

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 12, 2016

Company name: JAPAN ASIA GROUP LIMITED  
 Stock exchange listing: Tokyo  
 Stock code: 3751 URL: <http://www.japanasiagroup.jp/>  
 Representative: Tetsuo Yamashita Chairman and CEO  
 Inquiries: Kazunobu Watanabe Director TEL: +81-3-4476-8000  
 Scheduled date to file Quarterly Securities Report: February 15, 2016  
 Scheduled date to commence dividend payments: February 29, 2016  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	53,694	11.3	1,342	(41.6)	274	(80.2)	322	(75.7)
Nine months ended December 31, 2014	48,222	(0.3)	2,299	59.8	1,390	12.7	1,326	142.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	11.73		11.70	
Nine months ended December 31, 2014	50.48		50.30	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	111,244	29,223	24.7
As of March 31, 2015	121,898	27,348	21.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	0.00	–	0.00	0.00
Year ending March 31, 2016	–	0.00	20.00		
Year ending March 31, 2016 (Forecast)				10.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	79,000	4.1	4,200	(21.5)	2,500	(33.1)	2,500	(33.1)	94.62

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2015	27,652,880 shares	As of March 31, 2015	27,648,880 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2015	12,195 shares	As of March 31, 2015	1,228,744 shares
-------------------------	---------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2015	27,504,754 shares	Nine months ended December 31, 2014	26,274,423 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	27,739	26,457
Notes and accounts receivable - trade	27,919	20,730
Trading products in securities business	461	386
Work in process	276	145
Raw materials and supplies	189	37
Real estate for sale	8,211	5,750
Margin transaction assets in securities business	7,573	7,581
Short-term loans receivable	14	14
Other	12,593	11,056
Allowance for doubtful accounts	(77)	(78)
Total current assets	84,901	72,080
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	13,274	12,058
Other, net	13,713	17,483
Total property, plant and equipment	26,988	29,541
Intangible assets	951	699
Investments and other assets		
Investment securities	5,145	4,452
Investments in other securities of subsidiaries and associates	304	196
Long-term loans receivable	177	156
Lease and guarantee deposits	1,410	1,720
Other	2,736	2,936
Allowance for doubtful accounts	(1,102)	(1,094)
Total investments and other assets	8,671	8,367
Total non-current assets	36,612	38,609
Deferred assets	384	555
Total assets	121,898	111,244

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	8,690	5,009
Short-term loans payable	13,738	6,590
Current portion of bonds	17,255	15,452
Current portion of long-term loans payable	4,181	4,010
Accounts payable - other	4,612	1,355
Income taxes payable	859	110
Margin transaction liabilities in securities business	6,149	5,820
Provision for bonuses	2,162	756
Provision for directors' bonuses	44	—
Provision for loss on order received	674	358
Other	12,201	10,748
<b>Total current liabilities</b>	<b>70,568</b>	<b>50,211</b>
<b>Non-current liabilities</b>		
Bonds payable	2,293	3,456
Long-term loans payable	13,107	17,323
Lease obligations	2,663	5,190
Deferred tax liabilities	1,298	1,119
Net defined benefit liability	2,466	2,533
Other	2,094	2,125
<b>Total non-current liabilities</b>	<b>23,923</b>	<b>31,748</b>
<b>Reserves under special laws</b>		
Reserve for financial products transaction liabilities	57	61
<b>Total reserves under special laws</b>	<b>57</b>	<b>61</b>
<b>Total liabilities</b>	<b>94,550</b>	<b>82,021</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,994	3,995
Capital surplus	7,524	1
Retained earnings	14,251	22,275
Treasury shares	(637)	(8)
<b>Total shareholders' equity</b>	<b>25,132</b>	<b>26,263</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,514	1,322
Deferred gains or losses on hedges	(33)	(18)
Foreign currency translation adjustment	17	44
Remeasurements of defined benefit plans	(186)	(148)
<b>Total accumulated other comprehensive income</b>	<b>1,311</b>	<b>1,199</b>
Subscription rights to shares	16	16
Non-controlling interests	888	1,743
<b>Total net assets</b>	<b>27,348</b>	<b>29,223</b>
<b>Total liabilities and net assets</b>	<b>121,898</b>	<b>111,244</b>

**Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**  
**Quarterly consolidated statements of income**

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	48,222	53,694
Cost of sales	31,767	37,738
Gross profit	16,455	15,956
Selling, general and administrative expenses	14,156	14,613
Operating income	2,299	1,342
Non-operating income		
Interest income	12	3
Dividend income	59	53
Share of profit of entities accounted for using equity method	3	37
Foreign exchange gains	67	8
Reversal of allowance for doubtful accounts	16	9
Other	117	136
Total non-operating income	277	249
Non-operating expenses		
Interest expenses	1,020	945
Other	165	370
Total non-operating expenses	1,186	1,316
Ordinary income	1,390	274
Extraordinary income		
Gain on sales of investment securities	724	896
Subsidy income	–	20
Total extraordinary income	724	916
Extraordinary losses		
Loss on reduction of non-current assets	–	20
Loss on sales of investment securities	–	35
Provision of reserve for financial products transaction liabilities	11	4
Total extraordinary losses	11	59
Income before income taxes and minority interests	2,103	1,131
Income taxes - current	556	429
Income taxes - deferred	170	324
Total income taxes	726	753
Profit	1,376	377
Profit attributable to non-controlling interests	49	54
Profit attributable to owners of parent	1,326	322

**Quarterly consolidated statements of comprehensive income**

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	1,376	377
Other comprehensive income		
Valuation difference on available-for-sale securities	179	(192)
Deferred gains or losses on hedges	(18)	14
Foreign currency translation adjustment	111	27
Remeasurements of defined benefit plans, net of tax	46	38
Total other comprehensive income	318	(112)
Comprehensive income	1,694	264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,644	210
Comprehensive income attributable to non-controlling interests	50	54