
For nine months ended December 31, 2022	(5.82)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	16,847	6,759	35.7	340.15
As of March 31, 2023	18,775	9,101	40.4	428.22

(Reference) Total shareholders' equity

As of December 31, 2023: 6,021 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 forward-looking statements. 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 “Notice of Revision on ‘Result Forecast Consolidated under the Previous Accounting Standard’ ” disclosed on Feb. 14, 2024.

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)	Nine months ended December 31,2023:	17,884,392 shares	Year ended March 31, 2023:	17,884,392 shares
(ii) Shares of treasury stock at the end of each period	Nine months ended December 31,2023:	181,009 shares	Year ended March 31, 2023:	181,009 shares
(ii) Average number of shares during the period (cumulative quarterly consolidated period)	Nine months ended December 31,2023:	17,703,383 shares	Nine months ended December 31,2022:	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 third quarter ended December 31, 2023 will be released on our website on February 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 forward-looking statements.

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 “Notice of Revision on ‘Result Forecast Consolidated under the Previous Accounting Standard’ ” disclosed on Feb. 14, 2024.

1. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	3,377	1,728	3,872
Management fees	87	92	113
Proceeds of sales of operational investment securities	1,996	816	2,071
Fund interests income and Income gains etc.	1,278	790	1,668
Other operating revenue	15	28	18
Total operating cost	2,053	1,586	2,453
Cost of securities sold	1,024	337	1,316
Investment write-offs & Provision for allowance for possible investment losses	463	607	316
Fund interests losses etc.	555	629	806
Other operating cost	9	11	12
Operating gross profit	1,324	142	1,419

(2) Cash flows

(Millions of yen)

	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash flow from operating activities	517	234	157
Cash flow from investing activities	(2)	1	0
Cash flow from financing activities	(806)	(828)	(806)
Cash and cash equivalents at the end of period	2,134	1,181	1,762

(3) Breakdown of total assets

(Millions of yen)

	As of December 31, 2022		As of December 31, 2023		As of March 31, 2023	
	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)	Amount	(B)/(A) (%)
Total assets	19,393	—	16,847	—	18,775	—
Cash and deposits	4,044	—	2,415	—	3,130	—
Property, plant and equipment	4,974	—	6,072	—	5,432	—
Operational Investment Securities (A)	9,732	—	6,798	—	9,375	—
Allowance for Possible Investment Loss (B)	(1,743)	17.9	(965)	14.2	(1,588)	16.9

(4) Breakdown of Loans payable and bonds

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023	As of March 31, 2023
Total of loans payable and bonds	9,048	9,114	8,993
Loans payable; Non-consolidated base	5,137	4,314	5,137
Loans payable by project finance and bonds; Consolidated projects	3,911	4,799	3,856

2. Business Position

(1) Investment activities (JAIC+Funds)

i) Breakdown of new investment and new loan

	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)		For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	15	1,132	16	826	18	2,152
Japan	14	1,120	15	806	16	2,107
Southeast Asia etc.	1	12	1	19	2	45
Private equity investment subtotal	8	1,198	9	1,105	10	1,408
Japan	8	1,198	9	1,105	10	1,408
China, Hong Kong, Taiwan etc.	-	-	-	-	-	-
2) Investment program						
Project investment subtotal	15	1,132	16	826	18	2,152
Renewable energy	6	668	4	287	6	1,034
Healthcare	2	58	7	197	2	58
Smart agriculture	1	105	-	-	1	170
Distribution center	1	130	1	200	2	620
Other	5	170	4	142	7	269
Private equity investment subtotal	8	1,198	9	1,105	10	1,408
Strategic investment	2	170	3	130	3	200
Financial investment	6	1,028	6	975	7	1,208
Total	23	2,330	25	1,932	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 December 31, 2022		As of December 31, 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	50	6,584	56	6,968	50	7,123
Japan	49	6,572	55	6,914	48	7,087
Southeast Asia etc.	1	12	1	54	2	36
Private equity investment subtotal	82	7,113	69	5,983	81	7,010
Japan	50	5,018	49	4,886	49	4,915
China, Hong Kong, Taiwan etc.	32	2,094	20	1,096	32	2,094
2) Investment program						
Project investment subtotal	50	6,584	56	6,968	50	7,123
Renewable energy	22	3,775	23	3,641	22	4,078
Healthcare	15	709	21	866	15	707
Smart agriculture	1	762	1	706	1	741
Distribution center	5	810	4	1,387	5	1,237
Other	7	526	7	366	7	358
Private equity investment subtotal	82	7,113	69	5,983	81	7,010
Strategic investment	8	1,140	7	1,093	7	962
Financial investment	74	5,972	62	4,890	74	6,047
Total	132	13,697	125	12,951	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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	1 company
First price multiple (average of Japan & overseas)	30.0 times	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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)			For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	10,212	3,812	6	12,612	4,002	6	11,212	3,804
Maturity is being extended	-	-	-	-	-	-	-	-	-
During liquidation procedure	3	4,601	2,602	2	2,804	1,014	3	4,638	2,380
Total [Total commitment amount of JAIC group]	9	14,813 [3,378]	6,414	8	15,416 [2,404]	5,016	9	15,850 [3,389]	6,185

ii) Funds during operation period (as of December 31, 2023)

Name of fund	Inception	Maturity	Total commitment amount (Millions of yen)	Features
JAIC Venture Capital Investment L.P.	Feb. 2016	Feb. 2026	2,000	Secondary investment fund targeting mainly venture companies in Japan. Domestic leading financial institution invested in this fund.
Succession Investment Limited Partnership, I	Jun. 2017	Jun. 2027	3,000	General partner of the Fund is a joint venture between JAIC and Aozora Bank, Ltd. an affiliated company not covered by the equity method. Supporting the business succession needs of SMEs in Japan.
JAIC-Solar Fund, L.P., II	Mar. 2020	Dec. 2039	1,359	Investment target of the Fund is mega solar projects in operation.
Hokkaido SME Global Fund, L.P.	Apr. 2020	Dec. 2026	151	JAIC and Asian Market Planning Co., Ltd. jointly manage the Fund as Co-GP. Investing in SMEs in Hokkaido that operate or aim to operate in oversea market and that promote business to meet inbound demand

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.

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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,130	2,415
Operational investment securities	9,375	6,798
Allowance for possible investment loss	(1,588)	(965)
Operating loans	204	204
Other	515	392
Allowance for doubtful accounts	(51)	(51)
Total current assets	<u>11,587</u>	<u>8,794</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	980	1,275
Accumulated depreciation	(73)	(120)
Buildings and structures, net	<u>906</u>	<u>1,155</u>
Machinery and equipment	3,421	3,995
Accumulated depreciation	(516)	(691)
Machinery and equipment, net	<u>2,904</u>	<u>3,303</u>
Vehicles, tools, furniture and fixtures	175	230
Accumulated depreciation	(68)	(72)
Vehicles, tools, furniture and fixtures, net	<u>106</u>	<u>158</u>
Land	201	428
Construction in progress	1,313	1,027
Total property, plant and equipment	<u>5,432</u>	<u>6,072</u>
Intangible assets		
Power production facilities concessions	1,080	1,124
Other	168	139
Total intangible assets	<u>1,248</u>	<u>1,264</u>
Investments and other assets		
Investment securities	61	68
Distressed receivables	104	103
Other	445	647
Allowance for doubtful accounts	(104)	(103)
Total investments and other assets	<u>506</u>	<u>715</u>
Total non-current assets	<u>7,188</u>	<u>8,052</u>
Total assets	<u>18,775</u>	<u>16,847</u>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	555	1,395
Current portion of bonds payable	7	7
Accrued expenses	64	254
Income taxes payable	70	26
Provision for bonuses	81	23
Other	33	245
Total current liabilities	812	1,952
Non-current liabilities		
Bonds payable	170	166
Long-term borrowings	8,260	7,544
Deferred tax liabilities	32	21
Retirement benefit liability	158	142
Asset retirement obligations	238	261
Total non-current liabilities	8,861	8,136
Total liabilities	9,673	10,088
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,631	3,631
Retained earnings	(1,867)	(3,150)
Treasury shares	(353)	(353)
Total shareholders' equity	6,836	5,553
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	131
Foreign currency translation adjustment	280	337
Total accumulated other comprehensive income	744	468
Share acquisition rights	33	35
Non-controlling interests	1,487	701
Total net assets	9,101	6,759
Total liabilities and net assets	18,775	16,847

(2) Consolidated Statements of Income

	(Millions of yen)	
	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Operating revenue	3,377	1,728
Operating costs	2,053	1,586
Operating gross profit	1,324	142
Selling, general and administrative expenses	1,091	972
Operating profit (loss)	233	(829)
Non-operating income		
Interest income	3	3
Dividend income	1	1
Foreign exchange gains	28	12
Rental income from facilities	2	3
Miscellaneous income	0	0
Total non-operating income	36	21
Non-operating expenses		
Interest expenses	142	132
Miscellaneous losses	0	1
Total non-operating expenses	142	134
Ordinary profit (loss)	127	(942)
Extraordinary income		
Gain on reversal of share acquisition rights	0	—
Insurance claim income	0	—
Subsidy income	—	34
Total extraordinary income	1	34
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	34
Loss on valuation of investment securities	9	—
Other	0	0
Total extraordinary losses	9	34
Profit (loss) before income taxes	119	(943)
Income taxes - current	90	4
Total income taxes	90	4
Profit (loss)	29	(947)
Profit attributable to non-controlling interests	132	326
Loss attributable to owners of parent	(103)	(1,273)

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Profit (loss)	29	(947)
Other comprehensive income		
Valuation difference on available-for-sale securities	996	(1,046)
Foreign currency translation adjustment	(3)	51
Share of other comprehensive income of entities accounted for using equity method	(18)	5
Total other comprehensive income	973	(989)
Comprehensive income	1,003	(1,936)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(36)	(1,549)
Comprehensive income attributable to non-controlling interests	1,040	(386)

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	119	(943)
Depreciation	42	35
Increase (decrease) in allowance for investment loss	435	(10)
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	(34)	(57)
Increase (decrease) in retirement benefit liability	11	(16)
Interest and dividend income	(2)	(3)
Interest expenses	68	55
Loss (gain) on valuation of investment securities	9	—
Loss on valuation of operational investment securities	—	23
Decrease (increase) in operational investment securities	52	623
Decrease (increase) in operating loans receivable	(57)	(195)
Decrease (increase) in distressed receivables	0	0
Payment for purchase of investment funds	(1,387)	(1,033)
Dividends from investment funds	1,435	2,018
Increase (decrease) in investment funds of minority interest	(110)	(208)
Other, net	(14)	(240)
Subtotal	567	49
Interest and dividends received	2	3
Interest paid	(86)	(71)
Income taxes paid	(27)	(21)
Income taxes refund	61	274
Net cash provided by (used in) operating activities	517	234
Cash flows from investing activities		
Other, net	(2)	1
Net cash provided by (used in) investing activities	(2)	1
Cash flows from financing activities		
Repayments of long-term borrowings	(806)	(828)
Net cash provided by (used in) financing activities	(806)	(828)
Effect of exchange rate change on cash and cash equivalents	27	12
Net increase (decrease) in cash and cash equivalents	(263)	(580)
Cash and cash equivalents at beginning of period	2,397	1,762
Cash and cash equivalents at end of period	2,134	1,181

(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 Third Quarter December 31, 2023

February 14, 2024

Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Third Quarter Ended December 31, 2023 (As of December 31, 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 third quarter ended December 31, 2023 (April 1, 2023 to December 31, 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 nine months ended December 31, 2023	549	(79.6)	(1,115)	—	(1,151)	—	(1,155)	—
For nine months ended December 31, 2022	2,688	53.4	49	—	17	—	(80)	—

	Net income per share	Diluted net income per share
	Yen	Yen
For nine months ended December 31, 2023	(65.25)	—
For nine months ended December 31, 2022	(4.54)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	10,978	6,151	55.7	345.44
As of March 31, 2023	13,413	7,552	56.1	424.68

(Reference) Total shareholders' equity:

As of December 31, 2023: 6,115 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	950	(68.5)	(1,450)	—	(1,500)	—	(1,500)	—
	~	~	~	~	~	~	~	~
	2,300	(23.8)	(400)	—	(450)	—	(450)	—

	Net income per share
	Yen
For the year ending March 31, 2024	(84.7)
	~
	(25.4)

(Note) Revision from the latest earnings forecast: Yes

Net income per share in the above table is calculated by the number of shares issued and outstanding (excluding treasury stock) as of December 31, 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 forward-looking statements.

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 “Notice of Revision on ‘Result Forecast Consolidated under the Previous Accounting Standard’ ” disclosed on Feb. 14, 2024.

3. Business Performance and Financial Condition

(1) Breakdown of operating revenue and operating cost

(Millions of yen)

	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total operating revenue	2,688	549	3,017
Management fees	103	115	134
Proceeds of sales of operational investment securities	1,983	335	2,057
Fund interests income and Income gains etc.	568	47	781
Other operating revenue	34	50	44
Total operating cost	1,774	879	2,056
Cost of securities sold	1,019	179	1,311
Investment write-offs & Provision for allowance for possible investment losses	450	491	304
Fund interests losses etc.	293	196	426
Other operating cost	9	11	12
Operating gross profit	914	(329)	961

(2) Asset, Liability and Net asset

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023	As of March 31, 2023
Total asset	13,517	10,978	13,413
Total liabilities	5,711	4,826	5,860
Loans payable	5,137	4,314	5,142
Total net asset	7,805	6,151	7,552
Total shareholders' equity	7,772	6,115	7,518

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

JAIC has revised its “Result Forecast Consolidated under the Previous Accounting Standard” for fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024), previously announced on May 15, 2023. For details, please refer to “Notice of Revision on ‘Result Forecast Consolidated under the Previous Accounting Standard’ ” disclosed on Feb. 14, 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 forward-looking statements.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,464	1,611
Operational investment securities	10,878	9,081
Allowance for investment losses	(1,252)	(933)
Operating loans	716	911
Other	374	108
Allowance for doubtful accounts	(51)	(53)
Total current assets	13,129	10,726
Non-current assets		
Property, plant and equipment		
Buildings and structures	39	38
Accumulated depreciation	(8)	(9)
Buildings and structures, net	31	29
Vehicles, tools, furniture and fixtures	60	59
Accumulated depreciation	(50)	(52)
Vehicles, tools, furniture and fixtures, net	9	7
Land	0	0
Total property, plant and equipment	40	37
Intangible assets		
Other	150	118
Total intangible assets	150	118
Investments and other assets		
Investment securities	61	68
Distressed receivables	0	—
Other	31	28
Allowance for doubtful accounts	(0)	—
Total investments and other assets	92	96
Total non-current assets	283	252
Total assets	13,413	10,978

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	316	318
Accrued expenses	44	53
Income taxes payable	70	25
Provision for bonuses	81	23
Other	330	246
Total current liabilities	843	666
Non-current liabilities		
Long-term borrowings	4,825	3,996
Deferred tax liabilities	32	21
Retirement benefit liability	158	142
Total non-current liabilities	5,016	4,159
Total liabilities	5,860	4,826
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	3,505	3,505
Retained earnings	(1,779)	(2,934)
Treasury shares	(353)	(353)
Total shareholders' equity	6,799	5,643
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	654	368
Foreign currency translation adjustment	64	103
Total accumulated other comprehensive income	719	471
Share acquisition rights	33	35
Non-controlling interests	0	0
Total net assets	7,552	6,151
Total liabilities and net assets	13,413	10,978

(2) Consolidated Statements of Income

	(Millions of yen)	
	For nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	For nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Operating revenue	2,688	549
Operating costs	1,774	879
Operating gross profit (loss)	914	(329)
Selling, general and administrative expenses	864	785
Operating profit (loss)	49	(1,115)
Non-operating income		
Interest income	3	3
Dividend income	1	1
Foreign exchange gains	28	12
Rental income from facilities	2	3
Miscellaneous income	0	0
Total non-operating income	36	21
Non-operating expenses		
Interest expenses	68	55
Miscellaneous losses	0	1
Total non-operating expenses	68	57
Ordinary profit (loss)	17	(1,151)
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	0
Loss on valuation of investment securities	9	—
Other	0	—
Total extraordinary losses	9	0
Profit (loss) before income taxes	9	(1,151)
Income taxes - current	89	3
Total income taxes	89	3
Loss	(80)	(1,155)
Loss attributable to non-controlling interests	—	(0)
Loss attributable to owners of parent	(80)	(1,155)