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April 27, 2018

Financial Results for the Year Ended March 31, 2018

[Japanese GAAP]

(Summary of Japanese announcement)

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

1. Consolidated Performance for the Year Ended March 31, 2018 (April 1, 2017 – March 31, 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 the year ended March 31, 2018	29,470 5.8	14,252 15.6	15,554 13.8	24,235 118.9
For the year ended March 31, 2017	27,857 (32.3)	12,324 (35.9)	13,666 (31.0)	11,073 (34.9)

Note: Comprehensive income Year ended March 31, 2018: ¥18,151 million (negative 20.4%)
Year ended March 31, 2017: ¥22,791 million (292.0%)

	Profit per share [¥]	Fully diluted net income per share [¥]	Return on equity [%]	Ordinary income/ total assets [%]	Operating income/ net sales [%]
For the year ended March 31, 2018	687.04	-	13.2	7.2	48.4
For the year ended March 31, 2017	249.59	-	5.6	6.0	44.2

(2) Consolidated Financial Position

	Total assets [¥ million]	Net assets [¥ million]	Equity ratio [%]	Net assets per share [¥]
As of March 31, 2018	191,550	160,299	83.7	5,182.49
As of March 31, 2017	237,902	207,855	87.4	4,684.87

(Reference) Shareholders' equity As of March 31, 2018: ¥160,299 million
As of March 31, 2017: ¥207,855 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities [¥ million]	Net cash provided by (used in) investing activities [¥ million]	Net cash provided by (used in) financing activities [¥ million]	Cash and cash equivalents as of fiscal year end [¥ million]
For the year ended March 31, 2018	7,425	24,732	(69,046)	70,086
For the year ended March 31, 2017	15,117	(1,580)	(5,817)	107,179

2. Dividends

(Record date)	Dividend per share [¥]					Total dividends paid [¥ million]	Payout ratio [consolidated]	Dividend/ shareholders' equity [consolidated]
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total			
For the year ended March 31, 2017	-	-	-	100.00	100.00	4,436	40.1%	2.9%
For the year ended March 31, 2018	-	-	-	107.00	107.00	3,309	15.6%	3.0%
For the year ending March 31, 2019 (Forecast)	-	-	-	-	-		-	

Notes: The above dividend for the year ended March 31, 2018 is based on current plans. The forecast of dividend for the year ending March 31, 2019 is unfixed. We have set a policy to pay dividends of approximately 3% of shareholders' equity (initial and term-end average value) effective fiscal year ended March 31, 2017.

Dividend/ shareholders' equity: Dividend per share/ shareholders' equity per share (initial and term-end average value)

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, JAFECO makes timely disclosure of quarterly financial results.

***Other Information**

- (1) Changes in significant subsidiaries during this period: None
- (2) 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
- (3) Number of issued shares (common stock)
 - ① Number of issued shares (including treasury stock)

As of March 31, 2018: 32,550,000 As of March 31, 2017: 48,294,336
 - ② Number of treasury stock

As of March 31, 2018: 1,619,075 As of March 31, 2017: 3,926,884
 - ③ Average number of shares

For the year ended March 31, 2018: 35,274,901
For the year ended March 31, 2017: 44,367,565

***This report is not subject to audit procedures.**

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

(Access to the financial supplement materials)

The presentation material for the year ended March 31, 2018 is planned for release on JAFECO's website on April 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 Analysis of Consolidated Operating Results

JAFCO posted net sales of ¥29,470 million, ordinary income of ¥15,554 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥24,235 million in the consolidated fiscal year ended March 31, 2018. This compares with net sales of ¥27,857 million, ordinary income of ¥13,666 million, and profit attributable to JAFCO Co., Ltd. stockholders of ¥11,073 million for the previous full year ended March 31, 2017 (the “previous full year”). Extraordinary income of ¥18,348 million was recorded on the partial sale of shareholdings in Nomura Research Institute. Net assets were ¥160,299 million, total assets were ¥191,550 million and the equity ratio was 83.7% as of the end of the year, compared with ¥207,855 million, ¥237,902 million and 87.4% respectively at the end of the previous full year.

(Outline of Investments)

The JAFCO Group and its funds made investments totaling ¥30,222 million (67 companies) in the year ended March 31, 2018, compared with ¥20,904 million (55 companies) in the previous full year. In Japan, we focused further on highly selective investment in promising companies. In the US, we made new investments in four IT service providers totaling \$50 million. In Asia, we made new investments totaling \$42 million in nine companies in Taiwan, China and Singapore.

(Outline of Capital Gains and IPOs)

Revenues from operational investment securities were ¥23,470 million in the year ended March 31, 2018, compared with ¥20,774 million in the previous full year. Capital gains came to ¥13,621 million (previous full year: ¥8,800 million), out of which capital gains on listed shares were ¥11,281 million (previous full year: ¥6,499 million) and capital gains on unlisted shares were ¥2,340 million (previous full year: ¥2,301 million). This ¥2,340 million consisted of ¥6,750 million (previous full year: ¥5,893 million) in gains on sale and ¥4,410 million (previous full year: ¥3,592 million) in losses on sale.

There were seven IPOs in Japan and one overseas by portfolio companies of the JAFCO Group and its funds (previous full year: six IPOs in Japan and three overseas).

(Millions of Yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Revenues from operational investment securities (1)	20,774	23,470
Proceeds from sale of securities	20,533	23,322
Dividend and interest income	240	147
Cost of operational investment securities (2)	11,973	9,848
Cost of securities sold	11,973	9,848
Impairment	-	-

Capital gains (1) – (2)	8,800	13,621
Multiple (1) / (2)	1.74	2.38

Capital gains on listed shares	6,499	11,281
Capital gains on unlisted shares	2,301	2,340
Gains on sale	5,893	6,750
Losses on sale	3,592	4,410

(Outline of Investment Loss Reserves)

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

Additions to investment loss reserves for the year ended March 31, 2018 totaled ¥2,283 million, consisting of ¥3,817 million in company-by-company reserves and a reversal of ¥1,534 million in general reserves, compared with ¥1,905 million, ¥2,006 million and a reversal of ¥101 million respectively in the previous full year.

Company-by-company reserves were reversed by ¥3,148 million following the sale and impairment of marked-down securities in the year ended March 31, 2018, compared with ¥4,741 million reversed in the previous full year. As a result, net additions to investment loss reserves were negative ¥865 million, compared with negative ¥2,835 million in the previous full year. In addition to the above reversal, company-by-company reserves were reversed by ¥1,098 million due to the impairment of part of JAFCO's direct holdings of operational investment securities that were reclassified as investment securities.

Balance of investment loss reserves came to ¥10,351 million (20.9% of the balance of unlisted operational investment securities) as of March 31, 2018, compared with ¥12,332 million (25.9% of the balance of unlisted operational investment securities) at the end of the previous full year.

(Millions of Yen)

		For the year ended March 31, 2017	For the year ended March 31, 2018
Additions to investment loss reserves (1)		1,905	2,283
	Company-by-company reserves	2,006	3,817
	(Reversal of) General reserves	(101)	(1,534)
Reversal of investment loss reserves (2)		4,741	3,148
Net additions = (1)-(2) (negative figures are reversals)		(2,835)	(865)

(Millions of Yen)

		As of March 31, 2017	As of March 31, 2018
Balance of investment loss reserves		12,332	10,351
	Company-by-company reserves	9,091	8,644
	General reserves	3,241	1,707
Ratio for all unlisted operational investment securities		25.9%	20.9%

(Outline of Balance of Operational Investment Securities)

Difference in acquisition cost and market value of listed operational investment securities was ¥9,633 million as of March 31, 2018 (compared with ¥11,358 million at the end of the previous full year). This consisted of ¥9,850 million in unrealized gains on operational investment securities whose market value exceeds acquisition cost and ¥216 million in unrealized losses on operational investment securities whose market value falls below acquisition cost (compared with ¥11,679 million and ¥321million respectively at the end of the previous full year).

Unrealized losses on operational investment securities were reversed by ¥105 million for the year ended March 31, 2018 (compared with reversal of ¥157 million for the previous full year).

As a result, the balance of operational investment securities stood at ¥61,287 million as of March 31, 2018, compared with ¥62,274 million at the end of the previous full year.

(Millions of Yen)

	As of March 31, 2017	As of March 31, 2018
Difference between acquisition cost and market value of listed operational investment securities	11,358	9,633
Securities whose market value exceeds acquisition cost	11,679	9,850
Securities whose market value falls below acquisition cost	(321)	(216)

(Millions of Yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
(Reversal of) Unrealized losses on operational investment securities	(157)	(105)

Balance of Operational Investment Securities

(Millions of Yen)

	As of March 31, 2017		As of March 31, 2018	
	Acquisition cost	Figures on the consolidated B/S	Acquisition cost	Figures on the consolidated B/S
Listed	3,243	14,601	2,035	11,669
Unlisted	43,111	45,589	46,528	47,743
Subtotal	46,354	60,190	48,564	59,412
Investments in other funds	1,720	2,084	1,807	1,874
Total	48,075	62,274	50,371	61,287

- Notes: 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 Management Operations)

Fees from fund management for the year ended March 31, 2018 totaled ¥5,987 million (previous full year: ¥7,062 million) as shown below.

(Millions of Yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Income from partnership management	7,062	5,987
Fund management fees	3,494	3,551
Success fees	3,567	2,435

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

(2) Outline of Consolidated Financial Condition

(Outline of Assets, Liabilities, and Net Assets)

Total assets came to ¥191,550 million, comprising current assets of ¥121,983 million and noncurrent assets of ¥69,566 million as of March 31, 2018, compared with ¥237,902 million, ¥158,549 million and ¥79,352 million respectively at the end of the previous full year.

Total liabilities came to ¥31,251 million, comprising current liabilities of ¥13,202 million and noncurrent liabilities of ¥18,048 million as of March 31, 2018, compared with ¥30,046 million, ¥9,371 million and ¥20,675 million respectively at the end of the previous full year.

Net assets as of March 31, 2018 came to ¥160,299 million, compared with ¥207,855 million at the end of the previous full year.

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

(Outline of Cash Flows)

Cash flows from operating activities for the year ended March 31, 2018 resulted in a cash inflow of ¥7,425 million, compared with a cash inflow of ¥15,117 million in the previous full year. This is mainly due to the sale of operational investment securities.

Cash flows from investing activities for the year ended March 31, 2018 resulted in a cash inflow of ¥24,732 million, compared with a cash outflow of ¥1,580 million in the previous full year. This is mainly due to the sale of investment securities.

Cash flows from financing activities for the year ended March 31, 2018 resulted in a cash outflow of ¥69,046 million, compared with a cash outflow of ¥5,817 million in the previous full year. This is mainly due to the acquisition of treasury shares.

As a result of the above, cash and cash equivalents decreased by ¥37,093 million. The balance as of March 31, 2018 came to ¥70,086 million, out of which ¥8,144 million was JAFCO's interest in funds (compared with ¥107,179 million and ¥9,371 million respectively as of the end of the previous full year). JAFCO's uncalled commitment to JAFCO-operated funds stood at ¥21,518 million as of March 31, 2018 (compared with ¥19,385 million a year earlier).

(Reference) Cash flow indices

Fiscal Year ended	March 2014	March 2015	March 2016	March 2017	March 2018
Equity ratio (%)	72.4	78.7	88.5	87.4	83.7
Market price-based equity ratio (%)	93.3	83.0	71.7	69.7	81.4
Cash flow/ Interest-bearing debt ratio (year)	0.6	0.5	0.4	0.3	0.1
Interest coverage ratio (times)	94.0	162.8	82.4	300.5	202.8

Equity ratio: Shareholders' equity / total assets

Market price-based equity ratio: Market capitalization/ total assets

Cash flow/ interest-bearing debt ratio: Interest-bearing debt/ cash flow

Interest coverage ratio: Cash flow/ interest expense

- Notes: 1. The above figures are calculated using consolidated financial data based on interest consolidation method (reflecting only JAFCO Group's interests in funds).
 2. Market capitalization is based on the number of issued shares excluding treasury stock.
 3. Operating cash flows are used as cash flow.
 4. The interest-bearing debts include all the liabilities on the balance sheets, whose interest is being paid.

(3) Policy on Distribution of Profits and Dividends for the Year Ended March 31, 2018 / Next Fiscal Year

JAFCO will work to balance strong shareholders' equity, which is necessary for long-lasting investment operations, with continuous shareholder returns.

As a dividend indicator to demonstrate our positive approach, we have set a policy to pay dividends of approximately 3% of shareholders' equity (initial and term-end average value) effective fiscal year ended March 31, 2017. Dividend per share and shareholders' equity per share (initial and term-end average value) are used for calculation.

Regarding the dividend for the year ended March 31, 2018, we plan to pay ¥107 per share (previous full year: ¥100 per share) based on the above indicator.

2. Basic Rationale for Selection of Accounting Standards

Valuation of unlisted securities and the scope of consolidation for funds, which are essential for the proper representation of the JAFCO Group's financial conditions and operating performance, differ between Japanese Accounting Standards and IFRS. At present, we consider Japanese Accounting Standards reasonable and have no immediate plans to convert to IFRS for the preparation of consolidated financial statements.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	88,179	67,586
Operational investment securities	62,274	61,287
Investment loss reserves	(12,332)	(10,351)
Securities	19,000	2,500
Deferred tax assets	50	144
Other	1,376	816
Total current assets	158,549	121,983
Non-current assets		
Property, plant and equipment		
Buildings, net	97	180
Furniture and fixture	170	116
Total property, plant and equipment	268	296
Intangible assets		
Software	74	74
Telephone subscription right	3	—
Total intangible assets	78	74
Investments and other assets		
Investment securities	78,140	68,281
Investments in capital	32	32
Long-term loans receivable	143	139
Deferred tax assets	146	101
Other	543	640
Total investments and other assets	79,006	69,195
Total non-current assets	79,352	69,566
Total assets	237,902	191,550

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Current portion of bonds	2,000	—
Current portion of long-term loans payable	1,343	795
Income taxes payable	1,860	9,350
Deferred tax liabilities	2,143	1,576
Provision for bonuses	324	309
Allowance for extraordinary compensation for directors	156	127
Reserve for success fee refunds	6	—
Other	1,537	1,044
Total current liabilities	9,371	13,202
Non-current liabilities		
Long-term loans payable	977	182
Net defined benefit liability	580	616
Deferred tax liabilities	19,074	17,232
Other	42	17
Total non-current liabilities	20,675	18,048
Total liabilities	30,046	31,251
Net assets		
Shareholders' equity		
Capital stock	33,251	33,251
Capital surplus	32,806	32,806
Retained earnings	107,973	54,005
Treasury shares	(20,081)	(7,585)
Total shareholders' equity	153,949	112,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,771	47,961
Foreign currency translation adjustment	136	(132)
Remeasurements of defined benefit plans	(1)	(6)
Total accumulated other comprehensive income	53,905	47,821
Total net assets	207,855	160,299
Total liabilities and net assets	237,902	191,550

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

(Consolidated Statements of Income) (Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales		
Revenue from operational investment securities	20,774	23,470
Income from partnership management	7,062	5,987
Other sales	20	12
Total net sales	27,857	29,470
Cost of sales		
Cost of operational investment securities	11,973	9,848
Other cost	1,215	328
Total cost of sales	13,188	10,176
Gross profit	14,668	19,293
(Reversal of) Additions to investment loss reserves	(2,835)	(865)
(Reversal of) unrealized losses on operational investment securities	(157)	(105)
(Reversal of) Additions to reserve for success fee refunds	(140)	(6)
Gross profit - net	17,801	20,269
Selling, general and administrative expenses	5,476	6,017
Operating profit	12,324	14,252
Non-operating income		
Interest income	34	76
Dividend income	1,373	1,383
Foreign exchange gains	59	—
Miscellaneous income	53	22
Total non-operating income	1,520	1,482
Non-operating expenses		
Interest expenses	48	23
Loss on valuation of investment securities	58	—
Foreign exchange losses	—	146
Office transfer expenses	35	—
Miscellaneous loss	36	10
Total non-operating expenses	178	180
Ordinary profit	13,666	15,554
Extraordinary income		
Gain on sales of investment securities	—	19,718
Gain on bad debts recovered	513	—
Total extraordinary income	513	19,718
Extraordinary losses		
Loss on valuation of investment securities	—	403
Moving expenses	—	103
Total extraordinary losses	—	506
Profit before income taxes	14,180	34,766
Income taxes - current	2,865	10,500
Income taxes - deferred	240	30
Total income taxes	3,106	10,530
Profit	11,073	24,235
Profit attributable to non-controlling interests	—	—
Profit attributable to JAFECO Co., Ltd. stockholders	11,073	24,235

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	11,073	24,235
Other comprehensive income		
Valuation difference on available-for-sale securities	11,781	(5,810)
Foreign currency translation adjustment	(57)	(269)
Remeasurements of defined benefit plans, net of tax	(6)	(4)
Total other comprehensive income	11,718	(6,084)
Comprehensive income	22,791	18,151
Comprehensive income attributable to		
Comprehensive income attributable to JAFCO Co., Ltd. stockholders	22,791	18,151
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Fiscal Year (April 1, 2016 — March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	33,251	32,806	101,336	(20,080)	147,313
Changes of items during period					
Dividends of surplus			(4,436)		(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders			11,073		11,073
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	6,636	(0)	6,635
Balance at end of current period	33,251	32,806	107,973	(20,081)	153,949

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	41,989	193	4	42,187	189,501
Changes of items during period					
Dividends of surplus					(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders					11,073
Purchase of treasury shares					(0)
Disposal of treasury shares					
Net changes of items other than shareholders' equity	11,781	(57)	(6)	11,718	11,718
Total changes of items during period	11,781	(57)	(6)	11,718	18,354
Balance at end of current period	53,771	136	(1)	53,905	207,855

Consolidated Fiscal Year ended March 31, 2018 (April 1, 2017 — March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	33,251	32,806	107,973	(20,081)	153,949
Changes of items during period					
Dividends of surplus			(4,436)		(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders			24,235		24,235
Purchase of treasury shares				(61,270)	(61,270)
Disposal of treasury shares			(73,765)	73,765	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(53,967)	12,495	(41,472)
Balance at end of current period	33,251	32,806	54,005	(7,585)	112,477

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	53,771	136	(1)	53,905	207,855
Changes of items during period					
Dividends of surplus					(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders					24,235
Purchase of treasury shares					(61,270)
Disposal of treasury shares					—
Net changes of items other than shareholders' equity	(5,810)	(269)	(4)	(6,084)	(6,084)
Total changes of items during period	(5,810)	(269)	(4)	(6,084)	(47,556)
Balance at end of current period	47,961	(132)	(6)	47,821	160,299

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	14,180	34,766
Depreciation	160	225
Increase (decrease) in allowance for investment loss	(2,835)	(865)
Increase (decrease) in provision for bonuses	(21)	(15)
Increase (decrease) in allowance for extraordinary compensation for directors	(8)	(29)
Increase (decrease) in reserve for success fee refunds	(140)	(6)
Increase (decrease) in net defined benefit liability	(10)	26
(Reversal of) unrealized losses on operational investment securities	(157)	(105)
Moving expenses	—	103
Interest and dividend income	(1,407)	(1,460)
Interest expenses	48	23
Foreign exchange losses (gains)	(227)	373
Loss (gain) on sales of investment securities	—	(19,718)
Loss (gain) on valuation of investment securities	58	—
Unrealized losses on investment securities	—	403
Decrease (increase) in operational investment securities for sale	3,229	(4,773)
Decrease (increase) in consumption taxes refund receivable	326	41
Increase (decrease) in accrued consumption taxes	(45)	207
Decrease (increase) in other current assets	936	549
Increase (decrease) in other current liabilities	222	(828)
Other, net	41	28
Subtotal	14,350	8,945
Interest and dividend income received	1,407	1,461
Interest expenses paid	(50)	(36)
Income taxes paid	(1,570)	(2,944)
Income taxes refund	979	—
Net cash provided by (used in) operating activities	15,117	7,425
Cash flows from investing activities		
Purchase of securities	(15,000)	—
Proceeds from redemption of securities	15,000	—
Purchase of property, plant and equipment	(40)	(239)
Purchase of intangible assets	(28)	(50)
Purchase of investment securities	(1,500)	—
Proceeds from sale of investment securities	2	25,165
Payments of long-term loans receivable	(14)	(25)
Collection of long-term loans receivable	37	23
Increase in other investments and assets	(50)	(182)
Decrease in other investments and assets	13	40

Net cash provided by (used in) investing activities	(1,580)	24,732
Cash flows from financing activities		
Proceeds from long-term loans payable	400	—
Repayments of long-term loans payable	(1,782)	(1,343)
Redemption of bonds	—	(2,000)
Cash dividends paid	(4,434)	(4,432)
Purchase of treasury shares	(0)	(61,270)
Net cash provided by (used in) financing activities	(5,817)	(69,046)
Effect of exchange rate change on cash and cash equivalents	158	(204)
Net increase (decrease) in cash and cash equivalents	7,877	(37,093)
Cash and cash equivalents at beginning of period	99,302	107,179
Cash and cash equivalents at end of period	(i) (ii) on next page 107,179	(i) (ii) on next page 70,086

(5) Notes for Consolidated Financial Statements

(Notes on premise of going concern)

None

(Related to consolidated statements of income)

Selling, general and administrative expenses (major items)

	(Millions of Yen)	
	For the year ended March 31, 2017	For the year ended March 31, 2018
Directors' compensation	259	245
Allowance for extraordinary compensation for directors	156	127
Salaries	1,994	2,140
Bonuses to employees	472	491
Retirement benefit expenses	78	84
Rental expenses	449	471

(Related to consolidated statements of cash flows)

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

	(Millions of Yen)	
	For the year ended March 31, 2017	For the year ended March 31, 2018
Cash and time deposits	88,179	67,586
Securities	19,000	2,500
Cash and cash equivalents	107,179	70,086

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

	(Millions of Yen)	
	For the year ended March 31, 2017	For the year ended March 31, 2018
Cash and time deposits	9,371	8,144
Securities	-	-
Cash and cash equivalents	9,371	8,144

- (iii) JAFCO's uncalled commitment to JAFCO-operated funds as of March 31, 2018 stood at ¥21,518 million, compared with ¥19,385 million at the end of the previous full year.

(Segment information)

Previous consolidated fiscal year (April 1, 2016 –March 31, 2017) and consolidated fiscal year ended March 31, 2018 (April 1, 2017 –March 31, 2018)

Since the JAFECO Group carries out managements of funds as a single business segment, business segment information is not presented.

(Notes on marketable securities)

(i) Held-to-maturity bonds

None

(ii) Available-for-sale securities

(Millions of Yen)

	Type	As of March 31, 2017			As of March 31, 2018		
		Figures on the consolidated B/S	Acquisition cost	Difference	Figures on the consolidated B/S	Acquisition cost	Difference
Securities whose B/S amount exceeds acquisition cost	Operational investment securities						
	(1) Stock	14,175	2,495	11,679	11,512	1,662	9,850
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	14,175	2,495	11,679	11,512	1,662	9,850
	Investment securities						
	(1) Stock	75,716	12,755	62,960	67,389	9,380	58,008
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	75,716	12,755	62,960	67,389	9,380	58,008
	Marketable securities						
Securities whose B/S amount falls below acquisition cost	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
	Total	89,891	15,251	74,640	78,901	11,042	67,859
	Operational investment securities						
	(1) Stock	426	748	(321)	156	373	(216)
	(2) Bond	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Subtotal	426	748	(321)	156	373	(216)
	Investment securities						
	(1) Stock	27	29	(1)	23	29	(6)
	(2) Bond	-	-	-	-	-	-
	(3) Others	1,437	1,500	(62)	-	-	-
	Subtotal	1,464	1,529	(64)	23	29	(6)
	Marketable securities						
	(1) Stock	-	-	-	-	-	-
	(2) Bond	-	-	-	-	-	-
	(3) Others	19,000	19,000	-	2,500	2,500	-
	Subtotal	19,000	19,000	-	2,500	2,500	-
	Total	20,891	21,277	(386)	2,679	2,902	(222)
Grand total		110,783	36,528	74,254	81,581	13,945	67,636

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

(Millions of Yen)

	As of March 31, 2017	As of March 31, 2018
	Figures on the consolidated B/S	Figures on the consolidated B/S
Available-for-sale securities		
Operational investment securities		
Unlisted stock	44,882	46,908
Unlisted domestic and foreign bonds	694	829
Others	2,096	1,879
Investment securities		
Unlisted stock	958	868

(iii) Available-for-sale securities which were sold

(Millions of Yen)

	For the year ended March 31, 2017			For the year ended March 31, 2018		
	Proceeds from sale	Total gain on sale	Total loss on sale	Proceeds from sale	Total gain on sale	Total loss on sale
Operational investment securities	20,533	12,184	(3,624)	23,322	18,094	(4,621)
Investment securities	2	-	(0)	23,519	19,548	-
Total	20,536	12,184	(3,624)	46,841	37,643	(4,621)

(iv) Impairment of securities

During the year ended March 31, 2018, impairment losses of ¥403 million (all pertaining to investment securities) were recorded against available-for-sale securities including those for which it is difficult to determine the fair value (previous full year: ¥2 million; all investment securities).

(Per share information)

(Yen)

For the year ended March 31, 2017		For the year ended March 31, 2018	
Net assets per share	4,684.87	Net assets per share	5,182.49
Profit per share	249.59	Profit per share	687.04

Notes: 1. Fully diluted profit per share is not shown because there are no dilutive potential shares.

2. Profit per share is calculated based on the following data.

	For the year ended March 31, 2017	For the year ended March 31, 2018
Profit per share		
Profit attributable to JAFCO Co., Ltd. stockholders (¥ million)	11,073	24,235
Amount not appertaining to common stock shareholders (¥ million)	-	-
Profit related to common shares attributable to JAFCO Co., Ltd. stockholders (¥ million)	11,073	24,235
Weighted average number of common shares during the period (thousand shares)	44,367	35,274

(Significant subsequent events)

None

4. Other Information

(1) Investments and IPOs

(i) Investments

(Millions of Yen)

	For the year ended March 31, 2017		For the year ended March 31, 2018	
	Amount	No. of co's	Amount	No. of co's
Equity				
(Japan)	15,180	33	18,057	37
(USA)	3,938	12	7,101	19
(Asia)	1,786	10	5,063	11
Total	20,904	55	30,222	67

Notes: 1. Investment amount is a total of investments by the JAFECO 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 in the above chart.

(ii) IPOs

(Japan)

(Millions of Yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Number of IPOs	6	7
Investment cost (1)	5,212	2,025
Market value at IPO (2)	20,727	23,343
Multiple (2)/(1)	4.0	11.5

Notes: 1. "Investment cost" and "Market value at IPO" are total amounts by the JAFECO Group and funds.
 2. "Market value at IPO" is calculated by multiplying the number of shares held prior to the IPO by first price.

(Overseas)

(Millions of Yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Number of IPOs	3	1
Investment cost (1)	874	380
Market value at IPO (2)	3,407	538
Multiple (2)/(1)	3.9	1.4

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

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

Note: Final closing took place on April 25, 2018 at US\$140 million.

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

(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

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

(i) Newly established funds:

(Millions of Yen)

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

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

(Millions of US\$)

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