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April 30, 2024

## Consolidated Financial Results for the Three Months Ended March 31, 2024 (Japanese GAAP)

Company name: Japan Investment Adviser Co., Ltd.  
Listing: Tokyo Stock Exchange, Prime Market  
Securities code: 7172  
URL: <https://www.jia-ltd.com/>  
Representative: Naoto Shiraiwa, President and CEO  
Inquiries: Takeshi Sugimoto, Director, General Manager of Corporate Administration Division  
Telephone: +81-3-6550-9307  
Scheduled date to file quarterly securities report: May 2, 2024  
Scheduled date to commence dividend payments: -  
Preparation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months (from January 1, 2024 to March 31, 2024)

#### (1) Consolidated operating results

(Percentage figures are the increase / (decrease) for the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended								
March 31, 2024	9,016	130.4	4,811	258.6	5,670	529.0	4,083	583.7
March 31, 2023	3,913	73.6	1,341	6,468.6	901	(55.6)	597	(67.5)

Note: Comprehensive income For the three month ended Mar 31, 2024: ¥5,047 million [up 622.2%]  
For the three month ended Mar 31, 2023: ¥698 million [down 69.9%]

	Net income per share	Diluted net income per share
	Yen	Yen
For the three months ended		
March 31, 2024	67.51	—
March 31, 2023	9.88	—

(Note1) Diluted earnings per share is not shown because there are no residual securities with dilutive effects.

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Quarterly net income per share were calculated under the assumption that the payment for said rights offering was made at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2024	232,770	63,673	27.0
As of Dec. 31, 2023	211,750	48,811	22.6

Reference: Shareholders' equity  
As of March 31, 2024: ¥62,772 million  
As of December 31, 2023: ¥47,861 million

## 2. Cash dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	16.0	-	16.0	32.0
FY2024	-				
FY2024 (forecast)		8.0	-	8.0	16.0

(Note1) Revisions to the forecast of cash dividends most recently announced: None

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Regarding dividends for the fiscal year ending December 2023, the actual dividend amount before the issuance of new shares is stated.

## 3. Consolidated Forecast for FY2024 (from January 1 to December 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	14,550	62.8	4,850	51.5	4,000	53.1	2,720	60.3	44.97
Full year	27,780	27.3	8,120	47.8	6,300	71.7	4,300	82.2	71.10

(Note1) Revisions to the most recently announced consolidated forecast: None

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Net income per share were calculated under the assumption that the payment for said rights offering was made at the beginning of the previous fiscal year.



## Contents of Attachments

<b>1. Qualitative Information on Quarterly Consolidated Financial Performance</b>	<b>2</b>
(1) Explanation of Consolidated Results of Operations	2
(2) Explanation of Consolidated Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
<b>2. Quarterly Consolidated Financial Statements and Notes</b>	<b>4</b>
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
For the Three-month Period	6
Quarterly Consolidated Statement of Comprehensive Income	
For the Three-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Consolidated Results of Operations

During the first quarter of the consolidated fiscal year (January 1 to March 31, 2024), the global economic situation was in a seesaw state, as consumer spending remained steady, but the demand for capital investment was sluggish due to the impact of continued monetary stringency in Europe and the United States along with the stagnant real estate market in China. In addition, geopolitical issues such as the prolonged Russian invasion of Ukraine and the growing tensions in the Middle East are risk factors that could lead to an increase in inflation rates of food and energy prices and cause an economic slowdown.

Regarding the Japanese economy, business confidence in the manufacturing sector temporarily stagnated due to a decline in automobile production as a result of fraud by some manufacturers. However, business confidence in the non-manufacturing sector continued to improve as the demand from foreign visitors to Japan recovered to a level higher than that before the coronavirus pandemic. Although the growth of wages continues to lag behind the increasing inflation rate, the income environment is expected to improve due to the growing awareness of labor shortages and the wider application of wage hikes concluded in the labor-management negotiation in spring.

On the other hand, the yen has depreciated to the 150-yen level against the U.S. dollar due to concerns that interest rates will remain high against the backdrop of the strong U.S. economy, and it is expected to further impact corporate earnings. At the Monetary Policy Meeting in March, the Bank of Japan lifted its negative interest rate policy, but its impact on the current exchange rate is limited due to the view that interest rate will remain low.

Amid these economic conditions, the JIA Group is working to enhance its corporate value under the management philosophy of “Always be a company contributing to society by offering financial services.” Furthermore, the Company has changed its business segments in the first quarter of 2024, and the figures for the previous fiscal year have been reclassified into the new segments.

For details of the segment changes, please refer to “Notice Regarding Mid Term Business Plan” released on July 31, 2023.

Sales in the Operating Lease Business were 8,455 million yen (up 132.3% YoY). As demand from investors in the Japanese-style operating lease investment products (JOL/JOLCO) market grew, the JIA Group was able to create products that can respond to such demand. As a result, equity sales were as healthy as 32,984 million yen (up 73.2% YoY). The amount of deals structured was 54,972 million yen (up 95.0% YoY), and the deal-structuring environment remained favorable.

In the Renewable Energy Business, sales were 42 million yen (down 43.8% YoY). This was mainly due to revenues from the management of solar power plants and revenues from rental income from power generation facilities.

The sales in the Real Estate Business amounted to 74 million yen. This was mainly due to commission income from the sale of trust beneficiary rights of financial instruments produced by real estate fractional ownership products.

The sales in the PE Investment Business amounted to 103 million yen. Sales were recorded as a result of the sale of some investees of the fund managed by the JIA Group after their IPOs.

The sales in the Other Business amounted to 340 million yen (up 72.7% YoY). Sales were attributable to other comprehensive financial solution services, including the securities business of group subsidiaries.

The following table presents the operating results of the JIA Group for the first quarter of the consolidated fiscal year.

[Unit: Million yen]

	First three months of FY2023	First three months of FY2024	Change	Change rate (%)
Net sales	3,913	9,016	5,103	130.4
Operating profit	1,341	4,811	3,469	258.6
Ordinary profit	901	5,670	4,769	529.0
Profit attributable to owners of parent	597	4,083	3,486	583.7

## (2) Explanation of Consolidated Financial Position

### 1) Assets, liabilities and net assets

#### Assets

Total assets increased by 21,020 million yen from the end of 2023 to 232,770 million yen at the end of the first quarter of FY2024. This was mainly due to increases in trust beneficiary rights to be sold of 17,570 million yen, cash and deposits of 9,220 million yen, and Accounts receivable-trade of 2,162 million yen, while there were decreases in equity underwritten of 5,981 million yen, short-term loans receivable of 1,884 million yen and merchandise of 1,492 million yen.

#### Liabilities

Total liabilities increased by 6,158 million yen from the end of 2023 to 169,097 million yen at the first quarter of FY2024. This was mainly due to increases in long-term non-recourse loans of 10,175 million yen, current portion of long-term non-recourse loans of 481 million yen, and Accounts payable-operating of 407 million yen, while there were decreases in short-term loans payable of 4,427 million yen and Contract liabilities of 687 million yen.

#### Net Assets

Total net assets increased by 14,861 million yen from the end of 2023 to 63,673 million yen at the first quarter of FY2024. This was mainly due to increases in capital stock of 5,171 million yen, capital surplus of 5,171 million yen, and the recording of profit attributable to owners of parent of 4,083 million yen. As a result, the shareholders' equity ratio decreased from 22.6% at the end of the previous fiscal year to 27.0%.

## (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

At this moment, the consolidated earnings forecasts remain unchanged, but if it becomes necessary to revise our earnings forecasts, JIA will promptly announce such revisions in a timely disclosure.

The forecasts are based on information available to JIA. Actual results could differ from the forecasts due to various uncertainties and changes in the future business conditions.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	End of Dec 31, 2023	End of Mar 31, 2024
<b>[Assets]</b>		
Current assets		
Cash and deposits	28,256	37,476
Accounts receivable-trade	6,809	8,972
Merchandise	15,653	14,161
Equity underwritten	94,266	88,284
Trust beneficiary right	1,035	18,606
Costs on uncompleted – trade	2,078	1,374
Advance payments-trade	8,249	8,218
Advances paid	7,115	8,209
Short-term loans receivable	7,048	5,164
Operational investment securities	2,676	2,820
Other	3,931	4,623
Total current assets	177,122	197,913
Non-current assets		
Property, plant and equipment	437	436
Intangible assets	203	188
Investments and other assets		
Investment securities	18,853	18,330
Long-term loans receivable	9,033	9,766
Deferred tax assets	5,712	5,751
Other	261	260
Total Investments and other assets	33,861	34,110
Total non-current assets	34,502	34,736
Deferred assets		
Bond issuance cost	125	121
Total deferred assets	125	121
Total assets	211,750	232,770

(Millions of yen)

	End of Dec 31, 2023	End of Mar 31, 2024
<b>[Liabilities]</b>		
<b>Current liabilities</b>		
Accounts payable-trade	227	289
Accounts payable-operating	544	951
Short-term loans payable	119,438	115,011
Current portion of long-term loans payable	5,257	5,241
Current portion of long-term non-recourse loans	-	481
Current portion of bonds payable	2,904	3,103
Income taxes payable	2,390	1,747
Contract liabilities	15,629	14,942
Provision for shareholder benefit program	82	82
Provision for bonus	454	575
Other	2,433	3,512
<b>Total current liabilities</b>	<b>149,361</b>	<b>145,939</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,697	5,068
Long-term non-recourse loans	-	10,175
Bonds payable	6,182	6,499
Other	1,697	1,414
<b>Total non-current liabilities</b>	<b>13,577</b>	<b>23,158</b>
<b>Total liabilities</b>	<b>162,939</b>	<b>169,097</b>
<b>[Net assets]</b>		
<b>Shareholders' equity</b>		
Capital stock	11,716	16,887
Capital surplus	11,658	16,829
Retained earnings	23,795	27,394
Treasury shares	(1,470)	(1,470)
<b>Total shareholders' equity</b>	<b>45,698</b>	<b>59,640</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(40)	34
Foreign currency translation adjustment	2,203	3,097
<b>Total accumulated other comprehensive income</b>	<b>2,162</b>	<b>3,132</b>
Non-controlling interests	950	900
<b>Total net assets</b>	<b>48,811</b>	<b>63,673</b>
<b>Total liabilities and net assets</b>	<b>211,750</b>	<b>232,770</b>



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Millions of yen)

	First three months of FY2023 (Jan. 1 – Mar. 31, 2023)	First three months of FY2024 (Jan. 1 – Mar. 31, 2024)
Net sales	3,913	9,016
Cost of sales	901	2,242
Gross profit	3,011	6,774
Selling, general and administrative expenses	1,670	1,963
Operating profit	1,341	4,811
Non-operating income		
Interest income	300	51
Gain on sales of equity underwritten	95	242
Foreign exchange gains	-	764
Equity in gains of affiliates	-	565
Other	72	82
Total non-operating income	468	1,706
Non-operating expenses		
Interest expenses	485	480
Commission expenses	176	289
Foreign exchange losses	136	-
Equity in losses of affiliates	85	-
Other	24	76
Total non-operating expenses	908	846
Ordinary profit	901	5,670
Profit before income taxes	901	5,670
Income taxes	303	1,553
Profit	598	4,117
Profit attributable to non-controlling interests	1	34
Profit attributable to owners of parent	597	4,083

**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(For the Three-month Period)**

(Millions of yen)

	First three months of FY2023 (Jan. 1 – Mar. 31, 2023)	First three months of FY2024 (Jan. 1 – Mar. 31, 2024)
Profit	598	4,117
Other comprehensive income		
Valuation difference on available-for-sale securities	74	35
Foreign currency translation adjustment	26	894
Total other comprehensive income	100	929
Comprehensive income	698	5,047
(Breakdown)		
Comprehensive income attributable to owners of parent	697	5,025
Comprehensive income attributable to non-controlling interests	1	21

**(3) Notes to Quarterly Consolidated Financial Statements**

**(Going Concern Assumption)**

Not applicable.

**(Significant Changes in Shareholders' Equity)**

During the first quarter of the consolidated fiscal year, capital increased by 5,171 million yen and capital surplus increased by 5,171 million yen due to the exercise of commitment-type rights offering etc., and capital was 16,887 million yen, and capital surplus was 16,829 million yen.