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**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2011**  
**[Japanese Standards]**  
(Summary of Japanese announcement)

November 4, 2011

Company name: Japan Asia Investment Co., Ltd.  
Listed on: First Section of the Tokyo Stock Exchange (Stock code: 8518) URL: <http://www.jaic-vc.co.jp/>  
Head office: Tokyo  
Representative: Moriyoshi Matsumoto, President and CEO  
Contact: Tetsuro Shimomura, Executive Managing Director  
Tel: +81-3-3259-8518 (main)  
Scheduled date for submission of quarterly report: November 14, 2011  
Scheduled date for start of payment of dividends: —

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

**1. Consolidated business results for the Second Quarter ended September 30, 2011**

**(April 1, 2011 to September 30, 2011)**

(1) Consolidated results of operations

(Percentages indicate year-on-year increase or decrease)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For six months ended September 30, 2011	2,645	(53.3)	(1,482)	—	(1,777)	—	(1,313)	—
For six months ended September 30, 2010	5,659	5.4	813	—	416	—	(252)	—

(Note) Comprehensive Income

For six months ended September 30 2011: (2,219 millions of yen) (—%)

For six months ended September 30 2010: (830 millions of yen) (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
For six months ended September 30, 2011	(11.14)	—
For six months ended September 30, 2010	(2.14)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	43,664	11,896	5.7
As of March 31, 2011	48,736	13,171	9.0

(Reference) Total shareholders' equity As of September 30, 2011: 2,498 millions of yen As of March 31, 2011: 4,391 millions of yen

## 2. Dividends

(Base date)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	—	0.00	—	0.00	0.00
Year ending March 31, 2012	—	0.00			
Year ending March 31, 2012 (forecast)			—	—	—

(Note) The expected dividend for the year ending March 31, 2012 has not yet been determined.

## 3. Outlook for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

The overall investment business conducted by the Group (including investment partnerships) is significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment. We determined it is not always useful for stakeholders to disclose the result forecast based on a certain premise in this environment. We have therefore decided not to disclose the results forecast at this time.

The Group will continue to make efforts to promptly disclose the results of the quarterly settlement of accounts, and when it becomes possible to generate a reasonable results forecast, we will disclose it without delay.

## 4. Other matters

(1) Changes among significant subsidiaries (Changes among specific subsidiaries resulting in changes in the scope of consolidation): Yes

[New 1 company (company name 1 Investment Fund) Excluded 2 companies (company name 2 Investment Funds)]

(2) Adoption of simplified accounting methods and specified accounting methods for quarterly consolidation financial statements: No

(3) Changes in accounting principles, accounting estimates and correction of prior period errors

(i) Changes in accounting principles due to revisions to accounting standards: No

(ii) Changes other than shown in (i) above: No

(iii) Changes in accounting estimates: No

(iv) Correction of prior period errors: No

(4) No. of shares issued and outstanding (common stock)

(i) Shares issued and outstanding at the end of each period (including treasury stock)

the Second quarter ended September 30, 2011: 119,993,475 shares

Year ended March 31, 2011: 119,993,475 shares

(ii) Shares of treasury stock at the end of each period

the Second quarter ended September 30, 2011: 2,122,586 shares

Year ended March 31, 2011: 2,122,586 shares

(iii) Average number of shares during the period (cumulative quarterly consolidated period)

the Second quarter ended September 30, 2011: 117,870,889 shares

the Second quarter ended September 30, 2010: 117,871,474 shares

\*Implementation of quarterly review procedures

The above quarterly financial results are not subject to a quarterly review required under the Financial Instruments and Exchange Act. Review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act had not been carried out at the time of disclosure.

\*Cautionary Statements with Respect to Forward-looking Statements and Other Notes

The Presentation material for the Second quarter ended September 30, 2011 was released on our website on November 4, 2011.

## 5. Business Performance and Financial Condition

### (1) Revenue from Fund Activities

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Total investment funds' management fees	375	210	729
Management fees	262	210	480
Contingency fees	113	—	248

### (2) Capital Gains

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Proceeds of sales of operational investment securities (A)	4,780	2,209	9,929
Cost of sales of operational investment securities	3,395	2,560	8,354
Cost of securities sold(B)	2,819	1,933	7,461
Investment write-offs(C)	576	626	892
Provision for allowance for possible investment losses(D)	142	427	(377)
Realized capital gains(A)-(B)	1,961	275	2,468
Investment income (A)-(B)-(C)-(D)	1,243	(777)	1,953

### (3) Unrealized Gains

(Millions of yen)

	As of September 30, 2010	As of September 30, 2011	As of March 31, 2011
Acquisition cost	2,186	1,847	1,229
Carrying value on consolidated balance sheet	2,209	2,029	1,294
Difference (Unrealized capital gains)	(22)	181	65

## 6. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	15,698	13,835
Short-term investment securities	78	75
Operational investment securities	35,268	31,978
Allowance for possible investment loss	(7,973)	(7,338)
Operating loans	711	816
Deferred tax assets	—	0
Other	670	417
Allowance for doubtful accounts	(19)	(17)
Total current assets	44,435	39,766
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	85	88
Accumulated depreciation	(39)	(43)
Buildings and structures, net	46	44
Vehicles, tools, furniture and fixtures	60	62
Accumulated depreciation	(46)	(44)
Vehicles, tools, furniture and fixtures, net	13	18
Land	24	24
Lease assets	3	3
Accumulated depreciation	(1)	(2)
Lease assets, net	1	1
Total property, plant and equipment	86	89
Intangible assets		
Other	94	77
Total intangible assets	94	77
Investments and other assets		
Investment securities	3,230	2,926
Allowance for investment loss	—	(1)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,175	1,013
Deferred tax assets	4	4
Other	149	129
Allowance for doubtful accounts	(439)	(341)
Total investments and other assets	4,120	3,730
Total noncurrent assets	4,301	3,897
Total assets	48,736	43,664

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	1,865	3,398
Current portion of bonds with subscription rights to shares	1,420	—
Accrued expenses	401	409
Income taxes payable	209	112
Accrued consumption taxes	20	6
Deferred tax liabilities	0	—
Provision for bonuses	25	16
Other	523	339
<b>Total current liabilities</b>	<b>4,466</b>	<b>4,283</b>
Noncurrent liabilities		
Long-term loans payable	30,052	26,654
Lease obligations	1	0
Deferred tax liabilities	1	1
Provision for retirement benefits	218	198
Provision for directors' retirement benefits	62	62
Deposits received from silent partnership	703	528
Other	59	38
<b>Total noncurrent liabilities</b>	<b>31,098</b>	<b>27,484</b>
<b>Total liabilities</b>	<b>35,564</b>	<b>31,768</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	27,166	4,000
Capital surplus	—	2,118
Retained earnings	(19,794)	(59)
Treasury stock	(415)	(415)
<b>Total shareholders' equity</b>	<b>6,956</b>	<b>5,643</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,043)	(1,566)
Deferred gains or losses on hedges	(1)	—
Foreign currency translation adjustment	(1,520)	(1,578)
<b>Total accumulated other comprehensive income</b>	<b>(2,565)</b>	<b>(3,145)</b>
Subscription rights to shares	20	43
Minority interests	8,760	9,355
<b>Total net assets</b>	<b>13,171</b>	<b>11,896</b>
<b>Total liabilities and net assets</b>	<b>48,736</b>	<b>43,664</b>

(2) Consolidated Statements of Income

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
Consolidated statements of income		
Operating revenue	5,659	2,645
Operating cost	3,671	3,095
Operating gross profit (loss)	1,987	(450)
Selling, general and administrative expenses	1,174	1,032
Operating income (loss)	813	(1,482)
Non-operating income		
Interest income	5	5
Dividends income	37	20
Equity in earnings of affiliates	2	—
Gain on hedge trading	49	39
Cancellation Income	80	—
Gain on investments in partnership	—	88
Miscellaneous income	52	8
Total non-operating income	227	161
Non-operating expenses		
Interest expenses	454	333
Commission fee	—	1
Equity in losses of affiliates	—	4
Foreign exchange losses	164	114
Miscellaneous loss	5	1
Total non-operating expenses	624	456
Ordinary income (loss)	416	(1,777)

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
Extraordinary income		
Reversal of allowance for doubtful accounts	6	—
Gain on sales of investment securities	46	—
Gain on redemption of investment securities	—	0
Gain on retirement by purchase of bonds with subscription rights to shares	374	—
Gain on sales of noncurrent assets	—	2
Total extraordinary income	427	3
Extraordinary loss		
Impairment loss	61	—
Loss on sales of investment securities	325	—
Loss on valuation of investment securities	666	0
Loss on redemption of investment securities	—	27
Provision of allowance for investment loss	—	1
Business restructuring expenses	—	17
Loss on change in equity	—	3
Total extraordinary losses	1,053	49
Loss before dividends distribution from silent partnership, income taxes	(208)	(1,823)
Dividends distribution from silent partnership	(8)	(174)
Loss before income taxes and minority interests	(200)	(1,649)
Income taxes-current	28	22
Refund of income taxes	—	(30)
Income taxes-deferred	(1)	0
Total income taxes	26	(8)
Loss before minority interests	(227)	(1,640)
Minority interests in income (loss)	24	(327)
Net loss	(252)	(1,313)

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
Consolidated statements of comprehensive income		
Loss before minority interests	(227)	(1,640)
Other comprehensive income		
Valuation difference on available-for-sale securities	(472)	(521)
Deferred gains or losses on hedges	7	1
Foreign currency translation adjustment	30	(47)
Share of other comprehensive income of associates accounted for using equity method	(167)	(10)
Total other comprehensive income	(602)	(578)
Comprehensive income	(830)	(2,219)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(757)	(1,893)
Comprehensive income attributable to minority interests	(72)	(326)

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Account	Period	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
I	Cash flows from operating activities :		
	Loss before income taxes and minority interests	(200)	(1,649)
	Depreciation and amortization	13	10
	Impairment loss	61	—
	Increase (decrease) in allowance for investment loss	(2,000)	(679)
	Increase (decrease) in provision for business restructuring	(25)	—
	Gain on hedge trading	(49)	(39)
	Increase (decrease) in allowance for doubtful accounts	(98)	(126)
	Increase (decrease) in provision for bonuses	(0)	(8)
	Increase (decrease) in provision for retirement benefits	0	(19)
	Interest and dividends income	(39)	(23)
	Interest expenses	438	317
	Equity in (earnings) losses of affiliates	(2)	4
	Loss (gain) on sales of investment securities	278	—
	Loss (gain) on valuation of investment securities	666	0
	Loss on valuation of operational investment securities	312	203
	Decrease (increase) in investment securities for sale	4,550	2,106
	Decrease (increase) in operating loans receivable	51	10
	Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	190	187
	Gain on retirement of bonds with subscription rights to shares	(374)	—
	Payment for purchase of investment funds	(105)	(1,922)
	Dividends from investment funds	927	785
	Increase (decrease) in investment funds of minority interests	(19)	533
	Loss (gain) on investments in partnership	—	(87)
	Other, net	236	435
	Subtotal	4,809	40
	Interest and dividends income received	39	24
	Interest expenses paid	(448)	(326)
	Income taxes paid	(228)	(167)
	Income taxes refund	—	30
	Net cash provided by (used in) operating activities	4,172	(398)
II	Cash flows from investing activities:		
	Purchase of property, plant and equipment	(2)	(10)
	Proceeds from sales of property, plant and equipment	332	2
	Purchase of investment securities	(0)	(60)
	Proceeds from sales of investment securities	906	—
	Proceeds from liquidation of investment securities	—	94
	Proceeds from redemption of investment securities	—	102
	Decrease (increase) in time deposits	327	(21)
	Proceeds from repayment of deposits	16	19
	Deposits paid for office rental	(4)	(1)
	Decrease (increase) in other investments	2	—
	Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	64	—
	Net cash provided by (used in) investing activities	1,641	125

(Millions of yen)

Account	Period	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
III	Cash flows from financing activities:		
	Increase (decrease) in short-term borrowings, net	(126)	—
	Proceeds from long-term loans payable	443	—
	Repayment of long-term loans payable	(1,837)	(1,865)
	Payments for retirement by purchase of bonds with subscription rights to shares	(1,381)	—
	Redemption of bonds with subscription rights to shares	—	(1,420)
	Cash dividends paid	(1)	(0)
	Cash dividends paid to minority shareholders	(37)	(2)
	Purchase of treasury stock	(0)	—
	Repayments of lease obligations	(0)	(0)
	Other, net	0	—
	Net cash provided by (used in) financing activities	(2,941)	(3,289)
IV	Effect of exchange rate change on cash and cash equivalents	(29)	(8)
V	Net increase (decrease) in cash and cash equivalents	2,842	(3,570)
VI	Cash and cash equivalents at beginning of period	8,330	9,762
VII	Cash and cash equivalents at end of period	11,172	6,191

(5) Notice Concerning Notes on Matters Regarding the Assumption of Going Concern  
No applicable items

(6) Notice Concerning Notes on Significant Changes in Shareholder's Equity

According to the resolution made at the 30<sup>th</sup> ordinary shareholder's meeting held on June 24, 2011, the Group reduced capital stock of ¥23,166 million out of the amount of capital stock ¥27,166 million and transferred the total amount of the reduction to capital surplus, thereby making the amount of capital stock after the reduction ¥4,000 million. The effective date was July 31, 2011.

The Group also made up the deficit by transferring ¥21,047 million of capital surplus arising as a result of the reduction of capital stock to retained earnings.

Due to transactions above mentioned, capital stock is ¥4,000 million and capital surplus is ¥2,118 million as of September 30, 2011.

(7)Others  
(Securities)

Fiscal year ended March 31, 2011 (As of March 31, 2011)

1. Held-to-maturity securities for which market quotations are available  
No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	828	892	63
(2) Bonds	458	458	-
(3) Others	456	353	(102)
Total	1,743	1,704	(38)

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	34,126
Unlisted bonds	340
Others	1,969
Total	36,436

Second quarter ended September 30, 2011 (As of September 30, 2011)

1. Held-to-maturity securities for which market quotations are available  
No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	1,492	1,668	176
(2) Bonds	412	412	-
(3) Others	454	347	(107)
Total	2,359	2,428	69

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	29,806
Unlisted bonds	648
Others	1,719
Total	32,173

### Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

Account	For six months ended september 30, 2010 (April 1, 2010 to September 30, 2010)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit
Fundmanagement operation	375	6.6	—	375
Investment operation	5,121	90.5	3,618	1,503
Others	162	2.9	52	109
Total	5,659	100.0	3,671	1,987

(Millions of yen)

Account	For six months ended september 30, 2011 (April 1, 2011 to September 30, 2011)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit (loss)
Fundmanagement operation	210	7.9	—	210
Investment operation	2,374	89.8	3,076	△ 701
Others	60	2.3	19	41
Total	2,645	100.0	3,095	△ 450

## Information for Reference Purposes:

### Consolidated Financial Results for the Second Quarter Ended September 30, 2011

November 4, 2011

#### Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Second Quarter Ended September 30, 2011 (As of September 30, 2011)

#### Disclosure of consolidated financial statements, etc., under the Previous accounting standards

As of Fiscal year ended March 31, 2007 the JAIC Group has adopted “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations”(Accounting Standards Board of Japan Practical Issues Task Force No. 20 issued on September 8, 2006),and consolidated financial statements, etc., are being prepared with the inclusion in the consolidation of some of the operational investment funds managed by the Group.

Nevertheless, to enable investors and shareholders to have an accurate understanding of the JAIC Group’s business results and financial position, we consider it essential also to disclose financial statements, etc., prepared in accordance with the previous accounting standards. Therefore, for reference purposes, the Group will continue to disclose financial statements, etc., in accordance with the previous accounting standards.

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

#### 1. Consolidated business results for the Second Quarter ended September 30, 2011 (April 1, 2011 to September 30, 2011)

##### (1) Consolidated results of operations (cumulative total)

(Percentages indicate year-on-year increase or decrease)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For six months ended September 30, 2011	2,325	(56.7)	(813)	—	(1,099)	—	(1,117)	—
For six months ended September 30, 2010	5,376	24.0	800	—	411	—	(258)	—

	Net income per share	Diluted net income per share
	Yen	Yen
For six months ended September 30, 2011	(9.48)	—
For six months ended September 30, 2010	(2.19)	—

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	33,065	2,841	7.8
As of March 31, 2011	38,463	4,604	11.4

(Reference) Total shareholders' equity As of September 30, 2011: 2,591 millions of yen As of March 31, 2011: 4,376 millions of yen

**2. Outlook for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)**

The overall investment business conducted by the Group will be significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment. We determined it is not always useful for stakeholders to disclose the result forecast based on a certain premise in this environment. We have therefore decided not to disclose the results forecast at this time.

The Group will continue to make efforts to promptly disclose the results of the quarterly settlement of accounts, and when it becomes possible to generate a reasonable results forecast, we will disclose it without delay.

### 3. Business Performance and Financial Condition

#### (1) Revenue from Fund Activities

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Total investment funds' management fees	754	476	1,383
Management fees	597	475	1,088
Contingency fees	157	0	295

#### (2) Capital Gains

(Millions of yen)

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Proceeds of sales of operational investment securities (A)	4,163	1,659	8,584
Cost of sales of operational investment securities	3,078	1,855	7,308
Cost of securities sold(B)	2,544	1,514	6,680
Investment write-offs(C)	534	341	627
Provision for allowance for possible investment losses(D)	121	116	(296)
Realized capital gains(A)-(B)	1,619	144	1,904
Investment income (A)-(B)-(C)-(D)	963	(312)	1,573

#### (3) Unrealized Gains

(Millions of yen)

	As of September 30, 2010	As of September 30, 2011	As of March 31, 2011
Acquisition cost	1,803	1,263	824
Carrying value on consolidated balance sheet	1,662	1,302	769
Difference (Unrealized capital gains)	(140)	39	(55)

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of September 30, 2011
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	12,950	10,446
Short-term investment securities	78	75
Operational investment securities	26,386	23,448
Allowance for possible investment loss	(6,488)	(5,782)
Operating loans	685	731
Deferred tax assets	—	0
Other	653	337
Allowance for doubtful accounts	(19)	(17)
Total current assets	34,247	29,240
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	85	88
Accumulated depreciation	(39)	(43)
Buildings and structures, net	46	44
Vehicles, tools, furniture and fixtures	60	62
Accumulated depreciation	(46)	(44)
Vehicles, tools, furniture and fixtures, net	13	18
Land	24	24
Lease assets	3	3
Accumulated depreciation	(1)	(2)
Lease assets, net	1	1
Total property, plant and equipment	86	89
Intangible assets		
Other	10	7
Total intangible assets	10	7
Investments and other assets		
Investment securities	3,231	2,926
Allowance for investment loss	—	(1)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,159	984
Deferred tax assets	4	4
Other	149	129
Allowance for doubtful accounts	(426)	(315)
Total investments and other assets	4,118	3,727
Total noncurrent assets	4,215	3,824
Total assets	38,463	33,065

(Millions of yen)

	As of March 31, 2010	As of September 30, 2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans payable	1,865	3,398
Current portion of bonds with subscription rights to shares	1,420	—
Accrued expenses	353	342
Income taxes payable	209	112
Accrued consumption taxes	20	6
Deferred tax liabilities	0	—
Provision for bonuses	25	16
Other	580	401
<b>Total current liabilities</b>	<b>4,474</b>	<b>4,278</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	29,042	25,643
Lease obligations	1	0
Deferred tax liabilities	1	1
Provision for retirement benefits	218	198
Provision for directors' retirement benefits	62	62
Other	59	38
<b>Total noncurrent liabilities</b>	<b>29,384</b>	<b>25,945</b>
<b>Total liabilities</b>	<b>33,858</b>	<b>30,224</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	27,166	4,000
Capital surplus	—	2,118
Retained earnings	(19,704)	225
Treasury stock	(415)	(415)
<b>Total shareholders' equity</b>	<b>7,046</b>	<b>5,928</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,009)	(2,722)
Deferred gains or losses on hedges	(1)	—
Foreign currency translation adjustment	(659)	(614)
<b>Total accumulated other comprehensive income</b>	<b>(2,670)</b>	<b>(3,337)</b>
Subscription rights to shares	20	43
Minority interests	207	206
<b>Total net assets</b>	<b>4,604</b>	<b>2,841</b>
<b>Total liabilities and net assets</b>	<b>38,463</b>	<b>33,065</b>

(2) Consolidated Statements of Income

	(Millions of yen)	
	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)
Consolidated statements of income		
Operating revenue	5,376	2,325
Operating cost	3,299	2,031
Operating gross profit	2,076	293
Selling, general and administrative expenses	1,275	1,107
Operating income (loss)	800	(813)
Non-operating income		
Interest income	4	4
Dividends income	37	20
Equity in earnings of affiliates	2	—
Gain on hedge trading	49	39
Cancellation Income	80	—
Gain on investments in partnership	—	88
Miscellaneous income	51	7
Total non-operating income	226	159
Non-operating expenses		
Interest expenses	438	317
Commission fee	—	1
Equity in losses of affiliates	—	4
Foreign exchange losses	170	119
Miscellaneous loss	5	1
Total non-operating expenses	615	445
Ordinary income (loss)	411	(1,099)
Extraordinary income		
Gain on sales of investment securities	46	—
Gain on redemption of investment securities	—	0
Gain on retirement by purchase of bonds with subscription rights to shares	374	—
Gain on sales of noncurrent assets	—	2
Total extraordinary income	420	3
Extraordinary loss		
Loss on sales of investment securities	325	—
Loss on redemption of investment securities	—	0
Loss on valuation of investment securities	666	0
Impairment loss	61	—
Business restructuring expenses	—	17
Provision of allowance for investment loss	—	1
Total extraordinary losses	1,053	19
Loss before income tax and minority interests	(220)	(1,115)
Income taxes-current	27	21
Refund of income taxes	—	(30)
Income taxes-deferred	(1)	0
Total income taxes	26	(8)
Loss before minority interests	(246)	(1,106)
Minority interests in income	11	11
Net loss	(258)	(1,117)

(3) Notice Concerning Notes on Matters Regarding the Assumption of Going Concern  
No applicable items

(4) Notice Concerning Notes on Significant Changes in Shareholder's Equity

According to the resolution made at the 30<sup>th</sup> ordinary shareholder's meeting held on June 24, 2011, the Group reduced capital stock of ¥23,166 million out of the amount of capital stock ¥27,166 million and transferred the total amount of the reduction to capital surplus, thereby making the amount of capital stock after the reduction ¥4,000 million. The effective date was July 31, 2011.

The Group also made up the deficit by transferring ¥21,047 million of capital surplus arising as a result of the reduction of capital stock to retained earnings.

Due to transactions above mentioned, capital stock is ¥4,000 million and capital surplus is ¥2,118 million as of September 30, 2011.

(5)Others  
(Securities)

Fiscal year ended March 31, 2011 (As of March 31, 2011)

1. Held-to-maturity securities for which market quotations are available

No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	549	493	(56)
(2) Bonds	333	333	-
(3) Others	456	353	(102)
Total	1,339	1,180	(159)

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	25,670
Unlisted bonds	300
Others	2,107
Total	28,079

Second quarter ended September 30, 2011 (As of September 30, 2011)

1. Held-to-maturity securities for which market quotations are available  
No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	986	1,020	34
(2) Bonds	333	333	-
(3) Others	454	347	(107)
Total	1,774	1,701	(72)

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	22,436
Unlisted bonds	336
Others	1,598
Total	24,370

### Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

Account	For six months ended September 30, 2010 (April 1, 2010 to september 30, 2010)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit
		%		
Fundmanagement operation	754	14.0	—	754
Investment operation	4,466	83.1	3,246	1,219
Others	155	2.9	52	102
Total	5,376	100.0	3,299	2,076

(Millions of yen)

Account	For six months ended September 30, 2011 (April 1, 2011 to september 30, 2011)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit (loss)
		%		
Fundmanagement operation	476	20.5	—	476
Investment operation	1,794	77.2	2,012	△ 217
Others	54	2.3	19	34
Total	2,325	100.0	2,031	293

## Business Position

### ① Investment activities (JAIC+Funds)

The funds changed the classification under process of business restructuring are excluded from balance of investment in last fiscal year.

#### i) New investment

	For six months ended September 30, 2010 (from April 1, 2010 to September 30, 2010)		For six months ended September 30, 2011 (from April 1, 2011 to September 30, 2011)		For the year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
JAIC	-	-	1	30	3	21
Funds	26	1,067	31	1,332	65	3,183
Total	26	1,067	31	1,362	66	3,204

#### ii) Balance of investment

	As of September 30, 2010		As of September 30, 2011		As of March 31, 2011	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
JAIC	382	19,712	276	13,522	304	15,401
Funds	508	35,151	389	25,767	398	26,867
Total	646	54,864	492	39,289	513	42,268

Note:

1. The funds changed the classification under process of business restructuring are excluded from last fiscal year. The effect is 3,457 millions of yen of 44 companies as of March 2011.
2. The "Funds" investments include investments from funds for which the Company and the JAIC Group are responsible for provision of essential information. The number of companies and amounts are 3 companies, 27 millions of yen in new investments and 63 companies, 5,171 millions of yen in balance of investments as of September 2010, – companies and – millions of yen in new investments and 2 companies and 31 millions of yen in balance of investments as of September 2011 and 12 companies, 209 millions of yen in new investments and 3 companies, 94 millions of yen in balance of investments as of March 2011.
3. The JAIC portion in funds is not included in the "JAIC" investments.
4. Investments in funds managed by third parties other than the Company, in which the JAIC Group is not involved in the management, are not included.
5. In cases of parallel investments in the same company in both JAIC and Funds portions, the company is counted in each, and owing to this duplication these numbers do not match the total number of companies.
6. On the PE secondary investments, the number of companies represent the number of funds those invested from mother funds.

iii) Breakdown of investments(JAIC+Funds)

New investment

	For six months ended September 30, 2010 (from April 1, 2010 to September 30, 2010)		For six months ended September 30, 2011 (from April 1, 2011 to September 30, 2011)		For the year ended March 31,2011 (from April 1, 2010 to March 31, 2011)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area						
Japan	16	498	19	872	31	1,280
China, Hong Kong, Taiwan	3	278	5	295	8	781
Southeast Asia	1	112	2	54	4	239
Others	6	177	5	139	23	902
Industry						
QOL(Quality of Life)	9	91	7	307	16	295
IT/Internet	5	429	12	662	16	1,098
Material/Chemical	2	129	4	161	9	729
Machinery/Automobile	1	100	1	32	1	100
Consumer related	3	162	1	60	3	162
Construction/Real estate/ Finance	-	-	-	-	-	-
Retail/Restaurant	-	-	-	-	-	-
Service	2	12	-	-	5	98
Others	4	141	6	138	16	718
Total	26	1,067	31	1,362	66	3,204

Balance of investment

	As of September 30, 2010		As of September 30, 2011		As of March 31, 2011	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area						
Japan	432	29,527	354	25,050	374	26,675
China, Hong Kong, Taiwan	63	8,454	63	7,438	62	7,632
Southeast Asia	37	5,461	35	4,386	34	4,683
Others	114	11,420	40	2,413	43	3,277
Industry						
QOL(Quality of Life)	134	14,450	90	9,184	94	9,835
IT/Internet	243	16,204	182	12,533	188	12,926
Material/Chemical	26	2,814	24	2,072	22	2,079
Machinery/Automobile	38	4,826	26	3,993	29	4,101
Consumer related	26	1,557	23	1,180	22	1,190
Construction/Real estate/ Finance	36	3,098	26	1,648	31	2,328
Retail/Restaurant	25	1,730	21	1,597	22	1,686
Service	75	4,520	53	2,693	60	2,844
Others	43	5,660	47	4,386	45	5,276
Total	646	54,864	492	39,289	513	42,268

Note:

1. The funds changed the classification under process of business restructuring are excluded from last fiscal year. The effect is 3,457 millions of yen of 44 companies as of March 2011.
2. The JAIC portion in funds, and investments in funds managed by third parties other than the Company in which the JAIC Group is not involved in the management, are not included.
3. QOL (Quality of Life); Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
4. "Others" include the PE secondary investments. On the PE secondary investments, the number of companies represents the number of funds those invested from mother funds.

## ② JAIC-Backed IPOs (JAIC+Funds)

### i) Number of IPOs

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Japan	1 company	5 companies	3 companies
Overseas	2 companies	2 companies	3 companies
Total	3 companies	7 companies	6 companies

Note: The above numbers include companies whose listed shares the group acquired as a result of equity swaps between its invested companies and previously listed companies: 1 domestic company for the year ended March 31, 2011.

### ii) First price multiple

	For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Japan	2.1 times	1.6 times	1.9 times
Overseas	0.4 times	1.9 times	0.6 times

Note: First price multiple = Gross market capitalization at first price/Total our acquisition cost. However, the calculation of the first price multiple does not include the number of companies whose listed shares the group acquired as a result of equity swaps.

### iii) JAIC-Backed IPOs

For six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

Company Name	Date of IPO	Market	Business	Head quarters
Digital Media Professionals Inc.	23-Jun-11	TSE Mothers	Development and sales of graphics processor and development support and licensing of IP related to 3D graphics technology	Japan
Mebiopharm Co., Ltd.	15-Jul-11	TOKYO AIM	Development of drugs and medicines based on the company's unique liposome technologies	Japan
RaQualia Pharma Inc.	20-Jul-11	JASDAQ Growth	Discovery, development and marketing of clinical and preclinical candidates	Japan
Tudou Holdings Ltd.	17-Aug-11	NASDAQ	Providing online video sharing site "Tudou.com"	China
EP-Mint Co., Ltd.	16-Sep-11	JASDAQ Standard	Site management organization(SMO)	Japan
KLab Inc.	27-Sep-11	TSE Mothers	Social applications, system integration(SI), cloud services and license business	Japan
Unitel High Technology Corporation	29-Sep-11	Taiwan OTC	Manufacture of keypad for mobile devices such as smartphones and rubber products for IT products	Taiwan

From October 1, 2011 to November 4, 2011

Company Name	Date of IPO	Market	Business	Head quarters
Taimide Technology, Inc.	5-Oct-11	Taiwan TSE	Development, production and sales service of Polyimide film (heat-resistant macromolecule synthesis film)	Taiwan
SymBio Pharmaceuticals Limited	20-Oct-11	JASDAQ Growth	The wholesale distribution of prescription and proprietary drugs, in a specific therapeutic areas (cancer, blood, autoimmune diseases)	Japan
3-D Matrix, Ltd.	24-Oct-11	JASDAQ Growth	Research, development and sales of medical products by using self-assembly peptide technology	Japan

Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

Company Name	Date of IPO	Market	Business	Head quarters
Dong A Plastic Group Joint Stock Company	8-Apr-10	Ho Chi Minh	Trading and producing PVC plastic products in the field of construction and interior-exterior decoration	Vietnam
Alphanam M&E Joint Stock Company	2-Jun-10	Hanoi	Design, manufacturing, and sales of equipment related to electric power and electricity	Vietnam
PAPYLESS Co., Ltd.	23-Jun-10	JASDAQ	Distributor of electronic books	Japan
KINX, Inc.	8-Feb-11	KOSDAQ	Data processing, hosting, portals and other internet information media service activities	Korea
THE SHIMANE BANK, LTD	15-Mar-11	TSE Second Section	Banking	Japan

Note: In addition to the above, 1 domestic company was listed by the equity swap with a listed company from April 1, 2010 to March 31, 2011.

**③ Management of Investment Funds (Funds for which JAIC and its Group are responsible for management and provision of essential information)**

The funds changed the classification under process of business restructuring are excluded from previous fiscal year.

i ) Balance of funds under management

	As of September 30, 2010	As of September 30, 2011	As of March 31, 2011
Total commitment amount in investment funds (Millions of yen)	105,160	84,874	85,755
No. of funds	61	48	48

Note:

- The funds changed the classification under process of business restructuring are excluded from previous fiscal year. The effect is 11,562 millions of yen of 9 funds as of March 31, 2011.
- The funds with provision of the essential information for the management by the JAIC Group amount to 15,313 millions of yen of 11 funds as of September 30, 2010, 1,134 millions of yen of 1 fund as of September 30, 2011 and 1,134 millions of yen of 1 fund as of March 31, 2011.
- Funds being wound up after their maturity are not included in the data above.

ii) Funds newly established or whose assets were increased

For six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	-	Increase in fund value (Millions of yen)	-
No. of funds	-	No. of funds	-

For six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	3,034	Increase in fund value (Millions of yen)	1,979
No. of funds	2	No. of funds	1

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	1,330	Increase in fund value (Millions of yen)	-
No. of funds	1	No. of funds	-

iii) Funds newly established and main funds whose assets were increased (April 1, 2011 to September 30, 2011)

Fund name	Establishment date	Total commitment Amount (as of September 30, 2011)
DFJ-JAIC Technology Partners, LP	April 15, 2011	29.9 million USD
Beijing ZhongDian New Energy Investment Fund (“CITIC Guodian Fund”)	June 20, 2011	132 million RMB
Japan-Asia (Tianjin) Venture Capital Investment Enterprise	August 26, 2011	120 million RMB

Note: “JAIC OPEN INNOVATION FUND,LP” established on October 20, 2009 increased its assets from 4 million USD and changed into “DFJ-JAIC Technology Partners, LP”.

iv) Funds to reach maturity within three years of the fiscal year-end

	For the year ending March 31, 2012 (April 1, 2011 to March 31, 2012)	For the year ending March 31, 2013 (April 1, 2012 to March 31, 2013)	For the year ending March 31, 2014 (April 1, 2013 to March 31, 2014)
Total commitment amount in investment funds(Millions of yen)	8,988	10,569	17,753
No. of funds	7	7	8

Notes to tables i) to iv) above:

1. The amounts stated for funds denominated in foreign currencies are calculated on the basis of the exchange rate prevailing on the final day of the fiscal year-end. Therefore, changes in assets under management include the amount affected by exchange rates.
2. The total amount of fund is listed as the amount of commitment base.