

# JIA

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## **Financial Results for the Second Quarter of FY2022**

July 29, 2022

**Japan Investment Adviser Co., Ltd.**

Stock Code: 7172



<https://www.jia-ltd.com/en/>

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# **1. Company Overview**

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## Always be a company contributing to society by offering financial services.

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### For shareholders

We will contribute to the prosperity of our shareholders by increasing corporate value with an aim to achieve a steady and rapid growth on a sustainable basis.

### For clients

We are dedicated to contributing to the prosperity of our corporate and individual clients by providing financial products and services that are backed by the support and trust of our clients.

### For business partners


We aim to fulfill our social responsibility and achieve business growth together with our business partners empowered by their support and trust.

### For our officers and employees

We will build a work environment to help each of our staff to develop professionalism and fully exercise their ability. We will foster an organization and a corporate culture that prioritize openness and creativity to encourage our staff to take on new challenges.



# Corporate Profile



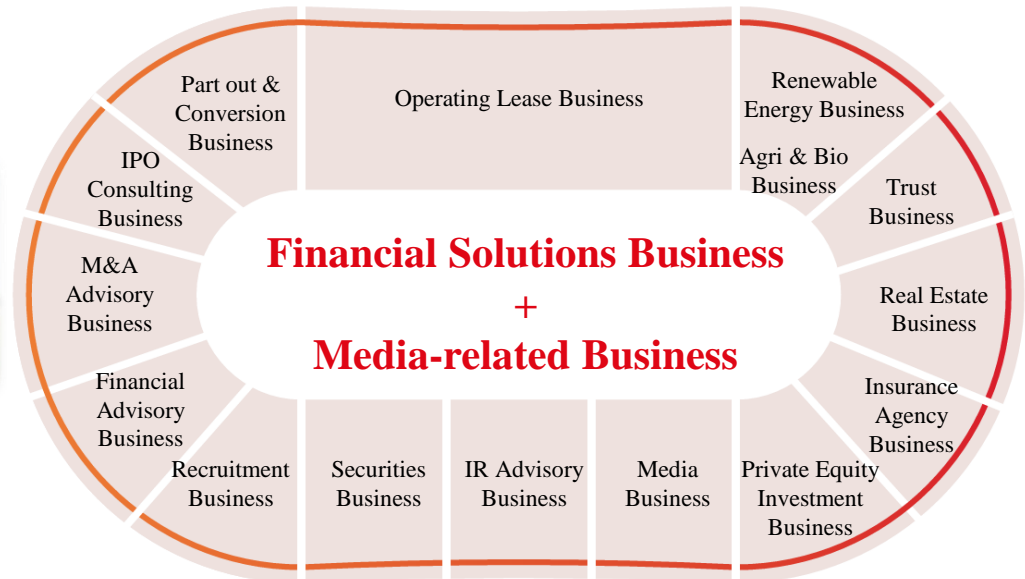
Company Name	Japan Investment Adviser Co., Ltd.
Head Office	Kasumigaseki Common Gate West Tower 3-2-1 Kasumigaseki Chiyoda-ku Tokyo
Representative	President and CEO Naoto Shiraiwa
Established	September 2006 (Fiscal Year-end: December 31)
Business	Financial solutions business, Media-related business
Paid-in Capital	¥11,679million
Stock Exchange Listing	The Prime Market of the Tokyo Stock Exchange (Stock Code: 7172)
Employees	Non-consolidated: 158; Consolidated: 228
Financial Institutions	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Resona Bank, Limited., Sumitomo Mitsui Trust Bank, Limited, The Norinchukin Bank, The Chiba Bank, Ltd., Daishi Hokuetsu Bank, Ltd. and the other 49 Companies
Major Shareholders	Top shareholders (66.7% shares, excluding treasury stock) as of June 30, 2022 KODO Holdings Co., Ltd. (24.5%) Naoto Shiraiwa (22.8%) Custody Bank of Japan, Ltd. (Trust account) (10.6%) Master Trust Bank of Japan.(Trust account) (5.9%) Teiji Ishikawa (1.5%) Yoshitaka Murata (1.5%)
Independent Auditor	Grant Thornton Taiyo LLC

As of June 30, 2022

# Our Group Business

Our corporate group conducts Operating Lease Business as our primary business, in which we create and sell unique financial instruments (JOL: Japanese Operating Lease) to our investors that consist of SME's all over Japan, through a nationwide network of financial institutions, including banks and securities companies, and tax and accounting firms.

In addition to the Operating Lease Business, we provide comprehensive solution services that include tackling challenges such as shortage of human resources and successors in SME's and financing and strategic planning support for sustainable growth.



# Our Major Group Companies

Japan Investment Adviser Co., Ltd.	<ul style="list-style-type: none"> <li>• Renewable Energy Business</li> <li>• M&amp;A Advisory Business</li> <li>• Recruitment Business</li> <li>• Private Equity Investment Business</li> <li>• Financial Advisory Business</li> <li>• IPO Consulting Business</li> <li>• Real Estate Business</li> </ul>
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## | Subsidiary |

JP Lease Products & Services Co., Ltd.	100%	<ul style="list-style-type: none"> <li>• Operating Lease Business</li> <li>• Part out &amp; Conversion Business</li> <li>• Insurance Agency Business</li> </ul>
JLPS Ireland Limited	100%	<ul style="list-style-type: none"> <li>• Operating Lease Business</li> </ul>
Finspire Inc.	100%	<ul style="list-style-type: none"> <li>• Operating Lease Business</li> </ul>
JIA Trust Co., Ltd.	100%	<ul style="list-style-type: none"> <li>• Trust Business</li> </ul>
JIA Securities Co., Ltd.	100%	<ul style="list-style-type: none"> <li>• Securities Business</li> </ul>
JIA Kawano Consulting Co., Ltd.	60%	<ul style="list-style-type: none"> <li>• Business Succession Consulting Business</li> </ul>
Nihon Securities Journal Inc.	100%	<ul style="list-style-type: none"> <li>• Media Business</li> <li>• IR Advisory Business</li> </ul>

## | Equity method affiliates |

Bleriot Aviation Leasing Designated Activity Company	50%	<ul style="list-style-type: none"> <li>• Joint venture with Airbus Group</li> <li>• Procurement of aircraft leasing for sale to investors</li> </ul>
ADLER SOLAR WORKS Co., Ltd.	49%	<ul style="list-style-type: none"> <li>• PV plant design, design evaluation, inspection</li> <li>• PV Plant Operation and Maintenance Service, etc</li> </ul>

As of June 30, 2022

# Our Group History

Establish

**JIA** 2006  
Established Japan Investment Adviser Co., Ltd. and started an Operating Lease Business for maritime containers.

**JIA** 2007  
Started M&A Advisory Business.

**Fins** 2007  
Established CAIJ Inc. (currently Finspire Inc.)  
※JV of leasing business of maritime containers that utilized portfolio of CAI International, Inc. in U.S.A.

**JLPS** 2011  
Established JP Lease Products & Services Co., Ltd. (JLPS) and started an Operating Lease Business for aircraft.

**JLPS** 2014  
Started structuring and selling the No. 1 Fund of solar power generation business.

**JIA** 2014  
Got listed on Tokyo Stock Exchange Mothers Section.

**NSJ** 2015  
Acquired all shares of Nihon Securities Journal Inc. and started Media & IR Advisory Business.

**JIA** 2015  
Started Private Equity Investment Business.  
※The first IPO (Bank of Innovation, Inc.: Stock Code: 4393)

**JIA** 2016  
Started IPO Consulting Business.

**Fins** 2016  
Acquired all shares of CAIJ Inc. (currently Finspire Inc.) (made into a wholly owned subsidiary company)

**Fins** 2017  
Started Insurance Agency Business.

**JLPS** 2019  
Succeeded the Insurance Agency Business of Finspire Inc.

**JLPS** 2019  
Annual sales of equity underwritten in Operating Lease Business exceeded 100 billion yen.

**JLPS-Ire** 2019  
Head office was established in Shannon, Ireland, and began full-scale operations.

**JIA** 2020  
Changed to the First Section of Tokyo Stock Exchange.

**Bleriot** 2020  
Established a joint venture with Airbus Group as an equity-method affiliate. (Bleriot Aviation Leasing Designated Activity Company)

**JIA** 2021  
Acquired J-Adviser qualification and started Listing Support Business for TOKYO PRO Market.

**JIA-Sec** 2021  
Acquired all shares of Sankyo Securities Co., Ltd., changed its name to JIA Securities Co., Ltd., and then launched Securities Business.

**JIA-Trust** 2022  
JIA Trust Co.,Ltd. obtained a license as an investment-based trust company, and started Trust Business.

**JIA** 2022  
Transited to the Prime Market of Tokyo Stock Exchange on April 4.

100 billion yen

List 1<sup>st</sup> Section of TSE

Transit “Prime” of TSE

List  
MOTHERS



**First Half of FY2022**

## **2. Business Overview**

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# Highlights for the First Half FY2022

**Initial forecasts for the first half were exceeded. Ordinary profit and net profit also exceeded initial full-year forecasts.**

- Contracts for large-scale projects in the renewable energy business contributed to the increase.
- Non-operating foreign exchange gains of 4,254 million yen due to the rapid yen depreciation.

(Millions of yen)	H1 FY2021	H1 FY2022			FY2022 Initial forecast	
	Result	Result	Change	Change(%)	1 <sup>st</sup> Half	Fiscal Year
Net Sales	5,437	12,527	7,090	130.4%	5,190	14,500
Operating profit	1,982	1,501	(481)	(24.3%)	1,240	4,600
Ordinary profit	2,405	6,705	4,299	178.7%	1,140	3,480
Profit attributable to owners of parent	1,387	5,323	3,935	283.6%	872	3,000
Total amount of equity sales <sup>※</sup>	23,289	28,541	5,251	22.5%	22,000	65,000

※: Transfer of equity interest in special-purpose companies(SPC) as defined in Article 2, Paragraph 2-5 of the Financial Instruments and Exchange Act

# Summary for the First Half FY2022

## ① Large-scale projects in the renewable energy business were sold

- ◆ With respect to solar power business funds sold between 2014 and 2016, when redemptions occurred in the last two to three years, the funds were purchased by the company itself and recorded in the “Merchandise” account. The “portfolio fund,” which combines 14 of these funds into a single fund, was sold to financial institutions and other institutional investors as a yield product.
- ◆ Unlike the three solar power plants already in operation that were sold in the second half of the previous fiscal year, we continue to be entrusted with the management of these 14 projects.

※ Although net sales were assumed when the original forecast for 2Q of 2022 was prepared, the actual sales were recorded as gross sales due to the finalization of the transaction structure.

Millions of yen	FY2021 7-9	FY2021 10-12	FY2022 1-3	FY2022 4-6
Sales of Renewable Energy Business	1,065	240	136	7,081 ※
	Sold 2 in-service properties	Sold 1 in-service property		14-property portfolio fund sales

## ② Equity sales in the operating lease business increased 17.2%

- ◆ Equity sales exceeded both the previous year's results and the initial plan. Although profit growth did not match the sales growth rate of equities underwritten due to the relatively low profitability of many funds in the first half of the fiscal year, the business remained firm on the back of solid investor demand.
- ◆ While the outlook for passenger demand remained uncertain due to the COVID-19 pandemic, funds utilizing cargo planes and aircraft engines were well received and sold out early.
- ◆ The balance of equities underwritten at the end of 2Q of FY 2022 stood at 30,717 million yen, the first time since the end of 3Q of FY 2020 that the balance has exceeded 30 billion yen.
- ◆ The JIA Aviation Finance (JV-co) started operations later than originally planned. Although the plan for the second half of FY 2022 was revised downward due to the delayed startup of JV-co, there are high expectations for the structuring of projects for 2023.

## ③ Non-operating foreign exchange gains of 4,254 million yen due to the rapid yen depreciation

- ◆ This is primarily due to the settlement of receivables denominated in foreign currencies (e.g., advances related to products to be sold in the future) and foreign exchange gains resulting from revaluation at quarter-end exchange rates.
- ◆ The forecast for the second half of the fiscal year is made on the assumption that no foreign exchange gains or losses will be realized. Although the balance of receivables and payables denominated in foreign currencies held by the company's group is gradually decreasing, actual foreign exchange gains and losses will occur depending on future fluctuations in foreign exchange rates.

[FX rate]	FY2021 10-12	FY2022 1-3	FY2022 4-6
Beginning rate(A) 1USD=	111.92JPY	115.02JPY	122.39JPY
End-of-quarter rate(B) 1USD=	115.02JPY	122.39JPY	136.68JPY
Change(B)-(A)	3.10JPY	7.37JPY	14.29JPY
foreign exchange gains (Millions of yen)	1,059	1,708	2,545

# H1 FY2022 Consolidated Income Statement Summary

(Millions of yen)	H1 FY2021	H1 FY2022		
	Result	Result	YoY Change	YoY change(%)
Net Sales	5,437	12,527	7,090	130.4%
Costs of sales	1,187	8,379	7,191	605.6%
Gross profit *1	4,249	4,148	(101)	(2.4%)
SG&A expenses	2,267	2,646	379	16.8%
Operating profit	1,982	1,501	(481)	(24.3%)
Non-operating income *2	1,203	5,738	4,534	376.8%
Non-operating expenses *3	780	534	(245)	(31.5%)
Ordinary Profit	2,405	6,705	4,299	178.7%
Profit attributable to owners of parent	1,387	5,323	3,935	283.6%

## Point

※1 Gross profit  
**Gross profit margin was 33.1% (2021 1<sup>st</sup> half – 78.2%)**

[Reason of the decline]

- Mainly the impact of new initiatives in the renewable energy business.

In the second quarter, a "portfolio fund" that combines 14 solar power plants held by the company in a "Merchandise" account into a single fund was sold as gross sales of the total amount of assets. The previous solar power generation business fund was recorded as net sales in the form of a transfer transaction of "investment in silent partnerships."

※2 Non-operating income

An increase of 4,534 million yen

- Increase of 3,528 million yen in foreign exchange gain
- Increase of 1,094 million yen in profit of affiliates (Equity in loss of affiliates in previous year 86 million yen)

※3 Non-operating expenses

A decrease of 254 million yen

- Decrease of 147 million yen in commissions fees (Due to reduction of committed credit line)

# Business Segment (H1 FY2022)

## Sales growth in a wide range of units owing to efforts to expand the business portfolio

- Large-scale projects in the renewable energy business were sold.
- The revenues from the part out & conversion business and various consulting businesses, increased.

Business units (Millions of yen)	H1 FY2021	H1 FY2022		
	Result	Result	YoY Change	YoY Change(%)
Operating Lease Business	4,903	4,534	(369)	(7.5%)
Renewable Energy Business	216	7,081	6,864	3,168.4%
Aircraft Part Out & Conversion Business	24	443	418	1,678.5%
Other Financial Solution Business	184	348	164	89.2%
Securities Business / Trust Business				
M&A Advisory Business / Financial Advisory Business				
Private Equity Investment Business				
IPO Consulting Business / Insurance Agency Business				
Recruitment Business				
Media- related Business	108	120	12	11.3%
Total	5,437	12,527	7,090	130.4%

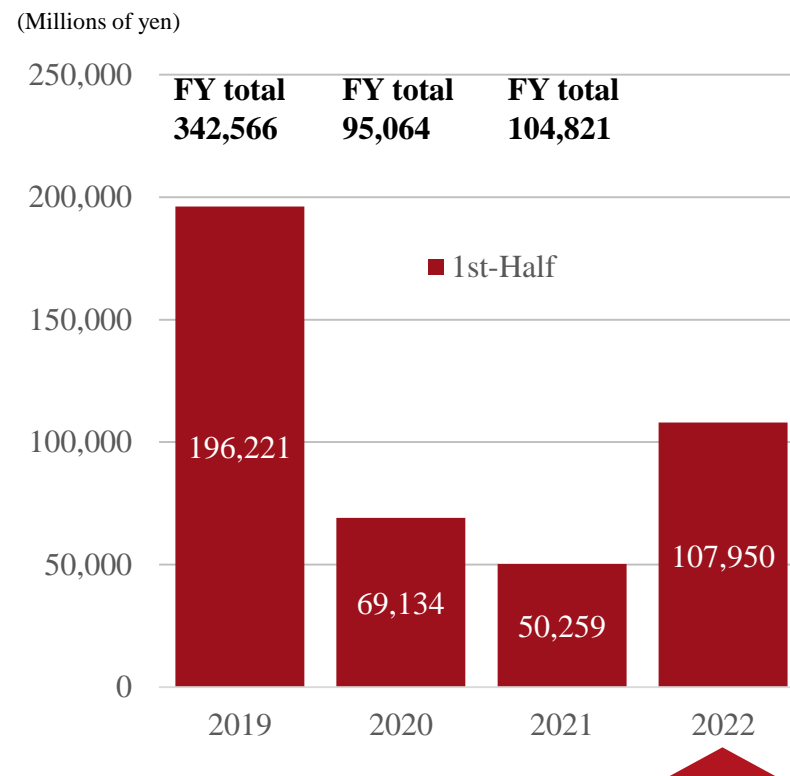
# Deals Structured

(Operating Lease Business, Renewable Energy Business)

## Deals Structured by Type of Asset

(Millions of yen)	H1 FY2021	H1 FY2022
Aircraft	42,347 (8 deals)	<b>107,950</b> (16 deals)
Vessel	0 (0 deal)	<b>0</b> (0 deal)
Container box	1,395 (2 deal)	<b>0</b> (0 deals)
Solar photovoltaic generation	6,517 (1 deal)	<b>0</b> (0 deal)
<b>Total</b>	<b>50,259</b> (11 deals)	<b>107,950</b> (16 deals)

## Change in Amount of Deals Structured



# Equity Sales

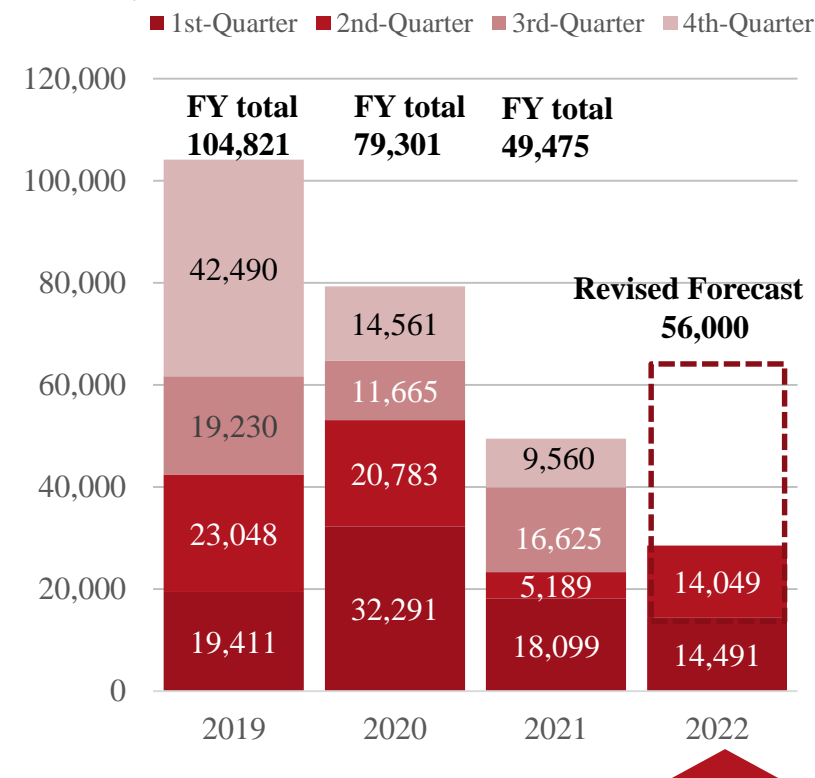
(Operating Lease Business, Renewable Energy Business)

## Equity Sales by Type of Asset

(Millions of yen)	H1 FY2021	H1 FY2022
Aircraft	21,176	<b>25,869</b>
Vessel	0	<b>0</b>
Container box	2,112	<b>1,431</b>
Solar photovoltaic generation	0	<b>1,240</b>
<b>Total</b>	<b>23,289</b>	<b>28,541</b>

## Change in Amount of Equity Sales

(Millions of yen)



# Equity underwritten

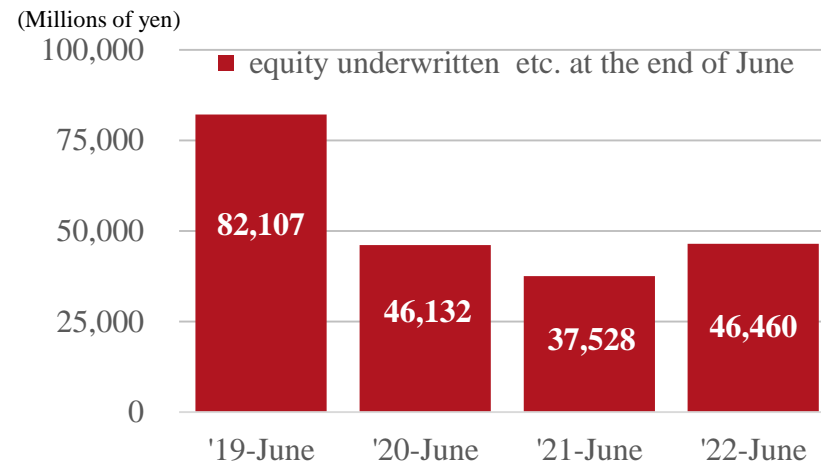
(Operating Lease Business, Renewable Energy Business)

## Equity underwritten etc. at the end of the term by Type of Asset

(Millions of yen)	End of June 2021	End of June 2022
Aircraft	20,788 (11 deals)	<b>28,667</b> (12 deals)
Vessel	0 (0 deal)	<b>0</b> (0 deal)
Container box	0 (0 deal)	<b>2,051</b> (1 deal)
<b>Subtotal</b>	<b>20,788</b> (11 deals)	<b>30,717</b> (13 deals)
Solar photovoltaic generation (*1)	1,240	0
Investment in Bleriot(*2)	15,499	15,742
<b>Total</b>	<b>37,528</b>	<b>46,460</b>

\*1 Accounts in the "Merchandise"

## Balance of Equity underwritten etc. at the end of the term



\*2 Inclusion of Bleriot's investment balance in Equity underwritten.

### **Balance of investment in Bleriot, an equity-method affiliate.**

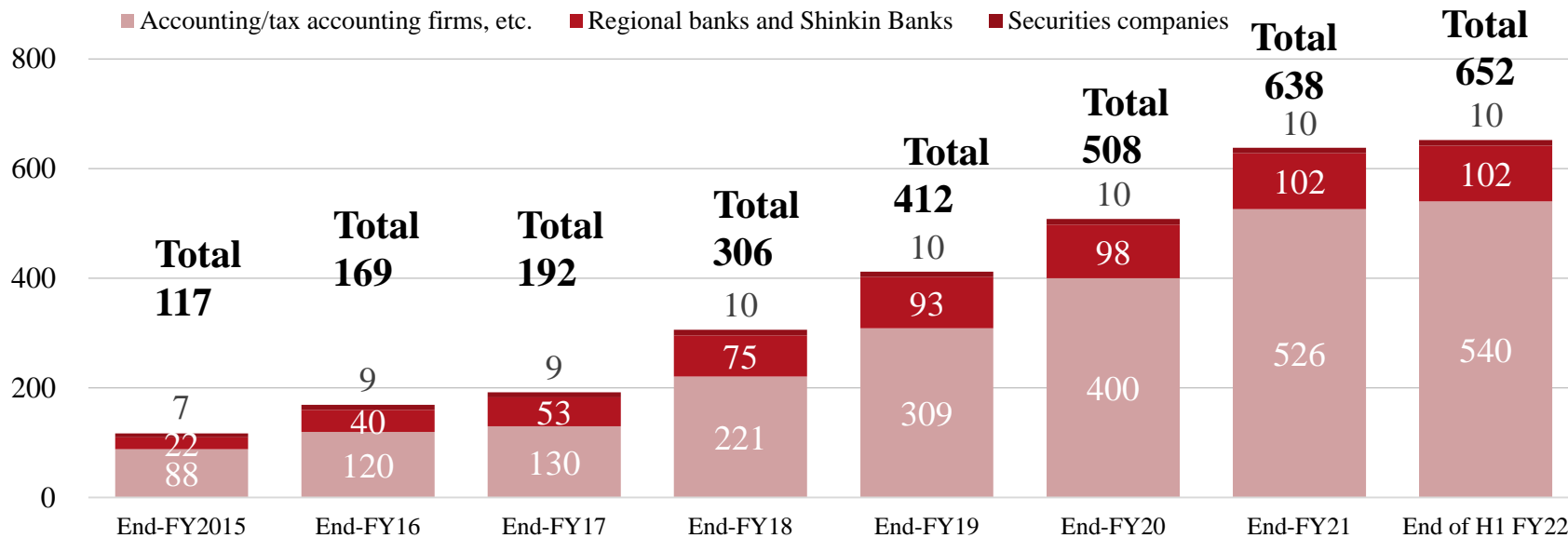
(The Group accounts for 50% of its investment in Bleriot in the "Investment securities".)

- Bleriot, a JV with Airbus Group, procures and pools high-quality aircraft leasing projects through "equity in which both companies have a 50% stake" and "loan from European Investment Bank, etc." on the assumption that they will be sold to investors.
- Depending on the needs of investors (timing, structure, etc.), the Group will sell these investments as financial instruments and convert them into cash.
- As a result, the nature of this account is similar to that of the conventional "equity underwritten". (See page 27)



# Sales Network (Business Matching Partners)

## Number of business matching contracts



- During three months in the second quarter of 2022, the number of business matching partners presenting the Company to investors increased by 9 to a total of 652.
- In addition to the channel of banks and Shinkin banks, which has been one of our strengths, in recent years, we have increased contracts with tax accountant offices and accounting firms.  
→It will become a strong advantage in marketing activities after the pandemic subsidies.

# Q2 FY2022 Consolidated Balance Sheet Summary (1)

(Millions of yen)	Jun. 30, 2021	Dec. 31, 2021	Jun. 30, 2022		
			Result	Q o Q change	YoY change
Cash and deposits	12,146	12,314	23,591	11,444	11,276
Accounts receivable – trade	4,698	7,420	4,808	110	(2,611)
Merchandise *1	10,951	9,817	14,707	3,756	4,890
Equity underwritten *2	20,788	18,871	30,717	9,929	11,846
Costs on uncompleted – trade	1,074	281	293	(781)	11
Advance payments-trade *3	16,732	13,191	13,216	(3,515)	25
Advances paid*4	6,387	8,568	10,576	4,188	2,008
Other	3,773	6,222	6,319	2,545	96
<b>Current assets</b>	<b>76,553</b>	<b>76,687</b>	<b>104,231</b>	<b>27,678</b>	<b>27,543</b>
Tangible fixed assets	367	355	429	61	73
Intangible fixed assets	105	360	476	370	115
Investment and other assets *5	16,757	24,253	24,624	7,866	370
<b>Non-current assets</b>	<b>17,230</b>	<b>24,969</b>	<b>25,529</b>	<b>8,299</b>	<b>559</b>
Deferred assets	72	106	88	15	(18)
<b>Total assets</b>	<b>93,856</b>	<b>101,764</b>	<b>129,849</b>	<b>35,992</b>	<b>28,084</b>

## Point

### \*1 Merchandise

Mainly,

- The inventory in the Part Out & Conversion Business
- The inventory after exercise of purchase option in solar power generation business fund

### \*2 Equity underwritten

Investment in silent partnership to be sold in the future in the Operating Lease Business

### \*3 Advance payments-trade

Mainly for purchase of aircraft to develop investment products.

- ※ Plans to transfer all the balance to equity underwritten.
- ※ The company may sell aircraft.

### \*4 Advances paid

Mainly temporary advances paid etc. before sale to investors for the Operating Lease Business and for the Renewable Energy Business.

### \*5 Investments and other assets

Including the outstanding balance of money invested in Bleriot (an equity-method affiliate): 7,871 million yen (equivalent to 50% of the equity)

→ To pool leased aircraft and structure deals according to the needs from lease companies and investors (about timing and structures)

# Q2 FY2022 Consolidated Balance Sheet Summary (2)

(Millions of yen)	Jun. 30, 2021	Dec. 31, 2021	Jun. 30, 2022		
			Result	Q o Q change	YoY change
Accounts payable - trade	34	270	560	526	290
Short-term loans payable *1	40,133	43,305	68,881	28,747	25,576
Unearned revenue *2	2,335	1,164	—	289	1,460
Contract liabilities *2	—	—	2,625		
Other	1,733	3,569	5,004	3,271	1,434
Current liabilities	44,237	48,310	77,072	32,834	28,762
Non-current liabilities*1	9,404	11,775	5,011	(4,393)	(6,763)
Total liabilities	53,642	60,085	82,083	28,441	21,998
Capital stock	11,677	11,679	11,679	2	—
Capital surplus	11,619	11,621	11,621	2	—
Retained earnings	17,960	19,011	23,851	5,891	4,840
Treasury shares	-1,470	-1,470	-1,470	—	—
Shareholders' equity *3	39,786	40,842	45,682	5,896	4,840
Other	427	836	2,082	1,655	1,246
Total net assets	40,214	41,679	47,765	7,551	6,086

## Point

### \*1. Short-term loans payable

• **Short-term loans payable** are mainly used by the Group to temporarily underwrite special-purpose companies (SPC) investments on the premise that the status will be transferred to investors.

• **Long-term debts and corporate bonds** are utilized as funds for long-term projects of the Part Out & Conversion Business, etc. From the viewpoint of contributing to society, we issued more donative private placement bonds

### \*2. Unearned revenue ⇒ Contract liabilities

• Changed to “Contract liabilities,” through the application of Accounting Standards for Revenue Recognition (new revenue recognition standards).

• Of the business consignment fees received from SPC, the amount for the period before the transfer to investors.

### \*3. Equity ratio

Equity ratio decreased due to a Short-term loans payable increased with the increase in Equity underwritten.

End of	FY2021	40.8%
End of H1	FY2022	36.7%

**For FY2022**

# **3. Earnings Forecasts**

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# Earnings Forecasts for FY2022

## Based on currently available information, a revised earnings forecast was announced on July 21.

- The foreign exchange rate is assumed to remain at 1 US dollar = 136.68 yen at the end of the second quarter through the end of the fiscal year.
- Although the balance of receivables and payables denominated in foreign currencies held by the JIA group is gradually decreasing, foreign exchange gains and losses will occur depending on future trends in foreign exchange rates.

(Millions of yen)	FY2022			
	2 <sup>nd</sup> half		Fiscal year	
	Forecast	YoY Change(%)	Forecast	YoY Change(%)
Net Sales	6,872	(20.7%)	19,400	37.5%
Operating profit	1,498	(16.3%)	3,000	(20.5%)
Ordinary profit	1,194	(48.0%)	7,900	67.9%
Profit attributable to owners of parent	1,076	(29.8%)	6,400	119.1%
Total amount of equity sales <sup>※</sup>	27,459	4.9%	56,000	13.2%

### The situation in the 2nd half of 2021

- ✓ Weak sales of equity were offset by sales from "Aircraft Trading," "Part Out & Conversion Business," and "Sale of Existing Solar Power Plants".

### The situation in the 2nd half of 2022

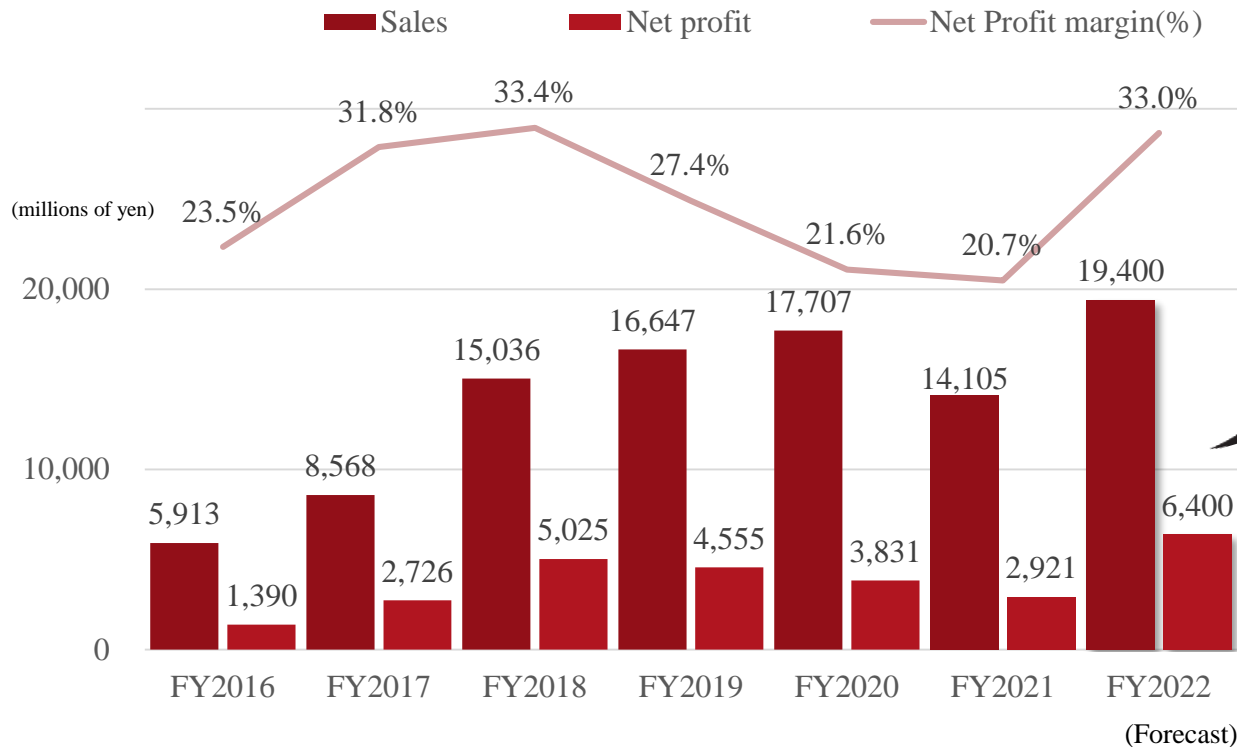
- ✓ The equity undewritten balance at the end of June increased approx. 10 billion yen from the previous fiscal year.
- ✓ Inventory of aircraft and other assets in the aircraft trading and part out & conversion businesses is more than that of the previous period.
- ✓ Forecast figures are conservative.

### Toward 2023

- ✓ With JIA Aviation Finance in operation, JIA group will be able to structure high-quality projects.

Note: Transfer of equity interest in special-purpose companies(SPC) as defined in Article 2, Paragraph 2-5 of the Financial Instruments and Exchange Act

## Development of the business base for returning to the high-growth model in the post-pandemic era.



### In FY2020

To fortify our business foundation to tolerate the worsening of the business environment amid the coronavirus crisis

### In FY2021

To enrich our business portfolio, in preparation for the economic recovery after the subsiding of the pandemic

### From 2022

**Return to a high-growth model by developing a value chain for our core business and diversifying our business portfolio**

## 1. Risks on supply-side

- ✓ Due to deterioration in performance of lessees, including airline companies ••• **Risks to decrease opportunities to make deals**
  - ✓ Due to the deterioration of senior debt financing environment ••• **Risks to decrease opportunities to make deals**
- 

## 2. Risks on demand-side


- ✓ Due to deterioration in performance of investors (SME's nationwide) ••• **Risks to lose the willingness to invest**
- 

## 3. Risks on portfolio assets

- ✓ Related to the Operating Lease Business ••• **Risks to degrade the value of assets owned**
- 

## 4. Risks on business operation

- ✓ Through the spread of the virus inside our group ••• **Risk to hinder smooth business continuity**
- 

 Our group will take appropriate measures for controlling the above risks, but the business performance of our group may largely differ from the projections due to prolonged spread of COVID.

# 4. Growth Strategy

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# Main strategic points for 2022 and beyond

1 (Operating Lease Business)  
**To form dynamic, strategic partnership**

2 (Part out & Conversion Business)  
**To cultivate markets as a global top player**

3 (Renewable Energy Business)  
**To cultivate markets by developing new technologies**

4 (Comprehensive Consulting Business)  
**To improve the value of each client company with a broad range of services**

# To form dynamic, strategic partnership-(1)

To develop a value chain with dynamic strategic partners, who were found amid the pandemic

Improvement in aircraft sourcing capacity

Bleriot Aviation Leasing Designated Activity Company※

\*JV with Airbus Group | Equity-method affiliate |

Expansion of the customer channel

To create investment targets, such as trust beneficiary rights, and expand the customer market

JIA Securities Co., Ltd.  
JIA Trust Co., Ltd.

Increase in products

To increase financial products based on the assets shown in the right figure, which would produce a stable cash flow

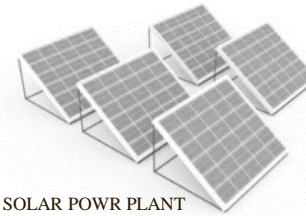
Improvement in deal structuring capability

Improvement of the pipeline for senior debt procurement for structuring deals

JIA Aviation Finance※  
(Business started in July)

\*JV with one of the world's leading investment fund companies | Equity-method affiliate |

## Examples of new financial commercialized assets focused on cash flows



SOLAR POWR PLANT



AIRCRAFT ENGINE



HELICOPTER



BUS



BUSINESS JET



DEBT

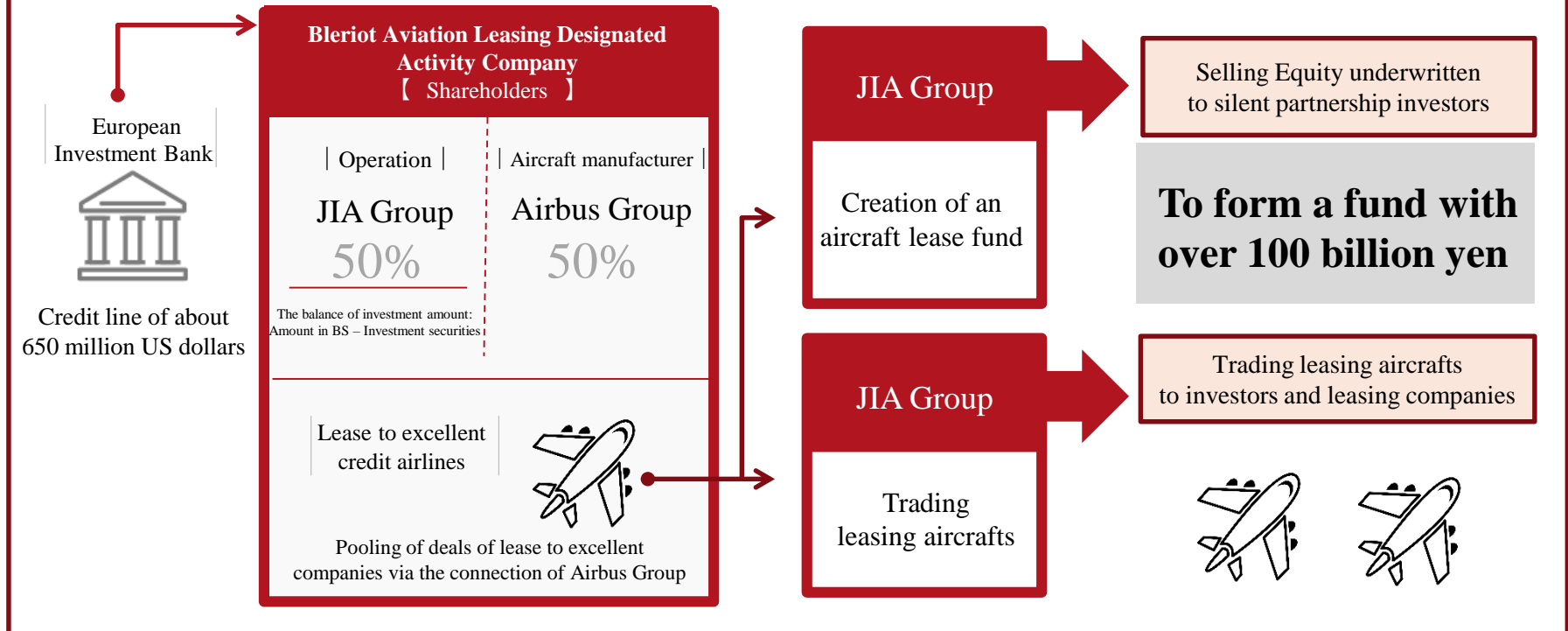


REAL ESTATE

# To form dynamic, strategic partnership-(2)

## Airbus Group chose JIA Group as a partner for new business

To flexibly trade aircrafts or create financial instruments with an appropriate “structure” at appropriate “timing” for meeting the needs from Investors and Leasing companies



Note: The name Bleriot is derived from Louis Charles-Joseph Blériot (July 1, 1872 - August 2, 1936), a pioneer of French aviation.

# To form dynamic, strategic partnership-(3)

A premier global investment company chose JIA Group as a partner for new business

JAF will secure funds amounting to approximately 200 million US dollars (about 28 billion yen) for financing aircraft from Taiyoushin, while considering the possibility of increasing the amount per year, according to the market environment.

— JV-co Started in July —  
**JIA Aviation Finance(JAF)**

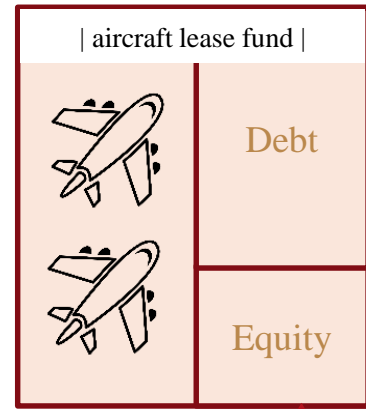
Roll	Shareholder
Operation	<b>JIA Group</b>
Funding	<b>Taiyoushin</b>
Advice	<b>Octo Force</b>

Silent partnership investors

**JIA Group**

Creation of an aircraft lease fund

Offers to investors



To form a fund with big scale for the global operating lease market

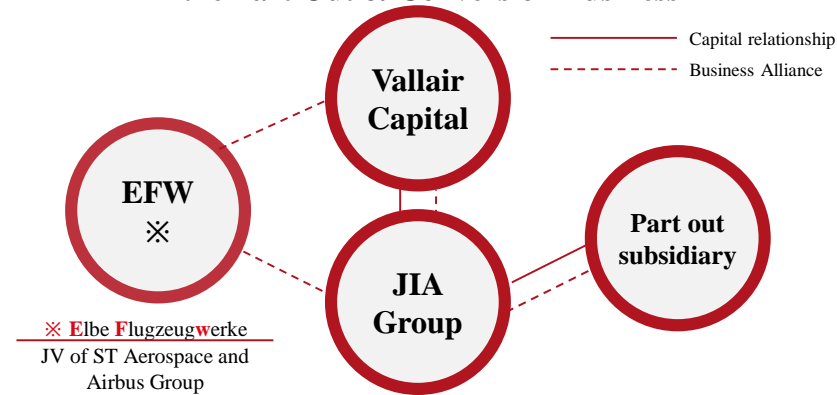
Note: Taiyoushin has been established by a premier global investment company.

[ a premier global investment company ] •••••Not disclosed at the other party's request

# To cultivate markets as a global top player



Built a track record through “the world’s first” initiatives, the delivery of “the first aircraft,” etc., becoming a pioneer in the Part Out & Conversion Business



- In 2020, we converted a passenger airplane of A321 into a cargo airplane for the first time in the world and delivered it to Qantas Airways based on the collaboration among Vallair, EFW ※, and our company.
- In 2021, we delivered a cargo airplane converted from A330-300 as the first aircraft to Geodis, which is a subsidiary of SNCF and operates land transportation business globally.
- In 2021, we delivered a cargo airplane converted from B737-800 to the global logistics company ASL.
- The partnership with EFW ※ of the Airbus Group expanded (6 slots already secured).
- Sold a portion of Vallair's shares, reducing the company's stake from 40% to 20%.

## Part Out & Conversion Business

- It aims to increase profit opportunities and contribute to a sustainable society by efficiently using passenger aircraft that have reached the end of their leases.
- Cargo aircraft market gains momentum as E-Commerce expands.

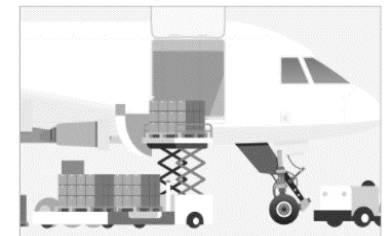


Sell recyclable parts  
such as engines

Aircraft converted to  
cargo planes



Part Out Business



Conversion Business

# To cultivate markets by developing new technologies

To evolve the Renewable Energy Business by combining the knowledge nurtured through the solar power generation business and new technologies



※ In June 2022, the company sold 14 large-scale projects (20.9 MW in power generation) combining solar power plants to financial institutions and other institutional investors.



## New Renewable Energy Business

Maintenance and operation of solar power plants, and consultation

※ Cooperate with Adler Solar Works, an equity method affiliate



Installation of solar panels in rooftop spaces  
PPA (power purchase agreement) business



## Developed and commercialized new power sources such as wood biomass

- ※ Commercialization of research utilizing fast-growing trees with Tokyo University of Agriculture and Technology
- Creation of new forestry
- Stable supply of domestic wood biomass energy
- Advanced use of components to be shared



# To improve the value of each client company with a broad range of services



## To actual sustainable corporate growth with unbiased, neutral support

Optimal solutions provided by

- ✓ Consultants
  - ✓ Partner companies
- With experience in  
a wide range of fields

Financing based on  
private equity investment



Provision of unique  
financial instruments



### Sustainable growth of client companies

To introduce clients from several thousand existing ones of our corporate group and the business matchmaking network with financial institutions, tax accountants, etc. (over 600 counterparties), and increase clients.



## Consulting Services Line-up

M&A Advisory



Consulting regarding business  
succession

Financial Advisory

Insurance Agency

Recruitment



IPO Consulting

**TOKYO PRO Market**

J-Advisor

IR Advisory



# 5. Shareholder Returns

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## Basic Policy for profit distribution

- Our basic policy is to pay dividends based on a balance between performance-linked and stable dividends, while taking into consideration the balance between the expansion of the financial base and human investment to improve business performance.
- ✓ Although we upwardly revised its earnings forecast on July 21, the dividend forecast remains unchanged due to many fluid factors, including the outlook for the foreign exchange market.

	Dividends(JPY)			Amount of dividends	Payout Ratio	DOE
	Interim	Year-end	Annual	(Millions of yen)	(%)	(%)
FY2017	6.0	6.0	(※1)	235	8.4	2.2
FY2018	5.5	9.5	15.0	446	8.3	1.9
FY2019	9.5	12.5	22.0	655	14.4	1.9
FY2020	16.0	16.0	32.0	959	25.0	2.6
FY2021	16.0	16.0	32.0	965	33.0	2.4
FY2022 (forecast)	(※2) 16.0	16.0	32.0	966	15.1	2.2

Note1: JIA conducted a 2-for-1 common stock split on September 1, 2017.

Note2: The amount of the interim dividend for 2022 was resolved at the Board of Directors meeting held on July 29, 2022.

# Shareholder Returns (Incentives)

The ticket for subscribing to Nihon Securities Journal Digital, which is published by a 100% subsidiary of our company, and QUO cards.

- ✓ The incentive plan for shareholders to encourage more shareholders to maintain their investment loyalty over the medium- to long-term period.(Continued from end of FY2015.)
- ✓ We take into account the balance of the number of shares held and the holding period.



Unlimited reading of back issues



The next day's newspaper will be released at noon.



Use of sophisticated tools such as chart analysis

Nihon Securities Journal

Search

Continuous holding period	Continuous holding share		Continuous holding share	
	100 or more and less than 2,000 shares	2,000 shares or more	100 or more and less than 2,000 shares	2,000 shares or more
	subscription to the Nihon Securities Journal Digital	Quo Card	subscription to the Nihon Securities Journal Digital	Quo Card
Less than 1 year	3-month (9,000 yen value)	500 yen	6-month (18,000 yen value)	1,000 yen
1 year or more but less than 2 years	6-month (18,000 yen value)	1,000 yen	12-month (36,000 yen value)	3,000 yen
2 year or more but less than 3 years		3,000 yen		5,000 yen
3 years or more		5,000 yen		10,000 yen

Note: For details, please refer to the "Shareholder Benefits" section of our website at <https://www.jia-ltd.com/en/ir/dividend/>

# 6. Topics

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## New Investment for the Private Equity Business

Company Name	: Skyrocket Corporation
Date of list	: October 20. 2016
Description of Business	: <ul style="list-style-type: none"><li>• Operation of web media, such as “NewSphere”</li><li>• Brand studio business, including the support for corporate brand development</li></ul>
Homepage	: <a href="https://skyrocket-corp.com/">https://skyrocket-corp.com/</a>

**Skyrocket is an online media company that provides a variety of content such as “NewSphere” to Generation Z and millennials.**

**Media brand produced by Skyrocket**

**NewSphere**

**SignPost**

**DIRECTION**



**SKYROCKET  
STUDIO**

【Outline of Private Equity Investment Business.】

<https://www.jia-ltd.com/en/business/privateequity/>

- We have realized the IPOs of 4 companies so far.

# Topics2 (Issuance of donation-type private placement bonds)

## To contribute to building a sustainable society together with financial institutions

- JIA Group proactively uses donation-type private placement bonds in order to fulfill capital needs for the growth strategies in a post-pandemic society.
- JIA Group contributes to creating a sustainable society together with financial institutions that endorse the aim of the Sustainable Development Goals (SDGs).

(A portion of the issuance fee was donated to local governments, local medical organizations, organizations working to reduce food loss, and School attendance support.)



◆ List of private placement bonds (donation-type) issued by the Group after 2021 (We have issued a total of 3.4 billion yen since 2019)

Underwriter	Name / (Donation recipients)	Issue Amount (million yen)
Aichi Bank	SDGs Private placement bonds "ASUNARO" (Aichi Medical Aid Fund.)	200
77 Bank	Private placement bonds for supporting medical institutions (local medical institution.)	200
Shikoku Bank	Private placement bonds for community support (Kochi Health Sciences Center.)	100
Shiga Bank	SDGs Private placement bonds "TSUNAGARI" (Shiga Medical Center for Children.)	200
Hyakujushi Bank	SDGs Private placement bonds (Japanese Red Cross Hospital – Kagawa.)	200
Kita-Nippon Bank	SDGs Private placement bonds (Iwate Pref.)	300
Gunma Bank	SDGs Private placement bonds (Japanese Red Cross Hospital – Maebashi.)	100

Underwriter	Name / (Donation recipients)	Issue Amount (million yen)
Kiyo Bank	CSR Private placement bonds ("Love Fund" by Wakayama Pref.)	300
Senshu Ikeda Bank	SDGs Private placement bonds (Food Bank – OSAKA.)	100
Bank of Toyama	SDGs Private placement bonds (Donated hospital equipment to four medical institutions and nursing care organization.)	400
Bank of Iwate	SDGs Private placement bonds ("Iwate Manabino Kibou Fund")	200
Bank of Fukui	SDGs Private placement bonds (TDB)	100
Bank of Shikoku	SDGs Private placement bonds (TDB)	100

The information contained in this document is for informational purposes only and is not intended as a solicitation for securities.

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances.

For further information...

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