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January 29, 2025

Financial Results for the Nine Months Ended December 31, 2024

[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, 2024 (April 1, 2024 – December 31, 2024)

(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 Group Co., Ltd. stockholders [¥ million]	[%]
For the nine months ended December 31, 2024	25,355	73.9	11,171	149.6	12,178	148.7	8,711	99.7
For the nine months ended December 31, 2023	14,579	49.9	4,475	-	4,896	501.0	4,361	(90.2)

Note: Comprehensive income Nine months ended December 31, 2024: ¥10,023 million [24.3%]
Nine months ended December 31, 2023: ¥8,062 million [-%]

	Profit per share [¥]	Fully diluted net income per share [¥]
For the nine months ended December 31, 2024	159.76	-
For the nine months ended December 31, 2023	80.11	-

(2) Consolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of December 31, 2024	171,172	142,325	83.1	2,608.23
As of March 31, 2024	165,540	137,639	83.1	2,526.26

(Reference) Shareholders' equity As of December 31, 2024: ¥142,325 million
As of March 31, 2024: ¥137,639 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, 2024	-	-	-	69.00	69.00
For the year ending March 31, 2025	-	32.00	-		
For the year ending March 31, 2025 (forecast) *				TBD	TBD

Notes: 1. No changes have been made to the most recently announced dividend forecast.

2. Starting in this fiscal year, the Company has begun paying interim dividends based on 1.5% of the preceding fiscal year's shareholders' equity.
Also, while the dividend forecast for the end of the fiscal year is yet to be determined, no change has been made to our policy, based on the Basic Policy for Enhancing Corporate Value announced in December 2022, to pay dividends amounting to the greater of either 3% of shareholders' equity (initial and term-end average value) or 50% of net income. Therefore, year-end dividends for the fiscal year ending March 31, 2025 shall be calculated by subtracting interim dividends from the total dividend amount calculated based on the above policy and implemented with March 31, 2025 as the record date.

3. Business Forecasts for the Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

Due to the nature of the Company's business, domestic and overseas stock markets as well as the IPO market may cause large fluctuations in its earnings level, as a result of which it is difficult to make meaningful performance forecasts. Therefore, instead of announcing financial forecasts, the Company makes timely disclosure of quarterly financial results.

*Other Information

(1) Significant changes in scope of consolidation 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 shares)

As of December 31, 2024: 56,060,000 As of March 31, 2024: 56,060,000

② Number of treasury shares

As of December 31, 2024: 1,492,229 As of March 31, 2024: 1,576,350

③ Average number of shares

Nine months ended December 31, 2024: 54,528,320

Nine months ended December 31, 2023: 54,440,899

***Review of the Japanese-language originals of the attached consolidated quarterly consolidated financial statements by certified public accountants or an audit firm: None**

***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, 2024 will be released on the Company's website on January 29, 2025.

***Note to XBRL**

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

1. Outline of Operating Results

(1) Outline of Operating Results

In the consolidated fiscal nine months ended December 31, 2024, the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "Company Group") posted net sales of ¥25,355 million, (up 73.9% year-on-year from ¥14,579 million), operating income of ¥11,171 million (up 149.6% year-on-year from ¥4,475 million), ordinary income of ¥12,178 million (up 148.7% year-on-year from ¥4,896 million), and profit attributable to JAFCO Group Co., Ltd. stockholders of ¥8,711 million (up 99.7% year-on-year from ¥4,361 million).

During the period under review, there were seven IPOs from the Company Group's portfolio (seven in Japan and none overseas), and there was a significant year-on-year increase in capital gains such as due to the sale of shares with the new IPOs.

Success fees also rose from the same period last year due to progress made for the exits of SV4 Series and JAFCO Asia Technology Fund VI L.P.

Also, the Company transferred its interests in funds to a recently launched investment trust which it developed jointly with Nomura Asset Management Co., Ltd. in August 2024 and which incorporates the Company's funds.

Because the Company's earnings may fluctuate widely for each three-month period due to the nature of its business, we also provide comparison of annualized third-quarter results and the previous full-year results.

(Outline of Capital Gains)

During the period under review, there were seven IPOs from the Company Group's portfolio (seven in Japan and none overseas), and there was a significant year-on-year increase in capital gains due to the sale of shares through the new IPOs and the sale of unlisted securities.

(Millions of yen)

	For the year ended March 31, 2024 (A)	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024 (B)	Annualized comparison [(B)/3x4]/(A) (%)
Revenues from operational investment securities (1)	19,013	10,389	20,586	144.4
Proceeds from sale of securities	18,890	10,279	20,270	143.1
Dividend and interest income	123	109	316	342.4
Cost of operational investment securities (2)	11,076	5,452	9,656	116.3
Cost of securities sold	10,041	4,417	9,656	128.2
Impairment	1,034	1,034	-	-
Capital gains (1) – (2)	7,937	4,937	10,929	183.6
Multiple (1) / (2)	1.72	1.91	2.13	-
Capital gains on listed shares	6,010	2,567	7,568	167.9
Capital gains on unlisted shares	1,927	2,369	3,361	232.5
Gains on sale	5,063	4,037	4,526	119.2
Losses on sale	3,136	1,667	1,165	49.5

(Outline of Investment Loss Reserves)

In the consolidated fiscal nine months ended December 31, 2024, the reversal of investment loss reserves exceeded the additions and the balance of investment loss reserves decreased from the end of the previous fiscal year. The ratio of reserves to the balance of unlisted operational investment securities was the same as the end of the previous fiscal year.

(Millions of yen)

	For the year ended March 31, 2024 (A)	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024 (B)	Annualized comparison [(B)/3x4]/(A) (%)
Additions to investment loss reserves (1)	2,784	2,058	2,545	121.9
Reversal of investment loss reserves (2)	3,560	1,814	2,789	104.4
Net additions = (1)-(2) (minus figures are reversals)	(775)	243	(243)	-

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Balance of investment loss reserves	13,754	13,529
Ratio to all unlisted operational investment securities	16.0%	16.0%

(Outline of Balance of Operational Investment Securities)

In the consolidated fiscal nine months ended December 31, 2024, the balance of operational investment securities increased due to the impact of new IPOs of portfolio companies, market value fluctuations of listed operational investment securities, and foreign exchange rates.

(Millions of yen)

		As of March 31, 2024	As of December 31, 2024
Difference between acquisition cost and market value of listed operational investment securities		15,698	17,187
	Securities whose market value exceeds acquisition cost	15,871	17,348
	Securities whose market value falls below acquisition cost	(172)	(161)

(Millions of yen)

	For the year ended March 31, 2024	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
(Reversal of) Unrealized losses on operational investment securities	(13)	(15)	(12)

Balance of Operational Investment Securities

(Millions of yen)

	As of March 31, 2024		As of December 31, 2024	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the quarterly consolidated B/S
Listed	2,473	18,172	3,795	20,982
Unlisted	77,445	85,748	76,283	84,799
Total	79,919	103,921	80,078	105,782

(Outline of Fund Operations)

In the consolidated fiscal nine months ended December 31, 2024, success fees rose from the same period last year due to progress made for the exits of SV4 Series and JAFCO Asia Technology Fund VI L.P.

(Millions of yen)

	For the year ended March 31, 2024 (A)	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024 (B)	Annualized comparison [(B)/3x4]/(A) (%)
Income from partnership management	5,425	4,187	4,762	117.1
Management fees	4,837	3,778	3,250	89.6
Success fees	587	408	1,511	343.2

Note: Management fees and success fees are based on the commitment amount excluding the Company Group's interests.

(2) Outline of the Quarter's Financial Condition

(Outline of Assets, Liabilities, and Net Assets)

In the consolidated fiscal nine months ended December 31, 2024, total assets and net assets increased mainly due to new IPOs of portfolio companies and the associated sale of operational investment securities. Also, total liabilities decreased mainly due to an increase in income taxes payable.

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Total assets	165,540	171,172
Current assets	160,489	166,297
Non-current assets	5,051	4,874
Total liabilities	27,900	28,847
Current liabilities	6,566	7,010
Non-current liabilities	21,334	21,836
Net assets	137,639	142,325

(3) Consolidated Financial Forecasts and Other Forward-Looking Statements

Due to the nature of the Company's business, domestic and overseas stock markets as well as the IPO market may cause large fluctuations in its earnings level, as a result of which it is difficult to make meaningful performance forecasts. Therefore, instead of announcing financial forecasts, the Company makes timely disclosure of quarterly financial results.

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	*(i) 67,606	*(i) 72,807
Operational investment securities	103,921	105,782
Investment loss reserves	(13,754)	(13,529)
Other	2,715	1,237
Total current assets	160,489	166,297
Non-current assets		
Property, plant and equipment		
Buildings, net	362	301
Furniture and fixture	56	55
Total property, plant and equipment	419	357
Intangible assets		
Software	45	23
Total intangible assets	45	23
Investments and other assets		
Investment securities	3,581	3,557
Long-term loans receivable	279	275
Deferred tax assets	349	292
Other	376	368
Total investments and other assets	4,586	4,494
Total non-current assets	5,051	4,874
Total assets	165,540	171,172

*see note (i) on P. 11

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Current portion of long-term borrowings	115	134
Income taxes payable	1,709	3,311
Provision for bonuses	312	414
Allowance for extraordinary compensation for directors	56	—
Other	4,372	3,150
Total current liabilities	6,566	7,010
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	15,000	15,000
Long-term borrowings	—	66
Retirement benefit liability	349	349
Deferred tax liabilities	5,787	6,265
Other	197	155
Total non-current liabilities	21,334	21,836
Total liabilities	27,900	28,847
Net assets		
Shareholders' equity		
Share capital	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	54,424	57,590
Treasury shares	(3,871)	(3,664)
Total shareholders' equity	116,611	119,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,150	19,188
Foreign currency translation adjustment	2,878	3,152
Total accumulated other comprehensive income	21,028	22,341
Total net assets	137,639	142,325
Total liabilities and net assets	165,540	171,172

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

(Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales		
Revenue from operational investment securities	10,389	20,586
Income from investment partnership management	4,187	4,762
Other sales	2	6
Total net sales	14,579	25,355
Cost of sales		
Cost of operational investment securities	5,452	9,656
Other costs	947	1,034
Total cost of sales	6,399	10,691
Gross profit	8,180	14,664
(Reversal of) Additions to investment loss reserves	243	(243)
(Reversal of) unrealized losses on operational investment securities	(15)	(12)
Gross profit - net	7,952	14,920
Selling, general and administrative expenses	3,476	3,748
Operating profit	4,475	11,171
Non-operating income		
Interest income	264	227
Dividend income	69	566
Foreign exchange gains	—	170
Gain on investment in other funds	158	34
Miscellaneous income	63	24
Total non-operating income	555	1,024
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	42	—
Bond issuance costs	89	—
Miscellaneous losses	1	16
Total non-operating expenses	134	16
Ordinary profit	4,896	12,178
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	4,896	12,178
Income taxes - current	566	3,533
Income taxes - deferred	(31)	(65)
Total income taxes	534	3,467
Profit	4,361	8,711
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFCO Group Co., Ltd. stockholders	4,361	8,711

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	4,361	8,711
Other comprehensive income		
Valuation difference on available-for-sale securities	3,293	1,038
Foreign currency translation adjustment	408	273
Total other comprehensive income	3,701	1,312
Comprehensive income	8,062	10,023
Comprehensive income attributable to		
Comprehensive income attributable to JAFCO Group Co., Ltd. stockholders	8,062	10,023
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes for Consolidated Financial Statements

(Notes on premise of going concern)

None

(Notes on significant changes in shareholders' equity)

None

(Notes on the consolidated balance sheet)
(i) Breakdown of the Company's interests in funds out of cash and deposits

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Cash and deposits	8,241	12,367

(ii) The Company Group's uncalled commitments to JAFCO-managed funds as of December 31, 2024 were ¥21,857 million (compared with ¥34,298 million as of the end of previous full year and ¥35,575 million as of December 31, 2023).

(Notes on the consolidated statements of cash flow)
A consolidated statements of cash flow has not been created for the consolidated fiscal nine months ended December 31, 2024. The depreciation for the consolidated fiscal nine months ended December 31, 2024 (including amortization expense related to intangible assets excluding goodwill) is as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	143	112

(Notes on segment information)
Consolidated fiscal nine months ended December 31, 2023 and consolidated fiscal nine months ended December 31, 2024
Segment information is omitted as the Company Group operates in a single segment of the fund management business.

(Note on marketable securities)

(i) Held-to-maturity bonds

None

(ii) Available-for-sale securities

(Millions of yen)

	Type	As of March 31, 2024			As of December 31, 2024		
		Figures on the consolidated B/S	Acquisition cost	Difference	Figures on the quarterly consolidated B/S	Acquisition cost	Difference
Securities whose B/S amount exceeds acquisition cost	Operational investment securities						
	(1) Stock						
	Listed securities	18,097	2,226	15,871	20,786	3,437	17,348
	Other listed securities	264	83	181	369	266	103
	(2) Bond	861	433	427	867	420	447
	(3) Others	343	296	46	175	158	16
	Subtotal	19,566	3,039	16,526	22,198	4,282	17,915
	Investment securities						
	(1) Stock	2,318	575	1,742	2,283	575	1,708
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	2,318	575	1,742	2,283	575	1,708
	Total	21,885	3,615	18,269	24,482	4,858	19,623
Securities whose B/S amount falls below acquisition cost	Operational investment securities						
	(1) Stock						
	Listed securities	75	247	(172)	195	357	(161)
	Other listed securities	643	643	-	643	643	-
	(2) Bond	54	54	-	479	479	-
	(3) Others	744	744	−	672	672	−
	Subtotal	1,517	1,689	(172)	1,990	2,152	(161)
	Investment securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
	Total	1,517	1,689	(172)	1,990	2,152	(161)
Grand total		23,402	5,304	18,097	26,472	7,010	19,462

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

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

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
	Figures on consolidated B/S	Figures on quarterly consolidated B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	82,837	81,592
Investment securities		
Unlisted stock	623	625
Other	446	454

3. There were no impairment losses (write-down of acquisition costs) recorded on available-for-sale securities in the consolidated fiscal nine months ended December 31, 2024. (In the previous consolidated fiscal year, impairment losses of ¥1,034 million (all on operational investment securities) were recorded on available-for-sale securities.)

(Revenue recognition related)

Breakdown of revenue from contracts with customers

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

(Millions of yen)

	Nine months ended December 31, 2023 (from April 1 to December 31, 2023)			Nine months ended December 31, 2024 (from April 1 to December 31, 2024)		
	Income from partnership management			Income from partnership management		
Fund name	Management fees	Success fees	Total	Management fees	Success fees	Total
JAFCO SV4 Series	23	227	250	19	1,227	1,246
JAFCO SV5 Series	443	-	443	333	-	333
JAFCO SV6 Series	939	-	939	955	-	955
JAFCO SV7 Series	1,606	-	1,606	1,236	-	1,236
JAFCO Asia Technology Fund VI L.P.	17	181	198	35	281	317
JAFCO Asia Technology Fund VII L.P.	160	-	160	150	-	150
JAFCO Taiwan I Venture Capital Limited Partnership	110	-	110	102	-	102
JAFCO Asia S-8 Fund Limited Partnership JAFCO Asia S-8(A) Fund Limited Partnership	136	-	136	145	-	145
JAFCO Taiwan II Venture Capital Limited Partnership	222	-	222	164	-	164
Other	118	-	118	106	2	109
Total	3,778	408	4,187	3,250	1,511	4,762

3. Status of Funds Managed by the Company

The status of investment activities of all funds managed by the Company is as follows. For details, please see the earnings presentation that will be posted on the Company's website (https://www.jafco.co.jp/english/ir) on January 29, 2025.

(1) Investments, Balance of Investments, and IPOs

(i) Investments

(Millions of yen)

	For the year ended March 31, 2024		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Annualized comparison [(B)/3x4]/(A) (%)
	Amount (A)	No. of cos.	Amount	No. of cos.	Amount (B)	No. of cos.	
Equity							
Japan							
Venture investments	16,805	42	14,227	35	14,487	37	114.9
Buyout investments	5,767	3	5,767	3	8,333	6	192.6
USA	4,046	14	3,110	12	6,846	10	225.6
Asia	4,070	10	3,048	7	940	4	30.8
Total	30,690	69	26,153	57	30,608	57	133.0

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

(ii) Balance of investments

(ii) – 1 Balance of investments

(Millions of yen)

	As of March 31, 2024		As of December 31, 2023		As of December 31, 2024	
	Amount	No. of cos.	Amount	No. of cos.	Amount	No. of cos.
Listed	7,577	33	7,405	35	9,882	33
Unlisted	234,290	274	234,312	275	250,762	282
Total	241,867	307	241,717	310	260,644	315

(ii) – 2 Balance of investments in unlisted securities

(Millions of yen)

	As of March 31, 2024	As of December 31, 2023	As of December 31, 2024
Japan			
Venture investments	101,801	105,812	104,433
Buyout investments	31,998	33,895	38,111
USA	68,793	65,169	76,123
Asia	31,696	29,434	32,095
Total	234,290	234,312	250,762

Notes: 1. "Balance of investments" are for the total of funds managed by the Company.
2. "Balance of investments" are based on acquisition costs.
3. Investments denominated in foreign currencies are translated into yen using the exchange rate at the end of each fiscal period.
4. Overseas investments made by the Investment Division in Japan are included in "Japan."

(iii) IPOs

(Japan)

(Millions of yen)

	For the year ended March 31, 2024	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Number of IPOs	6	4	7
Investment cost (1)	4,328	3,065	9,280
Market value at IPO (2)	19,519	10,582	36,280
Multiple (2)/(1)	4.5	3.5	3.9

Notes: 1. “Investment cost” and “Market value at IPO” are for the total of funds managed by the Company.
2. “Market value at IPO” is calculated by multiplying the number of shares held prior to the IPO by the first price.

(Overseas)

(Millions of yen)

	For the year ended March 31, 2024	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Number of IPOs	1	1	-
Investment cost (1)	552	552	-
Market value at IPO (2)	5,318	5,318	-
Multiple (2)/(1)	9.6	9.6	-

Notes: 1. “Investment cost” and “Market value at IPO” are for the total of funds managed by the Company. Exchange rates at the time of IPO are used for conversion.
2. “Market value at IPO” is calculated by multiplying the number of shares held prior to the IPO by the first price.

(2) Establishment of Funds

Nine months ended December 31, 2024 (April 1, 2024 – December 31, 2024)

(i) Newly established funds

None.

(ii) Funds established in previous periods that have concluded fundraising activities during this period

None.

Previous full year (April 1, 2023 - March 31, 2024)

(i) Newly established funds that started fundraising

None.

(ii) Funds established in previous periods that have concluded fundraising activities during the full year

(Millions of yen)

Fund name	Total commitments as of March 31, 2024	Total commitments as of March 31, 2023	Increase
JAFCO SV7 Series (including a VC investment fund, a buyout investment fund, and a parallel investment fund)	97,800	74,400	23,400

Note: The final closing took place in September 2023.

(Millions of NTD)

Fund name	Total commitments as of March 31, 2024	Total commitments as of March 31, 2023	Increase
JAFCO Taiwan II Venture Capital Limited Partnership	3,000	501	2,499

Note: The final closing took place in August 2023.

*Yen equivalent based on the exchange rate as of March 31, 2024: ¥14,220 million

(Millions of USD)

Fund name	Total commitments as of March 31, 2024	Total commitments as of March 31, 2023	Increase
Icon Ventures VII, L.P.	235	229	5

Note: The final closing took place in June 2023.