JAFCO Co., Ltd.

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

JAFCO Co., Ltd. (Ticker: 8595)
1-23-1 Toranomon, Minato-ku,
Tokyo 105-6324 Japan
http://www.jafco.co.jp

Contact: Investor Relations
Tel: +81-50-3734-2025
ir@jafco.co.jp

July 27, 2018

Financial Results for the Three Months Ended June 30, 2018

[Japanese GAAP]

(Summary of Japanese announcement)

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

1. Consolidated Performance for the Three Months Ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(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 three months ended June 30, 2018	4,705	(55.3)	2,149	(65.8)	3,059	(56.7)	2,985	(43.0)
For three months ended June 30, 2017	10,515	103.8	6,276	163.6	7,061	150.6	5,236	149.1

Note: 1. Comprehensive income Three months ended June 30, 2018: ¥6,142 million [(34.5%)]
Three months ended June 30, 2017: ¥9,384 million [-%]
2. The Revenue Recognition Standard was adopted in the three months ended June 30, 2018, as a result of which the US subsidiary was excluded from the scope of consolidation.

	Profit per share [¥]	Fully diluted profit per share [¥]
For three months ended June 30, 2018	96.53	-
For three months ended June 30, 2017	118.02	-

(2) Consolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of June 30, 2018	183,344	161,541	88.1	5,222.66
As of March 31, 2018	191,550	160,299	83.7	5,182.49

(Reference) Shareholders' equity As of June 30, 2018: ¥161,541 million
As of March 31, 2018: ¥160,299 million

Note: The Revenue Recognition Standard was adopted in the three months ended June 30, 2018, as a result of which the US subsidiary was excluded from the scope of consolidation.

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, 2018	-	-	-	107.00	107.00
For the year ending March 31, 2019	-				
For the year ending March 31, 2019 (Forecast)		-	-	-	-

Notes: The forecast of dividend amount is unfixed.

3. Business Forecasts (April 1, 2018 – March 31, 2019)

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: Yes
③ Changes in accounting estimates: None
④ Correction of prior period errors: None

Note: For details, please refer to P.12, (4) Notes for Consolidated Financial Statements (Change in accounting principles) of 2. Consolidated Financial Statements.

(4) Number of issued shares (common stock)

① Number of issued shares (including treasury stock)
As of June 30, 2018: 32,550,000 As of March 31, 2018: 32,550,000

② Number of treasury stock
As of June 30, 2018: 1,619,115 As of March 31, 2018: 1,619,075

③ Average number of shares
For three months ended June 30, 2018: 30,930,918
For three months ended June 30, 2017: 44,367,430

***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 three months ended June 30, 2018 will be released on JAFCO's website on July 27, 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 Aanalysis of Consolidated Operating Results

From the first quarter of the fiscal year ending March 30, 2019 onward, JAFCO changed the method for recording revenue from management fees that JAFCO America Ventures Inc. (a wholly owned subsidiary; ”JAV”) receives, and excluded JAV from the scope of consolidation accordingly.
As the fund management style whereby a parent company controls overseas investment activity does not fit with the highly localized nature of the venture capital (“VC”) business, our investment activity in the US has been conducted by a team of local venture capitalists, which operates its own funds and makes its own investment decisions. Previously, fundraising for these funds was entirely dependent on capital contributions from JAFCO and its domestic funds, but in 2013, the US team started raising funds by themselves in response to a trend in larger fund sizes in the US VC industry. As a result, the ratio of funds raised from external investors is increasing. Also, to strengthen its brand presence in the US, the team changed its name to Icon Ventures.
Under such circumstances, JAFCO adopted the new Corporate Accounting Standard No. 29 Accounting Standard for Revenue Recognition and decided to offset JAV’s expenses with JAV’s revenues. Due to the resultant decline in JAV’s materiality in consolidated financial statements, JAFCO decided to exclude JAV from the scope of consolidation.
Accordingly, figures for the three months ended June 30, 2018 reflect JAV’s exclusion from consolidation stemming from the adoption of the Accounting Standard for Revenue Recognition.
Please note that JAFCO’s position as GP of the funds managed by Icon Ventures (“Icon Funds”) remains unchanged after JAV’s exclusion from consolidation and we will continue to commit to US investment as a major investor of Icon Funds.

In the consolidated fiscal three months ended June 30, 2018, the JAFCO Group posted net sales of ¥4,705 million, ordinary income of ¥3,059 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥2,985 million. This compares with net sales of ¥29,470 million, ordinary income of ¥15,554 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥24,235 million for the previous full year ended March 31, 2018 (the “previous full year”).

(Outline of Investments)
The JAFCO Group and its funds made investments totaling ¥6,305 million (15 companies) in the three months ended June 30, 2018, compared with ¥30,222 million (67 companies) in the previous full year.

(Outline of Capital Gains and IPOs)
JAFCO posted ¥3,967 million in revenues from operational investment securities (previous full year: ¥23,470 million). Capital gains came to ¥2,314 million (previous full year: ¥13,621 million), out of which capital gains on listed shares were ¥1,672 million (previous full year: ¥11,281 million) and capital gains on unlisted shares were ¥641 million (previous full year: ¥2,340 million). This ¥641 million consisted of ¥1,356 million (previous full year: ¥6,750 million) in gains on sale and ¥714 million (previous full year: ¥4,410 million) in losses on sale.

There were no IPOs in Japan and none overseas by portfolio companies of the JAFCO Group and its funds (previous full year: seven IPOs in Japan and one overseas).

(Millions of Yen)

	For the year ended March 31, 2018 (A)	For three months ended June 30, 2017	For three months ended June 30, 2018 (B)	Annualized comparison [(B)×4]/(A) (%)
Revenues from operational investment securities (1)	23,470	7,727	3,967	67.6
Proceeds from sale of securities	23,322	7,668	3,930	67.4
Dividend and interest income	147	58	36	98.8
Cost of operational investment securities (2)	9,848	2,252	1,652	67.1
Cost of securities sold	9,848	2,252	1,652	67.1
Impairment	-	-	-	-

Capital gains (1) – (2)	13,621	5,474	2,314	68.0
Multiple (1) / (2)	2.38	3.43	2.40	-

Capital gains on listed shares	11,281	1,422	1,672	59.3
Capital gains on unlisted shares	2,340	4,052	641	109.7
Gains on sale	6,750	4,514	1,356	80.4
Losses on sale	4,410	462	714	64.8

(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 three months ended June 30, 2018 totaled ¥428 million, consisting of ¥442 million in company-by-company reserves and a reversal of ¥14 million in general reserves, compared with ¥2,283 million, ¥3,817 million and a reversal of ¥1,534 million respectively in the previous full year.

Company-by-company reserves were reversed by ¥653 million following the sale and impairment of securities in the three months ended June 30, 2018, compared with ¥3,148 million reversed in the previous full year. As a result, net additions to investment loss reserves were negative ¥224 million, compared with negative ¥865 million in the previous full year.

Balance of investment loss reserves came to ¥9,986 million (19.3% of the balance of unlisted operational investment securities) as of June 30, 2018, compared with ¥10,351 million (20.9% 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, 2018 (A)	For three months ended June 30, 2017	For three months ended June 30, 2018 (B)	Annualized comparison [(B)×4]/(A) (%)
Additions to investment loss reserves (1)	2,283	637	428	75.1
Company-by-company reserves	3,817	854	442	46.4
(Reversal of) General reserves	(1,534)	(217)	(14)	-
Reversal of investment loss reserves (2)	3,148	448	653	83.0
Net additions = (1)-(2) (minus figures are reversals)	(865)	189	(224)	-

(Millions of Yen)

	As of March 31, 2018	As of June 30, 2018
Balance of investment loss reserves	10,351	9,986
Company-by-company reserves	8,644	8,296
General reserves	1,707	1,690
Ratio for all unlisted operational investment securities	20.9%	19.3%

(Outline of Balance of Operational Investment Securities)

Difference in acquisition cost and market value of listed operational investment securities was ¥8,462 million as of June 30, 2018 (compared with ¥9,633 million at the end of the previous full year). This consisted of ¥8,608 million in unrealized gains on operational investment securities whose market value exceeds acquisition cost and ¥146 million in unrealized losses on operational investment securities whose market value falls below acquisition cost (compared with ¥9,850 million and ¥216 million respectively at the end of previous full year).

Unrealized losses on operational investment securities were a reversal of ¥69 million for the three months ended June 30, 2018 (compared with a reversal of ¥105 million for the previous full year).

As a result, the balance of operational investment securities stood at ¥61,743 million as of June 30, 2018, compared with ¥61,287 million at the end of previous full year.

(Millions of Yen)

	As of March 31, 2018	As of June 30, 2018
Difference between acquisition cost and market value of listed operational investment securities	9,633	8,462
Securities whose market value exceeds acquisition cost	9,850	8,608
Securities whose market value falls below acquisition cost	(216)	(146)

(Millions of Yen)

	For the year ended March 31, 2018	For three months ended June 30, 2017	For three months ended June 30, 2018
(Reversal of) Unrealized losses on operational investment securities	(105)	102	(69)

Balance of Operational Investment Securities (Millions of Yen)

	As of March 31, 2018		As of June 30, 2018	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the quarterly consolidated B/S
Listed	2,035	11,669	1,542	10,004
Unlisted	46,528	47,743	48,179	49,910
Subtotal	48,564	59,412	49,721	59,915
Investments in other funds	1,807	1,874	1,743	1,827
Total	50,371	61,287	51,464	61,743

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 three months ended June 30, 2018 totaled ¥738 million (previous full year: ¥5,987 million) as shown below.

(Millions of Yen)

	For the year ended March 31, 2018 (A)	For three months ended June 30, 2017	For three months ended June 30, 2018 (B)	Annualized comparison [(B)×4]/(A) (%)
Income from partnership management	5,987	2,786	738	49.3
Fund management fees	3,551	1,027	436	49.1
Success fees	2,435	1,758	302	49.7

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 ¥183,344 million, comprising current assets of ¥110,029 million and non-current assets of ¥73,314 million as of June 30, 2018, compared with ¥191,550 million, ¥121,983 million and ¥69,566 million respectively at the end of previous full year.

Total liabilities came to ¥21,802 million, comprising current liabilities of ¥2,570 million and non-current liabilities of ¥19,232 million as of June 30, 2018, compared with ¥31,251 million, ¥13,202 million and ¥18,048 million respectively at the end of previous full year.

Net assets as of June 30, 2018 came to ¥161,541 million, compared with ¥160,299 million at the end of previous full year.

(Outline of Cash Flows)

Cash flows from operating activities for the three months ended June 30, 2018 resulted in a cash outflow of ¥9,369 million, compared with a cash inflow of ¥7,425 million in the previous full year. This is mainly due to the payment of income taxes, etc.

Cash flows from investing activities for the three months ended June 30, 2018 resulted in a cash inflow of ¥153 million, compared with a cash inflow of ¥24,732 million in the previous full year. This is mainly due to the refund of guarantee deposit related to the relocation of the head office.

Cash flows from financing activities for the three months ended June 30, 2018 resulted in a cash outflow of ¥3,370 million, compared with a cash outflow of ¥69,046 million in the previous full year. This is mainly due to dividend payments.

As a result of the above, cash and cash equivalents decreased by ¥12,848 million. Also, cash and cash equivalents decreased by ¥930 million due to the exclusion of JAFCO America Ventures Inc. from consolidation. The balance of cash and cash equivalents as of June 30, 2018 totaled ¥56,307 million, compared with ¥70,086 million at the end of the previous full year. This ¥56,307 million includes ¥6,811 million invested in funds, compared with ¥8,144 million at the end of the previous full year. JAFCO's uncalled commitments to funds as of June 30, 2018 were ¥20,027 million, compared with ¥21,518 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, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	67,586	53,807
Operational investment securities	61,287	61,743
Investment loss reserves	(10,351)	(9,986)
Securities	2,500	2,500
Deferred tax assets	144	36
Other	816	1,927
Total current assets	121,983	110,029
Non-current assets		
Property, plant and equipment	296	241
Intangible assets	74	46
Investments and other assets		
Investment securities	68,281	72,560
Investments in capital	32	16
Long-term loans receivable	139	7
Deferred tax assets	101	26
Other	640	415
Total investments and other assets	69,195	73,026
Total non-current assets	69,566	73,314
Total assets	191,550	183,344

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Current portion of long-term loans payable	795	787
Income taxes payable	9,350	101
Deferred tax liabilities	1,576	1,396
Provision for bonuses	309	166
Allowance for extraordinary compensation for directors	127	—
Other	1,044	118
Total current liabilities	13,202	2,570
Non-current liabilities		
Long-term loans payable	182	135
Net defined benefit liability	616	633
Deferred tax liabilities	17,232	18,446
Other	17	17
Total non-current liabilities	18,048	19,232
Total liabilities	31,251	21,802
Net assets		
Shareholders' equity		
Capital stock	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	54,005	52,091
Treasury shares	(7,585)	(7,586)
Total shareholders' equity	112,477	110,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,961	50,311
Foreign currency translation adjustment	(132)	676
Remeasurements of defined benefit plans	(6)	(9)
Total accumulated other comprehensive income	47,821	50,978
Total net assets	160,299	161,541
Total liabilities and net assets	191,550	183,344

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

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales		
Revenue from operational investment securities	7,727	3,967
Income from partnership management	2,786	738
Other sales	1	—
Total net sales	10,515	4,705
Cost of sales		
Cost of operational investment securities	2,252	1,652
Other cost	207	142
Total cost of sales	2,460	1,794
Gross profit	8,055	2,911
(Reversal of) Additions to investment loss reserves	189	(224)
(Reversal of) unrealized losses on operational investment securities	102	(69)
Gross profit - net	7,763	3,204
Selling, general and administrative expenses	1,486	1,055
Operating profit	6,276	2,149
Non-operating income		
Interest income	18	21
Dividend income	771	659
Foreign exchange gains	—	217
Miscellaneous income	22	13
Total non-operating income	812	912
Non-operating expenses		
Interest expenses	9	1
Foreign exchange losses	17	—
Miscellaneous loss	0	0
Total non-operating expenses	28	1
Ordinary profit	7,061	3,059
Extraordinary income		
Gain on sales of investment securities	—	5
Total extraordinary income	—	5
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	7,061	3,065
Income taxes - current	1,840	200
Income taxes - deferred	(15)	(121)
Total income taxes	1,824	79
Profit	5,236	2,985
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFCO Co., Ltd. stockholders	5,236	2,985

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	5,236	2,985
Other comprehensive income		
Valuation difference on available-for-sale securities	4,171	2,350
Foreign currency translation adjustment	(24)	809
Remeasurements of defined benefit plans, net of tax	0	(3)
Total other comprehensive income	4,147	3,157
Comprehensive income	9,384	6,142
(Breakdown)		
Comprehensive income attributable to JAFCO Co., Ltd. stockholders	9,384	6,142
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from operating activities		
Profit before income taxes	7,061	3,065
Depreciation	42	45
Increase (decrease) in allowance for investment loss	189	(224)
Increase (decrease) in provision for bonuses	(121)	(142)
Increase (decrease) in allowance for extraordinary compensation for directors	(156)	(127)
Increase (decrease) in net defined benefit liability	9	9
(Reversal of) unrealized losses on operational investment securities	102	(69)
Interest and dividend income	(790)	(681)
Interest expenses	9	1
Foreign exchange losses (gains)	15	(207)
Loss (gain) on sales of investment securities	—	(5)
Decrease (increase) in operational investment securities for sale	(1,837)	(1,444)
Decrease (increase) in consumption taxes refund receivable	127	5
Increase (decrease) in accrued consumption taxes	117	(190)
Decrease (increase) in other current assets	(627)	(1,296)
Increase (decrease) in other current liabilities	(46)	65
Other, net	(89)	175
Subtotal	4,006	(1,021)
Interest and dividend income received	790	681
Interest expenses paid	(15)	(0)
Income taxes paid	(1,416)	(9,029)
Net cash provided by (used in) operating activities	3,364	(9,369)
Cash flows from investing activities		
Purchase of property, plant and equipment	(0)	(7)
Purchase of intangible assets	(1)	—
Proceeds from sale of investment securities	5	10
Payments of long-term loans receivable	(9)	—
Collection of long-term loans receivable	1	0
Increase in other investments and assets	(155)	(11)
Decrease in other investments and assets	0	161
Net cash provided by (used in) investing activities	(160)	153
Cash flows from financing activities		
Repayments of long-term loans payable	(514)	(55)
Cash dividends paid	(4,438)	(3,315)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(4,952)	(3,370)
Effect of exchange rate change on cash and cash equivalents	(17)	(261)
Net increase (decrease) in cash and cash equivalents	(1,765)	(12,848)
Cash and cash equivalents at beginning of period	107,179	70,086
Decrease in cash and cash equivalents resulting from exclusion from consolidation	—	(930)
Cash and cash equivalents at end of period	(i) (ii) on p.13 105,414	(i) (ii) on p.13 56,307

(4) Notes for Consolidated Financial Statements

(Notes on premise of going concern)

None

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

None

(Change in accounting principles)

From the first quarter of the fiscal year ending March 31, 2019 onward, JAFCO changed the method for recording revenue from management fees that JAFCO America Ventures Inc. (a wholly owned subsidiary; "JAV") receives, and excluded JAV from the scope of consolidation accordingly.

As the fund management style whereby a parent company controls overseas investment activity does not fit with the highly localized nature of the venture capital ("VC") business, our investment activity in the US has been conducted by a team of local venture capitalists, which operates its own funds and makes its own investment decisions.

Previously, fundraising for these funds was entirely dependent on capital contributions from JAFCO and its domestic funds, but in 2013, the US team started raising funds by themselves in response to a trend in larger fund sizes in the US VC industry. As a result, the ratio of funds raised from external investors is increasing. Also, to strengthen its brand presence in the US, the team changed its name to Icon Ventures. Under such circumstances, JAFCO adopted the new Corporate Accounting Standard No. 29 Accounting Standard for Revenue Recognition and decided to offset JAV's expenses with JAV's revenues. Due to the resultant decline in JAV's materiality in consolidated financial statements, JAFCO decided to exclude JAV from the scope of consolidation.

(Adoption of accounting standard for revenue recognition)

As the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29 issued on March 30, 2018; "Revenue Recognition Standard") and the "Application Guidance for Accounting Standard for Revenue Recognition" (Corporate Accounting Standard Application Guideline No. 30 issued on March 30, 2018) became applicable from the beginning of the consolidated fiscal year starting on or after April 1, 2018, JAFCO adopted the Revenue Recognition Standard at the beginning of the three months ended June 30, 2018 and made the following changes:

① Change in the method for recording management fees received by JAV
JAFCO changed the method for recording management fees received by JAV, and now records management fees, net of JAV's selling, general and administrative expenses. As a result, net sales decreased by ¥223 million, cost of sales increased by ¥86 million, and selling, general and administrative expenses decreased by ¥309 million for the three months ended June 30, 2018.

② Change in the method for recognizing revenue from success fees
With regard to success fees that JAFCO receives from its funds, JAFCO now records the amount that is deemed unlikely to drop significantly as of the fiscal year end as accrued income. As a result, net sales, operating income, ordinary income and quarterly profit before income taxes each increased by ¥29 million, and the opening balance of retained earnings increased by ¥87 million.

(Change in the scope of consolidation)

The net amount presentation of management fees as shown above diminished JAV's materiality in JAFCO's consolidated financial statements. Also considering JAV's qualitative materiality, JAFCO excluded JAV from its scope of consolidation. As a result, net sales, cost of sales, and operating income decreased by ¥62 million, ¥6 million, and ¥55 million respectively. The opening balance of retained earnings decreased by ¥1,678 million.

(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 three months ended June 30, 2017	For three months ended June 30, 2018
Cash and time deposits	86,414	53,807
Securities	19,000	2,500
Cash and cash equivalents	105,414	56,307

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

(Millions of Yen)

	For three months ended June 30, 2017	For three months ended June 30, 2018
Cash and time deposits	10,059	6,811
Securities	-	-
Cash and cash equivalents	10,059	6,811

(iii) JAFCO's uncalled commitment to funds as of June 30, 2018 was ¥20,027 million, compared with ¥29,051 million as of June 30, 2017 and ¥21,518 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, 2018			As of June 30, 2018		
		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	1,662	11,512	9,850	1,017	9,626	8,608
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	1,662	11,512	9,850	1,017	9,626	8,608
	Investment securities						
	(1) Stock	9,380	67,389	58,008	9,380	71,495	62,114
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	9,380	67,389	58,008	9,380	71,495	62,114
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
	Total	11,042	78,901	67,859	10,397	81,121	70,723
Securities whose B/S amount falls below acquisition cost	Operational investment securities						
	(1) Stock	373	156	(216)	525	378	(146)
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	373	156	(216)	525	378	(146)
	Investment securities						
	(1) Stock	29	23	(6)	29	23	(6)
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	29	23	(6)	29	23	(6)
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	2,500	2,500	-	2,500	2,500	-
	Subtotal	2,500	2,500	-	2,500	2,500	-
	Total	2,902	2,679	(222)	3,054	2,902	(152)
Grand total		13,945	81,581	67,636	13,452	84,023	70,570

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, 2018	As of June 30, 2018
	Figures on the consolidated B/S	Figures on the quarterly consolidated B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	46,908	49,344
Unlisted domestic and foreign bonds	829	560
Others	1,879	1,832
Investment securities		
Unlisted stock	868	1,041

2. During the three months ended June 30, 2018, 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 ¥403 million were recorded against investment securities in the previous full year.

3. Other Information

(1) Investments and IPOs

(i) Investments

(Millions of Yen)

	For the year ended March 31, 2018 (A)		For three months ended June 30, 2017		For three months ended June 30, 2018 (B)		Annualized comparison [(B)×4]/(A) (%)
	Amount (A)	No. of co's.	Amount	No. of co's.	Amount (B)	No. of co's.	
Equity							
(Japan)	18,057	37	4,298	9	2,658	6	58.9
(USA)	7,101	19	4,150	7	2,810	6	158.3
(Asia)	5,063	11	643	4	835	3	66.0
Total	30,222	67	9,092	20	6,305	15	83.5

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, 2018	For three months ended June 30, 2017	For three months ended June 30, 2018
Number of IPOs	7	1	-
Investment cost (1)	2,025	198	-
Market value at IPOs (2)	23,343	4,472	-
Multiple (2)/(1)	11.5	22.6	-

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, 2018	For three months ended June 30, 2017	For three months ended June 30, 2018
Number of IPOs	1	-	-
Investment cost (1)	380	-	-
Market value at IPOs (2)	538	-	-
Multiple (2)/(1)	1.4	-	-

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

Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(i) Newly established funds:

None

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

(Millions of US$)

Fund name	Total commitments as of June 30, 2018	Total commitments as of March 31, 2018	Increase in commitments
JAFCO Asia Technology Fund VII L.P.	140	128	12

Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(i) Newly established funds:

(Millions of US$)

Fund name	Total commitments as of March 31, 2018
JAFCO Asia Technology Fund Ⅶ L.P.	128

The final closing took place on April 25, 2018 at US$140 million.

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

(Millions of yen)

Fund name	Total commitments as of March 31, 2018	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 March 31, 2018	Total commitments as of March 31, 2017	Increase in commitments
Icon Ventures VI, L.P.	262	225	37

(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 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 three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(i) Consolidated operating results

	For the year ended March 31, 2018 (A)	For three months ended June 30, 2018 (B)	Annualized comparison [(B)×4]/(A)
	[¥ million]	[¥ million]	[%]
Net sales	29,470	4,705	63.9
Operating income	14,252	2,149	60.3
Ordinary income	15,554	3,059	78.7
Profit attributable to JAFCO Co., Ltd. stockholders	24,235	2,985	49.3

	For the year ended March 31, 2018	For three months ended June 30, 2018
Profit per share [¥]	687.04	96.53
Fully diluted profit per share [¥]	-	-

(ii) Consolidated financial position

	As of March 31, 2018	As of June 30, 2018
Total assets [¥ million]	191,550	183,344
Net assets [¥ million]	160,299	161,541
Equity ratio [%]	83.7	88.1
Net assets per share [¥]	5,182.49	5,222.66