JAFCO Co., Ltd.

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This is a summary translation of a press release made in Japanese for convenience only.

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October 20, 2017

Financial Results for the Six Months Ended September 30, 2017

[Japanese GAAP]

(Summary of Japanese announcement)

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

1. Consolidated Performance for the Six Months Ended September 30, 2017 (April 1, 2017 – September 30, 2017)

(1) Consolidated Operating Results

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

	Net sales [¥ million]	[%]	Operating income [¥ million]	[%]	Ordinary income [¥ million]	[%]	Profit attributable to JAFCO Co., Ltd. stockholders [¥ million]	[%]
For six months ended September 30, 2017	17,763	49.8	9,147	86.2	10,020	90.0	19,754	293.9
For six months ended September 30, 2016	11,857	(51.8)	4,912	(67.2)	5,273	(65.0)	5,015	(56.8)

Note: Comprehensive income Six months ended September 30, 2017: ¥12,851 million (-%)
Six months ended September 30, 2016: negative ¥1,262 million (-%)

	Profit per share [¥]	Fully diluted net income per share [¥]
For six months ended September 30, 2017	498.92	-
For six months ended September 30, 2016	113.04	-

(2) Consolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of September 30, 2017	188,244	155,001	82.3	5,011.17
As of March 31, 2017	237,902	207,855	87.4	4,684.87

(Reference) Shareholders' equity As of September 30, 2017: ¥155,001 million
As of March 31, 2017: ¥207,855 million

2. Dividends

	Dividend per share [¥]				
(Record date)	End of 1Q	End of 2Q	End of 3Q	End of the year	Total
For the year ended March 31, 2017	-	-	-	100.00	100.00
For the year ending March 31, 2018	-	-			
For the year ending March 31, 2018 (Forecast)			-	-	-

Notes: The forecast of dividend amount is unfixed.

3. Business Forecasts (April 1, 2017 – March 31, 2018)

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, JAFCO makes timely disclosure of quarterly financial results.

***Other Information**

(1) Changes in significant subsidiaries during this period: None

(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

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

(4) Number of issued shares (common stock)

① Number of issued shares (including treasury stock)
As of September 30, 2017: 32,550,000 As of March 31, 2017: 48,294,336
② Number of treasury stock
As of September 30, 2017: 1,618,827 As of March 31, 2017: 3,926,884
③ Average number of shares
For six months ended September 30, 2017: 39,594,991
For six months ended September 30, 2016 44,367,645

***Disclosure regarding the implementation of audit procedures**

This financial summary is not subject to quarterly review procedures by auditors.

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

(Access to the financial supplement materials)
The presentation material for the six months ended September 30, 2017 was released on JAFCO's website on October 20, 2017.

***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. Qualitative Analysis and Financial Statements

(1) Qualitative Analysis of Consolidated Operating Results

JAFCO posted net sales of ¥17,763 million, ordinary income of ¥10,020 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥19,754 million in the consolidated fiscal six months ended September 30, 2017. This compares with net sales of ¥27,857 million, ordinary income of ¥13,666 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥11,073 million for the previous full year ended March 31, 2017 (the "previous full year").
During the six months ended September 30, 2017, ¥18,348 million in gains on the partial sale of shares in Nomura Research Institute were recorded as extraordinary income.

(Outline of Investments)
The JAFCO Group and its funds made investments totaling ¥14,522 million (35 companies) in the six months ended September 30, 2017, compared with ¥20,904 million (55 companies) in the previous full year.

(Outline of Capital Gains and IPOs)
JAFCO posted ¥13,976 million in revenues from operational investment securities (previous full year: ¥20,774 million). Capital gains came to ¥8,264 million (previous full year: ¥8,800 million), out of which capital gains on listed shares were ¥5,233 million (previous full year: ¥6,499 million) and capital gains on unlisted shares were ¥3,031 million (previous full year: ¥2,301 million). This ¥3,031 million consisted of ¥5,406 million (previous full year: ¥5,893 million) in gains on sale and ¥2,375 million (previous full year: ¥3,592 million) in losses on sale.

There were five IPOs in Japan and none overseas by portfolio companies of the JAFCO Group and its funds (previous full year: six IPOs in Japan and three overseas).

(Millions of Yen)

	For the year ended March 31, 2017 (A)	For six months ended September 30, 2016	For six months ended September 30, 2017 (B)	Annualized comparison [(B)×2]/(A) (%)
Revenues from operational investment securities (1)	20,774	9,467	13,976	134.6
Proceeds from sale of securities	20,533	9,359	13,889	135.3
Dividend and interest income	240	107	86	72.0
Cost of operational investment securities (2)	11,973	5,987	5,711	95.4
Cost of securities sold	11,973	5,987	5,711	95.4
Impairment	-	-	-	-
Capital gains (1) – (2)	8,800	3,479	8,264	187.8
Multiple (1) / (2)	1.74	1.58	2.45	-
Capital gains on listed shares	6,499	1,380	5,233	161.0
Capital gains on unlisted shares	2,301	2,099	3,031	263.5
Gains on sale	5,893	3,729	5,406	183.5
Losses on sale	3,592	1,630	2,375	132.2

(Outline of Investment Loss Reserves)

JAFCO makes investment loss reserves for operational investment securities after taking investees' business performance into consideration. Company-by-company reserves are made if the estimated recovery amount falls below 70% of acquisition cost. General reserves had been made to cover all other unlisted portfolio companies based on our accumulated expertise in private equity. However, investments made from January 2017 onward are no longer subject to general reserves because the quality of investments has enhanced and more accurate valuation has become possible as a result of the highly selective, intensive investment strategy.

Additions to investment loss reserves for the six months ended September 30, 2017 totaled ¥1,344 million, consisting of ¥1,897 million in company-by-company reserves and a reversal of ¥553 million in general reserves, compared with ¥1,905 million, ¥2,006 million and a reversal of ¥101 million respectively in the previous full year.

Company-by-company reserves were reversed by ¥1,929 million following the sale and impairment of securities in the six months ended September 30, 2017, compared with ¥4,741 million reversed in the previous full year. As a result, net additions to investment loss reserves were negative ¥584 million, compared with negative ¥2,835 million in the previous full year.

Balance of investment loss reserves came to ¥11,752 million (24.1% of the balance of unlisted operational investment securities) as of September 30, 2017, compared with ¥12,332 million (25.9% of the balance of unlisted operational investment securities) at the end of the previous full year.

(Millions of Yen)

	For the year ended March 31, 2017 (A)	For six months ended September 30, 2016	For six months ended September 30, 2017 (B)	Annualized comparison [(B)×2]/(A) (%)
Additions to investment loss reserves (1)	1,905	687	1,344	141.1
Company-by-company reserves	2,006	609	1,897	189.1
(Reversal of) General reserves	(101)	78	(553)	-
Reversal of investment loss reserves (2)	4,741	2,695	1,929	81.4
Net additions = (1)-(2) (minus figures are reversals)	(2,835)	(2,007)	(584)	-

(Millions of Yen)

	As of March 31, 2017	As of September 30, 2017
Balance of investment loss reserves	12,332	11,752
Company-by-company reserves	9,091	9,064
General reserves	3,241	2,688
Ratio for all unlisted operational investment securities	25.9%	24.1%

(Outline of Balance of Operational Investment Securities)

Difference in acquisition cost and market value of listed operational investment securities was ¥15,106 million as of September 30, 2017 (compared with ¥11,358 million at the end of the previous full year). This consisted of ¥15,490 million in unrealized gains on operational investment securities whose market value exceeds acquisition cost and ¥384 million in unrealized losses on operational investment securities whose market value falls below acquisition cost (compared with ¥11,679 million and ¥321 million respectively at the end of previous full year).

Unrealized losses on operational investment securities were ¥62 million for the six months ended September 30, 2017 (compared with reversal of ¥157 million for the previous full year).

As a result, the balance of operational investment securities stood at ¥67,130 million as of September 30, 2017, compared with ¥62,274 million at the end of previous full year.

(Millions of Yen)

	As of March 31, 2017	As of September 30, 2017
Difference between acquisition cost and market value of listed operational investment securities	11,358	15,106
Securities whose market value exceeds acquisition cost	11,679	15,490
Securities whose market value falls below acquisition cost	(321)	(384)

(Millions of Yen)

	For the year ended March 31, 2017	For six months ended September 30, 2016	For six months ended September 30, 2017
(Reversal of) Unrealized losses on operational investment securities	(157)	(21)	62

Balance of Operational Investment Securities (Millions of Yen)

	As of March 31, 2017		As of September 30, 2017	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the consolidated quarterly B/S
Listed	3,243	14,601	3,235	18,341
Unlisted	43,111	45,589	44,512	46,894
Subtotal	46,354	60,190	47,747	65,236
Investments in other funds	1,720	2,084	1,727	1,894
Total	48,075	62,274	49,475	67,130

Note: 1. “Investments in other funds” is investment in funds managed by third parties.
2. The difference in “Acquisition cost” and “Figures on the consolidated balance sheets” for unlisted securities and investments in other funds only reflects foreign exchange translation difference.

(Outline of Fund Operations)

Fees from fund operations for the six months ended September 30, 2017 totaled ¥3,782 million (previous full year: ¥7,062 million) as shown below.

(Millions of Yen)

	For the year ended March 31, 2017 (A)	For six months ended September 30, 2016	For six months ended September 30, 2017 (B)	Annualized comparison [(B)×2]/(A) (%)
Income from partnership management	7,062	2,380	3,782	107.1
Fund management fees	3,494	1,449	2,011	115.1
Success fees	3,567	931	1,770	99.2

Note: Fund management fees and success fees are based on commitment amount excluding the JAFCO Group's commitment.

(2) Qualitative Analysis of Consolidated Financial Condition

(Outline of Assets, Liabilities, and Net Assets)

Total assets came to ¥188,244 million, comprising current assets of ¥127,097 million and non-current assets of ¥61,147 million as of September 30, 2017, compared with ¥237,902 million, ¥158,549 million and ¥79,352 million respectively at the end of previous full year.

Total liabilities came to ¥33,243 million, comprising current liabilities of ¥17,353 million and non-current liabilities of ¥15,889 million as of September 30, 2017, compared with ¥30,046 million, ¥9,371 million and ¥20,675 million respectively at the end of previous full year.

Net assets as of September 30, 2017 came to ¥155,001 million, compared with ¥207,855 million at the end of previous full year.

On July 28, 2017, JAFCO acquired 13,436,200 treasury shares based on the board resolution dated July 27, 2017, as a result of which treasury shares increased by ¥61,269 million. On August 18, 2017, JAFCO cancelled 15,744,336 treasury shares based on the board resolution dated August 9, 2017, as a result of which retained earnings and treasury shares decreased by ¥73,765 million.

(Outline of Cash Flows)

Cash flows from operating activities for the six months ended September 30, 2017 resulted in a cash inflow of ¥5,270 million, compared with a cash inflow of ¥15,117 million in the previous full year. This is mainly due to the sale of operational investment securities.

Cash flows from investing activities for the six months ended September 30, 2017 resulted in a cash inflow of ¥23,029 million, compared with a cash outflow of ¥1,580 million in the previous full year. This is mainly due to the sale of investment securities.

Cash flows from financing activities for the six months ended September 30, 2017 resulted in a cash outflow of ¥66,727 million, compared with a cash outflow of ¥5,817 million in the previous full year. This is mainly due to the buyback of treasury stock.

As a result of the above, cash and cash equivalents decreased by ¥38,488 million, and the balance as of September 30, 2017 totaled ¥68,691 million, compared with ¥107,179 million at the end of the previous full year. This ¥68,691 million includes ¥9,787 million invested in funds, compared with ¥9,371 million at the end of the previous full year. JAFCO's uncalled commitments to funds as of September 30, 2017 was ¥28,150 million, compared with ¥19,385 million at the end of previous full year.

(3) Qualitative Analysis of Consolidated Business Forecasts

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, JAFCO makes timely disclosure of quarterly financial results.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	88,179	66,691
Operational investment securities	62,274	67,130
Investment loss reserves	(12,332)	(11,752)
Securities	19,000	2,000
Deferred tax assets	50	82
Other	1,376	2,944
Total current assets	158,549	127,097
Non-current assets		
Property, plant and equipment	268	212
Intangible assets	78	59
Investments and other assets		
Investment securities	78,140	59,939
Investments in capital	32	33
Long-term loans receivable	143	131
Deferred tax assets	146	119
Other	543	652
Total investments and other assets	79,006	60,875
Total non-current assets	79,352	61,147
Total assets	237,902	188,244

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Current portion of bonds	2,000	2,000
Current portion of long-term loans payable	1,343	1,015
Income taxes payable	1,860	9,143
Deferred tax liabilities	2,143	3,207
Provision for bonuses	324	298
Allowance for extraordinary compensation for directors	156	—
Reserve for success fee refunds	6	6
Other	1,537	1,683
Total current liabilities	9,371	17,353
Non-current liabilities		
Long-term loans payable	977	277
Net defined benefit liability	580	599
Deferred tax liabilities	19,074	14,970
Other	42	42
Total non-current liabilities	20,675	15,889
Total liabilities	30,046	33,243
Net assets		
Shareholders' equity		
Capital stock	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	107,973	49,525
Treasury shares	(20,081)	(7,584)
Total shareholders' equity	153,949	107,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,771	46,843
Foreign currency translation adjustment	136	159
Remeasurements of defined benefit plans	(1)	(0)
Total accumulated other comprehensive income	53,905	47,002
Total net assets	207,855	155,001
Total liabilities and net assets	237,902	188,244

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

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales		
Revenue from operational investment securities	9,467	13,976
Income from partnership management	2,380	3,782
Other sales	9	4
Total net sales	11,857	17,763
Cost of sales		
Cost of operational investment securities	5,987	5,711
Other cost	502	267
Total cost of sales	6,489	5,979
Gross profit	5,367	11,783
(Reversal of) Additions to investment loss reserves	(2,007)	(584)
(Reversal of) Unrealized losses on operational investment securities	(21)	62
Gross profit - net	7,396	12,305
Selling, general and administrative expenses	2,484	3,157
Operating profit	4,912	9,147
Non-operating income		
Interest income	12	38
Dividend income	694	771
Foreign exchange gains	—	64
Miscellaneous income	32	23
Total non-operating income	738	898
Non-operating expenses		
Interest expenses	26	19
Foreign exchange losses	313	—
Miscellaneous loss	38	5
Total non-operating expenses	377	25
Ordinary profit	5,273	10,020
Extraordinary income		
Gain on sales of investment securities	—	18,348
Gain on bad debts recovered	513	—
Total extraordinary income	513	18,348
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	5,786	28,369
Income taxes - current	719	8,717
Income taxes - deferred	51	(103)
Total income taxes	771	8,614
Profit	5,015	19,754
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFCO Co., Ltd. stockholders	5,015	19,754

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	5,015	19,754
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,491)	(6,927)
Foreign currency translation adjustment	(783)	23
Remeasurements of defined benefit plans, net of tax	(2)	0
Total other comprehensive income	(6,277)	(6,903)
Comprehensive income	(1,262)	12,851
Comprehensive income attributable to		
Comprehensive income attributable to JAFCO Co., Ltd. stockholders	(1,262)	12,851
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	5,786	28,369
Depreciation	78	102
Increase (decrease) in allowance for investment loss	(2,007)	(584)
Increase (decrease) in provision for bonuses	(84)	(26)
Increase (decrease) in allowance for extraordinary compensation for directors	(165)	(156)
Increase (decrease) in net defined benefit liability	(15)	19
(Reversal of) unrealized losses on operational investment securities	(21)	62
Interest and dividend income	(706)	(810)
Interest expenses	26	19
Foreign exchange losses (gains)	558	21
Loss (gain) on sales of investment securities	—	(18,348)
Decrease (increase) in operational investment securities for sale	1,037	(1,385)
Decrease (increase) in consumption taxes refund receivable	239	74
Increase (decrease) in accrued consumption taxes	(45)	186
Decrease (increase) in other current assets	632	(1,604)
Increase (decrease) in other current liabilities	(100)	43
Other, net	105	(9)
Subtotal	5,316	5,972
Interest and dividend income received	706	810
Interest expenses paid	(27)	(20)
Income taxes paid	(271)	(1,492)
Income taxes refund	977	—
Net cash provided by (used in) operating activities	6,701	5,270
Cash flows from investing activities		
Purchase of securities	(15,000)	—
Purchase of property, plant and equipment	(15)	(23)
Purchase of intangible assets	(26)	(2)
Purchase of investment securities	(1,500)	—
Proceeds from sale of investment securities	—	23,166
Payments of long-term loans receivable	(3)	(9)
Collection of long-term loans receivable	3	22
Increase in other investments and assets	(17)	(151)
Decrease in other investments and assets	5	28
Net cash provided by (used in) investing activities	(16,552)	23,029

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Proceeds from long-term loans payable	300	—
Repayments of long-term loans payable	(1,041)	(1,028)
Cash dividends paid	(4,431)	(4,429)
Purchase of treasury shares	(0)	(61,269)
Net cash provided by (used in) financing activities	(5,173)	(66,727)
Effect of exchange rate change on cash and cash equivalents	(892)	(61)
Net increase (decrease) in cash and cash equivalents	(15,916)	(38,488)
Cash and cash equivalents at beginning of period	99,302	107,179
Cash and cash equivalents at end of period	(i) (ii)on next page 83,385	(i) (ii)on next page 68,691

(4) Notes for Consolidated Financial Statements

(Notes on premise of going concern)

None

(Notes on significant changes in the shareholder's equity)

On July 28, 2017, JAFCO acquired 13,436,200 treasury shares based on the board resolution dated July 27, 2017, as a result of which treasury shares increased by ¥61,269 million. On August 18, 2017, JAFCO cancelled 15,744,336 treasury shares based on the board resolution dated August 9, 2017, as a result of which retained earnings and treasury shares decreased by ¥73,765 million.
As of the end of the six months ended September 30, 2017, retained earnings were ¥49,525 million and treasury shares were ¥7,584 million, down ¥58,447 million and ¥12,496 million from the end of the previous full year.

(Related to consolidated statements of cash flows)

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

(Millions of Yen)

	For six months ended Sept. 30, 2016	For six months ended Sept. 30, 2017
Cash and time deposits	81,885	66,691
Securities	1,500	2,000
Cash and cash equivalents	83,385	68,691

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

(Millions of Yen)

	For six months ended Sept. 30, 2016	For six months ended Sept. 30, 2017
Cash and time deposits	8,513	9,787
Securities	-	-
Cash and cash equivalents	8,513	9,787

(iii) JAFCO's uncalled commitment to funds as of September 30, 2017 was ¥28,150 million, compared with ¥20,114 million at the end of September 30, 2016 and ¥19,385 million at the end of previous full year.

(Notes on marketable securities)

(i) Held-to-maturity bonds

None

(ii) Available-for-sale securities

(Millions of Yen)

	Type	As of March 31, 2017			As of September 30, 2017		
		Acquisition cost	Figures on the consolidated B/S	Difference	Acquisition cost	Figures on the consolidated quarterly B/S	Difference
Securities whose B/S amount exceeds acquisition cost	Operational investment securities						
	(1) Stock	2,495	14,175	11,679	2,487	17,978	15,490
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	2,495	14,175	11,679	2,487	17,978	15,490
	Investment securities						
	(1) Stock	12,755	75,716	62,960	9,380	58,956	49,575
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	12,755	75,716	62,960	9,380	58,956	49,575
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
	Total	15,251	89,891	74,640	11,867	76,934	65,066
Securities whose B/S amount falls below acquisition cost	Operational investment securities						
	(1) Stock	748	426	(321)	747	363	(384)
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	748	426	(321)	747	363	(384)
	Investment securities						
	(1) Stock	29	27	(1)	29	28	(0)
	(2) Bond	-	-	-	-	-	-
	(3) Others	1,500	1,437	(62)	-	-	-
	Subtotal	1,529	1,464	(64)	29	28	(0)
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	19,000	19,000	-	2,000	2,000	-
	Subtotal	19,000	19,000	-	2,000	2,000	-
	Total	21,277	20,891	(386)	2,777	2,392	(385)
Grand total		36,528	110,783	74,254	14,645	79,326	64,681

Notes: 1. The following items are not included in the above table because they have no market value, making it difficult to determine fair value.

(Millions of Yen)

	As of March 31, 2017	As of September 30, 2017
	Figures on the consolidated B/S	Figures on the consolidated quarterly B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	44,882	46,324
Unlisted domestic and foreign bonds	694	563
Others	2,096	1,899
Investment securities		
Unlisted stock	958	954

2. During the six months ended September 30, 2017, no impairment losses were recorded against available-for-sale securities (including those for which it is difficult to determine the fair value). Impairment losses of ¥2 million were recorded for the previous full year on investment securities.

3. Other Information

(1) Investments and IPOs

(i) Investments

(Millions of Yen)

	For the year ended March 31, 2017		For six months ended September 30, 2016		For six months ended September 30, 2017		Annualized comparison [(B)×2]/(A)(%)
	Amount (A)	No. of co's.	Amount	No. of co's.	Amount (B)	No. of co's.	
Equity							
(Japan)	15,180	33	8,323	16	7,313	16	96.4
(USA)	3,938	12	1,252	5	4,423	13	224.6
(Asia)	1,786	10	607	4	2,784	6	311.9
Total	20,904	55	10,183	25	14,522	35	138.9

Notes: 1. Investment amount is a total of investments by the JAFCO 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 life science investments (carried out by the venture investment division in Japan) are included in Japan on the above chart.

(ii) IPOs

(Japan) (Millions of Yen)

	For the year ended March 31, 2017	For six months ended September 30, 2016	For six months ended September 30, 2017
Number of IPOs	6	1	5
Investment cost (1)	5,212	1,003	1,946
Market value at IPOs (2)	20,727	1,890	20,927
Multiple (2)/(1)	4.0	1.9	10.8

Notes: 1. "Investment cost" and "Market value at IPO" are total amounts by the JAFCO 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, 2017	For six months ended September 30, 2016	For six months ended September 30, 2017
Number of IPOs	3	1	-
Investment cost (1)	874	224	-
Market value at IPOs (2)	3,407	296	-
Multiple (2)/(1)	3.9	1.3	-

Notes: 1. "Investment cost" and "Market value at IPO" are total amounts by the JAFCO 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

Six months ended September 30, 2017 (April 1, 2017– September 30, 2017)

(i) Newly established funds (under fundraising):

(Millions of US$)

Fund name	Total commitments as of September 30, 2017
JAFCO Asia Technology Fund VII L.P.	125

(ii) Funds established in the previous fiscal year whose total commitments increased

(Millions of Yen)

Fund name	Total commitments as of September 30, 2017	Total commitments as of March 31, 2017	Increase in commitments
JAFCO SV5 Series	75,000	65,000	10,000

The above increase in commitments is entirely attributable to JAFCO's additional commitments.

(Millions of US$)

Fund name	Total commitments as of September 30, 2017	Total commitments as of March 31, 2017	Increase in commitments
Icon Ventures VI, L.P.	262	225	37

Fiscal year ended March 31, 2017 (April 1, 2016 - March 31, 2017)

Newly established funds:

(Millions of Yen)

Fund name	Total commitments as of March 31, 2017
JAFCO SV5 Series	65,000

(ii) Funds established in the previous fiscal year whose total commitments increased (under fundraising)

(Millions of US$)

Fund name	Total commitments as of March 31, 2017	Total commitments as of March 31, 2016	Increase in commitments
Icon Ventures VI, L.P.	225	158	66

(3) Others

Due to the nature of its business, JAFCO's earnings may fluctuate sharply for each three-month period. Therefore, we use annualized figures (the six months results x2) against the previous full year's results instead of comparing current performance against that from the same period a year earlier. Annualized comparisons of "Consolidated operating results" and "Consolidated financial position" are as shown below.

Consolidated performance for the six months ended September 30, 2017 (April 1, 2017 – September 30, 2017)

(i) Consolidated operating results

	For the year ended March 31, 2017 (A)	For six months ended September 30, 2017 (B)	Annualized comparison [(B)×2]/(A)
	[¥ million]	[¥ million]	[%]
Net sales	27,857	17,763	127.5
Operating income	12,324	9,147	148.4
Ordinary income	13,666	10,020	146.6
Profit attributable to JAFCO Co., Ltd. stockholders	11,073	19,754	356.8

	For the year ended March 31, 2017	For six months ended September 30, 2017
Profit per share [¥]	249.59	498.92
Fully diluted profit per share [¥]	-	-

(ii) Consolidated financial position

	As of March 31, 2017	As of September 30, 2017
Total assets [¥ million]	237,902	188,244
Net assets [¥ million]	207,855	155,001
Equity ratio [%]	87.4	82.3
Net assets per share [¥]	4,684.87	5,011.17