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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January 26, 2018

Financial Results for the Nine Months Ended December 31, 2017

[Japanese GAAP]

(Summary of Japanese announcement)

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

1. Consolidated Performance for the Nine Months Ended December 31, 2017 (April 1, 2017 – December 31, 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 nine months ended December 31, 2017	23,317	11.1	11,091	15.9	12,497	13.3	21,720	135.0
For nine months ended December 31, 2016	20,983	(38.8)	9,566	(48.6)	11,033	(43.3)	9,243	(40.7)

Note: Comprehensive income Nine months ended December 31, 2017: ¥20,872 million [39.7%]
Nine months ended December 31, 2016: ¥14,942 million [negative 10.2%]

	Profit per share [¥]	Fully diluted net income per share [¥]
For nine months ended December 31, 2017	591.89	-
For nine months ended December 31, 2016	208.33	-

(2) Consolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of December 31, 2017	195,193	163,022	83.5	5,270.50
As of March 31, 2017	237,902	207,855	87.4	4,684.87

(Reference) Shareholders' equity As of December 31, 2017: ¥163,022 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 December 31, 2017: 32,550,000 As of March 31, 2017: 48,294,336
② Number of treasury stock
As of December 31, 2017: 1,618,915 As of March 31, 2017: 3,926,884
③ Average number of shares
For nine months ended December 31, 2017: 36,696,532
For nine months ended December 31, 2016: 44,367,602

***These quarterly financial results are not subject to quarterly review procedures**.

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

(Access to the financial supplement materials)
The presentation material for the nine months ended December 31, 2017 will be released on JAFCO's website on January 26, 2018.

***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 ¥23,317 million, ordinary income of ¥12,497 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥21,720 million in the consolidated fiscal nine months ended December 31, 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"). Please note that ¥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 ¥24,462 million (56 companies) in the nine months ended December 31, 2017, compared with ¥20,904 million (55 companies) in the previous full year.

(Outline of Capital Gains and IPOs)
JAFCO posted ¥18,281 million in revenues from operational investment securities (previous full year: ¥20,774 million). Capital gains came to ¥10,086 million (previous full year: ¥8,800 million), out of which capital gains on listed shares were ¥7,811 million (previous full year: ¥6,499 million) and capital gains on unlisted shares were ¥2,275 million (previous full year: ¥2,301 million). This ¥2,275 million consisted of ¥6,149 million (previous full year: ¥5,893 million) in gains on sale and ¥3,873 million (previous full year: ¥3,592 million) in losses on sale.

There were seven 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 nine months ended December 31, 2016	For nine months ended December 31, 2017 (B)	Annualized comparison [(B)/3×4]/(A) (%)
Revenues from operational investment securities (1)	20,774	15,891	18,281	117.3
Proceeds from sale of securities	20,533	15,740	18,178	118.0
Dividend and interest income	240	150	103	57.3
Cost of operational investment securities (2)	11,973	8,971	8,195	91.3
Cost of securities sold	11,973	8,971	8,195	91.3
Impairment	-	-	-	-
Capital gains (1) – (2)	8,800	6,919	10,086	152.8
Multiple (1) / (2)	1.74	1.77	2.23	-
Capital gains on listed shares	6,499	4,800	7,811	160.2
Capital gains on unlisted shares	2,301	2,118	2,275	131.8
Gains on sale	5,893	4,987	6,149	139.1
Losses on sale	3,592	2,869	3,873	143.8

(Outline of Investment Loss Reserves)

JAFCO makes investment loss reserves for operational investment securities after taking portfolio companies' 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 in and after January 2017 are no longer subject to general reserves as the quality of investments has enhanced and more accurate valuation has become possible as a result of the highly selective, intensive investment strategy and deeper involvement in the management of portfolio companies.

Additions to investment loss reserves for the nine months ended December 31, 2017 totaled ¥2,320 million, consisting of ¥3,118 million in company-by-company reserves and a reversal of ¥798 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 ¥3,031 million following the sale and impairment of securities in the nine months ended December 31, 2017, compared with ¥4,741 million reversed in the previous full year. As a result, net additions to investment loss reserves were negative ¥710 million, compared with negative ¥2,835 million in the previous full year.

Balance of investment loss reserves came to ¥11,632 million (22.8% of the balance of unlisted operational investment securities) as of December 31, 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 nine months ended December 31, 2016	For nine months ended December 31, 2017 (B)	Annualized comparison [(B)/3×4]/(A) (%)
Additions to investment loss reserves (1)	1,905	1,632	2,320	162.4
Company-by-company reserves	2,006	1,465	3,118	207.2
(Reversal of) General reserves	(101)	167	(798)	-
Reversal of investment loss reserves (2)	4,741	3,920	3,031	85.2
Net additions = (1)-(2) (minus figures are reversals)	(2,835)	(2,287)	(710)	-

(Millions of Yen)

	As of March 31, 2017	As of December 31, 2017
Balance of investment loss reserves	12,332	11,632
Company-by-company reserves	9,091	9,189
General reserves	3,241	2,443
Ratio for all unlisted operational investment securities	25.9%	22.8%

(Outline of Balance of Operational Investment Securities)

Difference in acquisition cost and market value of listed operational investment securities was ¥12,905 million as of December 31, 2017 (compared with ¥11,358 million at the end of the previous full year). This consisted of ¥13,142 million in unrealized gains on operational investment securities whose market value exceeds acquisition cost and ¥237 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 a reversal of ¥83 million for the nine months ended December 31, 2017 (compared with a reversal of ¥157 million for the previous full year).

As a result, the balance of operational investment securities stood at ¥66,517 million as of December 31, 2017, compared with ¥62,274 million at the end of previous full year.

(Millions of Yen)

	As of March 31, 2017	As of December 31, 2017
Difference between acquisition cost and market value of listed operational investment securities	11,358	12,905
Securities whose market value exceeds acquisition cost	11,679	13,142
Securities whose market value falls below acquisition cost	(321)	(237)

(Millions of Yen)

	For the year ended March 31, 2017	For nine months ended December 31, 2016	For nine months ended December 31, 2017
(Reversal of) Unrealized losses on operational investment securities	(157)	(155)	(83)

Balance of Operational Investment Securities (Millions of Yen)

	As of March 31, 2017		As of December 31, 2017	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the quarterly consolidated B/S
Listed	3,243	14,601	2,532	15,437
Unlisted	43,111	45,589	47,018	49,247
Subtotal	46,354	60,190	49,551	64,685
Investments in other funds	1,720	2,084	1,720	1,831
Total	48,075	62,274	51,272	66,517

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 nine months ended December 31, 2017 totaled ¥5,025 million (previous full year: ¥7,062 million) as shown below.

(Millions of Yen)

	For the year ended March 31, 2017 (A)	For nine months ended December 31, 2016	For nine months ended December 31, 2017 (B)	Annualized comparison [(B)/3×4]/(A) (%)
Income from partnership management	7,062	5,073	5,025	94.9
Fund management fees	3,494	2,501	2,980	113.7
Success fees	3,567	2,572	2,044	76.4

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 ¥195,193 million, comprising current assets of ¥122,914 million and non-current assets of ¥72,278 million as of December 31, 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 ¥32,171 million, comprising current liabilities of ¥12,905 million and non-current liabilities of ¥19,265 million as of December 31, 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 December 31, 2017 came to ¥163,022 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 nine months ended December 31, 2017 resulted in a cash inflow of ¥5,054 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 nine months ended December 31, 2017 resulted in a cash inflow of ¥23,071 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 nine months ended December 31, 2017 resulted in a cash outflow of ¥68,792 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 ¥40,776 million, and the balance as of December 31, 2017 totaled ¥66,403 million, compared with ¥107,179 million at the end of the previous full year. This ¥66,403 million includes ¥8,783 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 December 31, 2017 was ¥23,507 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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	88,179	64,403
Operational investment securities	62,274	66,517
Investment loss reserves	(12,332)	(11,632)
Securities	19,000	2,000
Deferred tax assets	50	33
Other	1,376	1,592
Total current assets	158,549	122,914
Non-current assets		
Property, plant and equipment	268	166
Intangible assets	78	98
Investments and other assets		
Investment securities	78,140	71,118
Investments in capital	32	35
Long-term loans receivable	143	130
Deferred tax assets	146	84
Other	543	644
Total investments and other assets	79,006	72,014
Total non-current assets	79,352	72,278
Total assets	237,902	195,193

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Current portion of bonds	2,000	—
Current portion of long-term loans payable	1,343	998
Income taxes payable	1,860	7,976
Deferred tax liabilities	2,143	2,513
Provision for bonuses	324	186
Allowance for extraordinary compensation for directors	156	—
Reserve for success fee refunds	6	—
Other	1,537	1,230
Total current liabilities	9,371	12,905
Non-current liabilities		
Long-term loans payable	977	230
Net defined benefit liability	580	601
Deferred tax liabilities	19,074	18,391
Other	42	42
Total non-current liabilities	20,675	19,265
Total liabilities	30,046	32,171
Net assets		
Shareholders' equity		
Capital stock	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	107,973	51,491
Treasury shares	(20,081)	(7,585)
Total shareholders' equity	153,949	109,963
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,771	52,881
Foreign currency translation adjustment	136	176
Remeasurements of defined benefit plans	(1)	(0)
Total accumulated other comprehensive income	53,905	53,058
Total net assets	207,855	163,022
Total liabilities and net assets	237,902	195,193

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

(Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales		
Revenue from operational investment securities	15,891	18,281
Income from partnership management	5,073	5,025
Other sales	18	10
Total net sales	20,983	23,317
Cost of sales		
Cost of operational investment securities	8,971	8,195
Other cost	1,153	383
Total cost of sales	10,125	8,578
Gross profit	10,858	14,739
(Reversal of) Additions to investment loss reserves	(2,287)	(710)
(Reversal of) unrealized losses on operational investment securities	(155)	(83)
(Reversal of) Additions to reserve for success fee refunds	(140)	(6)
Gross profit - net	13,441	15,540
Selling, general and administrative expenses	3,874	4,449
Operating profit	9,566	11,091
Non-operating income		
Interest income	20	56
Dividend income	1,373	1,383
Foreign exchange gains	138	—
Miscellaneous income	37	25
Total non-operating income	1,569	1,466
Non-operating expenses		
Interest expenses	37	22
Loss on valuation of investment securities	38	—
Foreign exchange losses	—	31
Miscellaneous loss	25	6
Total non-operating expenses	101	59
Ordinary profit	11,033	12,497
Extraordinary income		
Gain on sales of investment securities	—	18,404
Gain on bad debts recovered	513	—
Total extraordinary income	513	18,404
Extraordinary losses		
Moving expenses	—	68
Total extraordinary losses	—	68
Profit before income taxes	11,547	30,834
Income taxes - current	2,188	9,063
Income taxes - deferred	115	50
Total income taxes	2,304	9,114
Profit	9,243	21,720
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFCO Co., Ltd. stockholders	9,243	21,720

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	9,243	21,720
Other comprehensive income		
Valuation difference on available-for-sale securities	5,415	(889)
Foreign currency translation adjustment	286	40
Remeasurements of defined benefit plans, net of tax	(3)	1
Total other comprehensive income	5,698	(847)
Comprehensive income	14,942	20,872
(Breakdown)		
Comprehensive income attributable to JAFCO Co., Ltd. stockholders	14,942	20,872
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	11,547	30,834
Depreciation	120	161
Increase (decrease) in allowance for investment loss	(2,287)	(710)
Increase (decrease) in provision for bonuses	(163)	(138)
Increase (decrease) in allowance for extraordinary compensation for directors	(165)	(156)
Increase (decrease) in reserve for success fee refunds	(140)	(6)
Increase (decrease) in net defined benefit liability	(9)	20
(Reversal of) unrealized losses on operational investment securities	(155)	(83)
Moving expenses	—	68
Interest and dividend income	(1,393)	(1,440)
Interest expenses	37	22
Foreign exchange losses (gains)	(326)	180
Loss (gain) on sales of investment securities	—	(18,404)
Loss (gain) on valuation of investment securities	38	—
Decrease (increase) in investment securities for sale	2,502	(3,175)
Decrease (increase) in consumption taxes refund receivable	301	57
Increase (decrease) in accrued consumption taxes	(45)	211
Decrease (increase) in other current assets	501	(236)
Increase (decrease) in other current liabilities	(210)	(726)
Other, net	459	(63)
Subtotal	10,613	6,414
Interest and dividend income received	1,393	1,440
Interest expenses paid	(43)	(33)
Income taxes paid	(1,549)	(2,766)
Income taxes refund	978	—
Net cash provided by (used in) operating activities	11,392	5,054

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from investing activities		
Purchase of securities	(15,000)	—
Proceeds from redemption of securities	15,000	—
Purchase of property, plant and equipment	(29)	(24)
Purchase of intangible assets	(26)	(53)
Purchase of investment securities	(1,500)	—
Proceeds from sale of investment securities	—	23,247
Payments of long-term loans receivable	(11)	(9)
Collection of long-term loans receivable	36	23
Increase in other investments and assets	(30)	(148)
Decrease in other investments and assets	8	37
Net cash provided by (used in) investing activities	(1,553)	23,071
Cash flows from financing activities		
Proceeds from long-term loans payable	300	—
Repayments of long-term loans payable	(1,293)	(1,092)
Redemption of bonds	—	(2,000)
Cash dividends paid	(4,432)	(4,430)
Purchase of treasury shares	(0)	(61,269)
Net cash provided by (used in) financing activities	(5,426)	(68,792)
Effect of exchange rate change on cash and cash equivalents	399	(109)
Net increase (decrease) in cash and cash equivalents	4,811	(40,776)
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 104,113	(i) (ii)on next page 66,403

(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 nine months ended December 31, 2017, retained earnings were ¥51,491 million, down ¥56,482 million from the previous full year, and treasury shares were ¥7,585 million, down ¥12,496 million from the previous full year.

(Related to quarterly 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 quarterly consolidated balance sheets

(Millions of Yen)

	For nine months ended December 31, 2016	For nine months ended December 31, 2017
Cash and time deposits	87,613	64,403
Securities	16,500	2,000
Cash and cash equivalents	104,113	66,403

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

(Millions of Yen)

	For nine months ended December 31, 2016	For nine months ended December 31, 2017
Cash and time deposits	7,607	8,783
Securities	-	-
Cash and cash equivalents	7,607	8,783

(iii) JAFCO's uncalled commitment to funds as of December 31, 2017 was ¥23,507 million, compared with ¥23,895 million as of December 31, 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 December 31, 2017		
		Acquisition cost	Figures on the consolidated B/S	Difference	Acquisition cost	Figures on the quarterly consolidated B/S	Difference
Securities whose B/S amount exceeds acquisition cost	Operational investment securities						
	(1) Stock	2,495	14,175	11,679	2,012	15,155	13,142
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	2,495	14,175	11,679	2,012	15,155	13,142
	Investment securities						
	(1) Stock	12,755	75,716	62,960	9,380	70,160	60,780
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	12,755	75,716	62,960	9,380	70,160	60,780
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
	Total	15,251	89,891	74,640	11,392	85,315	73,922
Securities whose B/S amount falls below acquisition cost	Operational investment securities						
	(1) Stock	748	426	(321)	520	282	(237)
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	748	426	(321)	520	282	(237)
	Investment securities						
	(1) Stock	29	27	(1)	29	28	(1)
	(2) Bond	-	-	-	-	-	-
	(3) Others	1,500	1,437	(62)	-	-	-
	Subtotal	1,529	1,464	(64)	29	28	(1)
	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)	2,549	2,310	(238)
Grand total		36,528	110,783	74,254	13,942	87,626	73,683

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 December 31, 2017
	Figures on the consolidated B/S	Figures on the quarterly consolidated B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	44,882	48,646
Unlisted domestic and foreign bonds	694	595
Others	2,096	1,837
Investment securities		
Unlisted stock	958	929

2. During the nine months ended December 31, 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 against investment securities in the previous full year.

4. Other Information

(1) Investments and IPOs

(i) Investments

(Millions of Yen)

	For the year ended March 31, 2017		For nine months ended December 31, 2016		For nine months ended December 31, 2017		Annualized comparison [(B)/3×4]/(A) (%)
	Amount (A)	No. of co's.	Amount	No. of co's.	Amount (B)	No. of co's.	
Equity							
(Japan)	15,180	33	10,670	23	15,476	30	135.9
(USA)	3,938	12	3,413	10	5,410	18	183.1
(Asia)	1,786	10	1,237	7	3,575	8	267.0
Total	20,904	55	15,320	40	24,462	56	156.0

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 nine months ended December 31, 2016	For nine months ended December 31, 2017
Number of IPOs	6	3	7
Investment cost (1)	5,212	4,540	2,025
Market value at IPOs (2)	20,727	16,883	23,343
Multiple (2)/(1)	4.0	3.7	11.5

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 nine months ended December 31, 2016	For nine months ended December 31, 2017
Number of IPOs	3	3	-
Investment cost (1)	874	874	-
Market value at IPOs (2)	3,407	3,407	-
Multiple (2)/(1)	3.9	3.9	-

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

Nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(i) Newly established funds (under fundraising):

(Millions of US$)

Fund name	Total commitments as of December 31, 2017
JAFCO Asia Technology Fund VII L.P.	125

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

(Millions of Yen)

Fund name	Total commitments as of December 31, 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 December 31, 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)

(i) 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 when comparing current performance with the previous year's results, we use annualized figures (the nine months results /3x4) 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 nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(i) Consolidated operating results

	For the year ended March 31, 2017 (A)	For nine months ended December 31, 2017 (B)	Annualized comparison [(B)/3×4]/(A)
	[¥ million]	[¥ million]	[%]
Net sales	27,857	23,317	111.6
Operating income	12,324	11,091	120.0
Ordinary income	13,666	12,497	121.9
Profit attributable to JAFCO Co., Ltd. stockholders	11,073	21,720	261.5

	For the year ended March 31, 2017	For nine months ended December 31, 2017
Profit per share [¥]	249.59	591.89
Fully diluted profit per share [¥]	-	-

(ii) Consolidated financial position

	As of March 31, 2017	As of December 31, 2017
Total assets [¥ million]	237,902	195,193
Net assets [¥ million]	207,855	163,022
Equity ratio [%]	87.4	83.5
Net assets per share [¥]	4,684.87	5,270.50