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February 10, 2023

Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Japanese GAAP)

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 Listing: Tokyo Stock Exchange, Prime Market
 Securities code: 7172
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 Scheduled date of Annual General Meeting of shareholders: March 28, 2023
 Scheduled date to file Annual Securities Report: March 29, 2023
 Scheduled date to commence dividend payments: March 29, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of annual financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the Fiscal Year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(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	%
FY2022	18,045	27.9	1,298	(65.6)	5,897	25.4	4,412	51.0
FY2021	14,105	(20.3)	3,773	(46.2)	4,704	(22.4)	2,921	(23.8)

Note: Comprehensive income For the Fiscal year ended Dec 31, 2022: ¥5,185 million [up 38.8%]
 For the Fiscal year ended Dec 31, 2021: ¥3,735 million [up 2.7%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY2022	146.14	—	10.1	4.2	7.2
FY2021	97.03	96.77	7.3	4.4	26.7

Reference: Equity in earnings of affiliates Fiscal year ended Dec. 31, 2022: 300 million yen
 Fiscal year ended Dec. 31, 2021: (413) million yen

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2022	175,876	46,795	26.0	1,516.19
As of Dec. 31, 2021	101,764	41,679	40.8	1,376.22

Reference: Equity
 As of December 31, 2022: ¥45,775 million
 As of December 31, 2021: ¥41,549 million

(Note) The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition") and others from the beginning of the current fiscal year, and each figure for the current consolidated fiscal year is the figure after applying the relevant accounting standards.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2022	(48,944)	(9,270)	66,589	20,836
FY2021	24,147	(18,207)	(15,358)	12,244

2. Cash dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	-	16.0	-	16.0	32.0	963	33.0	2.4
FY2022	-	16.0	-	16.0	32.0	966	21.9	2.2
FY2023 (forecast)	-	16.0	-	16.0	32.0		48.3	

3. Consolidated Forecast for FY2023 (January 1 to December 31, 2023)

(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	%	
First half	6,870	(45.2)	1,260	(16.1)	540	(91.9)	500	(90.6)	16.56
Full year	18,340	1.6	4,000	208.2	2,260	(61.7)	2,000	(54.7)	66.25

*** Notes**

(1) Changes in significant subsidiaries during 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting estimates, and restatements

(i) Changes in accounting policies due to revisions in accounting standards, others: Yes

(ii) Changes in accounting policies other than 1) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(Note) For details, please refer to "4. Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Change in Accounting Policies)" on page 22 of the attached document.

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Dec. 31, 2022	30,731,200 shares	As of Dec. 31, 2021	30,731,200 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2022	540,420 shares	As of Dec. 31, 2021	540,392 shares
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3) Average number of shares during the period

Fiscal year ended Dec. 31, 2022	30,190,794 shares	Fiscal year ended Dec. 31, 2021	30,101,276 shares
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(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022

(from January 1 to December 31, 2022)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	10,317	91.8	1,112	(14.5)	4,609	(0.1)	3,519	(2.2)
FY2021	5,376	(1.2)	1,301	(49.3)	4,615	18.5	3,597	28.4

	Net income per share	Diluted net income per share
	Yen	Yen
FY2022	116.57	-
FY2021	119.50	119.17

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2022	70,301	40,270	57.3	1,333.58
As of Dec. 31, 2021	65,464	37,786	57.7	1,251.28

Reference: Owners' equity As of Dec. 31, 2022: 40,261 million yen As of Dec. 31, 2021: 37,777 million yen

* The current financial report is not subject to audit procedures.

* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to JIA management, but are not promises by JIA regarding future performance. Actual results could differ from the business forecasts due to change in economic conditions, market trends, exchange rate fluctuations and other factors. Please refer to "1. Overview of Results of Operations, (1) Analysis of Results of Operations" on page 3 for forecast assumptions and notes of caution for usage.

JIA plans to hold a financial results meeting for institutional investors and analysts on February 13, 2023.

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1. Overview of Results of Operations

(1) Analysis of Results of Operations

1) Summary of 2022

Regarding the global economic situation during this consolidated fiscal year (Jan. 1 to Dec. 31, 2022), the developed countries of Europe and the United States, that drove the economic booms caused by monetary easing during the COVID-19 crisis, turned into significant economic slowdown as the central banks raised interest rates to curb high inflation rates. Especially in Europe, the soaring energy prices due to the unstable supply of Russian natural gas have become problematic, exerting downward pressure on the economy in terms of both production and consumption. On the other hand, investment in growing fields such as measures against climate change and digitalization has been boosted and it is expected that the stagnant global supply chain will be normalized due to the significant relaxation of the Zero-COVID Policy in China implemented on December 7, 2022.

The Japanese economy continued to be at the mercy of exchange rate fluctuations. The dollar-yen exchange rate, which had hovered around 115 yen/dollar at the beginning of 2022, reached the 150-yen level against the dollar in November 2022 due to speculation surrounding monetary policies in Japan and the United States, making it the lowest yen depreciation level since 1990. After that, toward the end of the year, the dollar rebounded to the 130-yen level. This fluctuation is one of the major factors that has caused economic uncertainty. On the other hand, toward the end of the year, due to the easing of border control measures against the novel coronavirus crisis, the demand from foreign visitors started to recover, and there were signs of improvement in business sentiment related to consumption, such as accommodation and food services.

In this economic situation, the JIA Group has strived to enhance its corporate value, while focusing on its 3 core businesses (the Operating Lease Business, the Renewable Energy Business, and the Part Out & Conversion Business), under the ethos: “Always be a company contributing to society by offering financial services. ”

The sales of the Operating Lease Business were 8,976 million yen, down 19.9% year on year. Due to product shortages resulting from delays in the delivery of aircraft caused by the stagnation of the aircraft supply chain, equity sales amounted to 50,188 million yen, up only 1.4% year on year. However, in the year's second half, the environment for creating financial instruments improved, and the number of deals structured increased significantly to 192,090 million yen, up 83.3% year on year. As a result, equities underwritten as of the end of December 2022 were at a high level of 46,587 million yen, which is the highest balance recorded since the end of the first quarter of 2020, when the COVID-19 crisis occurred, and sales are expected to gain momentum in the second half of 2023.

The sales of the Renewable Energy Business were 7,214 million yen, up 374.1% year on year. In June, we sold 14 solar power plants we had owned to institutional investors, such as financial institutions, as a yield product. This contributed to the sales.

The sales of the Part Out & Conversion Business were 1,042 million yen, up 43.1% year on year. We made efforts to increase transactions in the Part Out Business, which manages the disassembled parts of retired aircraft and sells them to maintenance companies, lease companies, airlines, etc., and the Conversion Business, which converts passenger airplanes into cargo aircraft.

The following table shows the changes and change rates between the consolidated fiscal year 2022 and the previous year.

[Unit: Million yen]

	Previous consolidated fiscal year	Current consolidated fiscal year	Change	Change rate (%)
Net sales	14,105	18,045	3,940	27.9
Operating profit	3,773	1,298	(2,474)	(65.6)
Ordinary profit	4,704	5,897	1,193	25.4
Profit attributable to owners of parent	2,921	4,412	1,491	51.0

2) Outlook for the Next Fiscal Year

The formation of projects in the Operating Lease Business, which had been stagnant due to the COVID-19 pandemic, has become active due to the value chain effect of building new partnerships. The balance of equities underwritten of JIA Group as of the end of FY2022 was 46,587 million yen, which is the largest since the outbreak of the pandemic. In addition, the equity equivalent held by Bleriot, an equity-method affiliate of JIA Group was 20,514 million yen. When adding up them, we secured the pre-pandemic level. However, most of them are scheduled to be released in the second half of FY2023 or later, due to the delay in delivery of aircraft. Therefore, we will strive for an early recovery in business performance through sales strategies that are in line with the market environment, such as trading aircraft with lease contracts.

Results for the fiscal year ending December 31, 2023 are as follows.

[Unit: Million yen]

	FY 2022 (Actual)	FY 2023 (Forecast)			
	Throughout the year	First half	YoY (%)	Throughout the year	YoY (%)
Net sales	18,045	6,870	(45.2)	18,340	1.6
Operating profit	1,298	1,260	(16.1)	4,000	208.2
Ordinary profit	5,897	540	(91.9)	2,260	(61.7)
Profit attributable to owners of parent	4,412	500	(90.6)	2,000	(54.7)

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Assets

Total assets increased by 74,112 million yen from the end of 2021 to 175,876 million yen at the end of 2022 consolidated fiscal year.

Total current assets increased by 60,275 million yen from the end of 2021 to 136,963 million yen at the end of 2022. This was mainly due to increases in the aircraft trust beneficiary rights to be sold 28,680 million yen, equity underwritten of 27,715 million yen, and cash and deposits of 8,591 million yen, while there were decreases in accounts receivable of 2,826 and advance paid of 2,607 million yen.

Total Non-current assets increased by 13,842 million yen from the end of 2021 to 38,812 million yen at the end of 2022. This was mainly due to increases in long-term loans receivable of 6,016 million yen and investment

securities of 5,977 million yen.

Liabilities

Total liabilities increased by 68,995 million yen from the end of 2021 to 129,080 million yen at the end of 2022 consolidated fiscal year.

Total current liabilities increased by 58,580 million yen from the end of 2021 to 106,890 million yen at the end of 2022. This was mainly due to increases in short-term loans payable of 47,866 million yen and contract liabilities of 5,510 million yen (fees related to investments, which were recorded as unearned revenue at the end of the previous fiscal year, were recorded as contract liabilities at the end of the third quarter of the current fiscal year. Compared to the balance of unearned revenue at the end of the previous fiscal year, contract liabilities increased 4,345 million yen from the previous fiscal year.), while there were decreases in current portion of long-term loans payable of 632 million yen.

Total non-current liabilities increased by 10,415 million yen from the end of 2021 to 22,190 million yen at the end of 2022. This was mainly due to increases in long-term non-recourse loans payable of 12,662, and decreases in bonds payable of 2,537 million yen.

Net Assets

Total net assets increased by 5,116 million yen from the end of 2021 to 46,795 million yen. This was mainly due to increases in retained earnings of 3,445 million yen, and foreign currency translation adjustment of 1,092 million yen.

(3) Analysis of Cash Flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of 2022 increased 8,591 million yen from the end of 2021 to 20,836 million yen.

The cash flow components during 2022 and the main reasons for changes are as described below.

(Cash flows from operating activities)

Net cash used in operating activities was 48,944 million yen (compared with 24,147 million yen provided in 2021). Main negative factors include increase in inventories of 34,960 million yen and 27,966 million yen increase in equity underwritten. Main positive factors include profit before income taxes of 6,268 million yen, 4,294 million yen increase in contract liabilities, and 2,724 million yen decrease in accounts receivable-trade.

(Cash flows from investing activities)

Net cash used in investing activities was 9,270 million yen (compared with 18,207 million yen used in 2021). Main factors include payments of 14,688 million yen for loans receivable, payments of 14,490 million yen for the purchase of investment securities. Main positive factors include proceeds from sales and redemption of investment securities of 9,446 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 66,589 million yen (compared with 15,358 million yen used in 2021). Main positive factors include a 140,320 million yen increase in short-term loans payable. Main negative factors include a 91,880 million yen decrease in short-term loans payable.

Reference: Cash flow indicators

	FY2020	FY2021	FY2022
Equity ratio (%)	34.7	40.8	26.0
Market value-based equity ratio (%)	35.7	38.6	20.0
Interest-bearing debt to cash flow ratio (years)	2.8	2.3	(Note. 6)
Interest coverage ratio (times)	34.3	47.4	(Note. 6)

Equity ratio: Owners' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio = Interest-bearing debt / Operating cash flows

Interest coverage ratio = Operating cash flows / Interest payments

- Notes:
1. All indices are calculated based on consolidated figures.
 2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of shares issued, excluding treasury shares, at the end of the period.
 3. Cash flows are calculated using the figures for operating cash flows on the consolidated statement of cash flows.
 4. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.
 5. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.
 6. Not presented because operating cash flows were negative.

(4) Basic Policy for Profit Distribution, and Dividends for the Current and Next Fiscal Years

Returning profits to shareholders is one of our highest priorities and we also place great importance on our policy for dividends. The basic policy for the distribution of surplus is to pay dividends in consideration of the balance between performance-linked and stable dividends, while securing the necessary internal reserves for future business development and strengthening our financial base.

In view of the above policy, we plan to pay an annual dividend of 32 yen/share for the fiscal year ending Dec. 31, 2022, with a consolidated payout ratio of 21.9%. We paid an interim dividend of 16 yen/share and plan to pay a year-end dividend of 16 yen/share, emphasizing stable dividends.

For the fiscal year ending Dec. 31, 2023, we plan to pay an interim dividend of 16 yen/share, a year-end dividend of 16 yen/share, and an annual dividend of 32 yen/share (consolidated payout ratio: 48.3%), the same amount as the fiscal year ending Dec. 31, 2022, with an emphasis on stable dividends.

The JIA Articles of Incorporation include a provision for the payment of an interim dividend as provided for in Article 454, Paragraph 5 of the Companies Act. The interim dividend is determined by the Board of Directors and the year-end dividend is determined at the annual shareholders meeting.

Internal reserves will be effectively utilized for future business development and strengthening of the financial base.

(5) Business Risks

Risks that may have a significant impact on investment decisions of investors are as follows. The Group is aware of the possibility of the occurrence of these risks and will strive to avoid their occurrence and to respond to them if they do occur. It is noted that forward-looking statements in the description below are based on the judgment the Group made as of the date of filing this report, and do not cover all business risks that may arise in the future.

(Risks related to the degree of dependency on the operating lease business)

The Group records commission fee, including arrangement fee from the operating lease business, as net sales. Since the establishment of the Company, we have expanded our business while positioning the operating lease business as its core business. Accordingly, the sales in the operating lease business account for the majority of the Group's sales. Target properties include aircraft, vessels, and shipping containers, and the ratio of aircraft is high. So, the development of the operating lease projects could be influenced by trends in capital investment in the aviation industry.

The Group will continue to expand the operating lease business through expansion of sales channels and development of the products that meet the needs of investors and release them. On the other hand, we will diversify our revenue base by fortifying other existing businesses than the operating lease business and developing new businesses.

However, the degree of dependency on the operating lease business is high at this time. If any problems arise in the growth of the operating lease business, such as competition with other companies, it could adversely affect the Group's financial position and business performance.

(Risks in the operating lease business)

The following are the risks relevant to the operating lease business of the Group.

1) Risk of impact of international conflicts on the global economy

In the operating lease business, the main assets are aircraft, and the lessees are major airlines around the world. Since these airlines conduct the business activities all over the world, conflict, terrorism, epidemics in the region in the world may cause decline in demand for operating lease of aircraft and investors' appetite for investment may

wane.

In case the above-mentioned event is prolonged, it could have a serious impact on the real economy through not only the aviation industry but also global supply-chain, etc.

In order to cope with these risks appropriately, the Group strives to exchange information with related staff involved in the operating lease business and takes appropriate measures.

However, in case these risks actualize, lease demand for aircraft, vessels, and shipping containers may decline, investors' appetite for investment may wane, and the Group's business development, financial position and business performance could be adversely affected.

2) Risk of bankruptcies of airlines or other lessees

In the event where lease payments are not made by lessees to SPC for any reason including commencement of bankruptcy proceedings of an airline, etc., return on the operating lease business may decline, leading to investors who have invested in the business incurring losses.

In the event of the above, investors' appetite for investing may wane, and in turn, soliciting investment in newly structured operating lease projects could become difficult. Consequently, sale of rights under a silent partnership agreement may decrease, resulting in a drop in the Group's financial position and business performance.

The Group develops operating lease projects after checking the credit status, etc. of airlines that are the lessees to mitigate the risk of their bankruptcies. Should insolvency proceedings against a lessee be commenced, the Group will strive to deal with the situation to avoid decline of return on the operating lease projects by selling the lease properties or scouting for a new lessee.

Despite these measures, however, if something unexpected should occur, investors' appetite for investment may wane. Consequently, sale of rights under a silent partnership agreement may decrease, resulting in drop in the Group's commission fee revenue, which could adversely affect the Group's financial position and business performance.

3) Risk of fluctuation in residual value (future selling price of lease properties)

If a lessee does not opt to purchase the lease property at the end of the lease term, the lease property will be sold to a third party in the market. If the property is sold at a price lower than the expected selling price at the time of lease structuring, return on the operating lease business may decline, leading to investors who have invested in the business incurring losses.

The Group is coping with the risk of price fluctuation by taking multiple measures, including conservatively estimating a selling price of leased properties at the time of lease structuring as well as setting a buy option or a lease term extension option depending on deals based on forecast for the future market. Despite these measures, however, if something unexpected should occur, investors' appetite for investing may wane. Consequently, sale of rights under a silent partnership agreement may decrease, resulting in drop in the Group's commission fee revenue, which could adversely affect the Group's financial position and business performance.

In the event of the above, soliciting investment in newly structured operating lease projects could become difficult. Consequently, sale of rights under a silent partnership agreement may decrease, resulting in a drop in the Group's financial position and business performance.

4) Rights under silent partnership agreement accounted for as equity underwritten

The Group, in principle, temporarily acquires rights under a silent partnership agreement pertaining to SPCs on the premise that it will transfer the rights to investors. The rights under the relevant silent partnership agreement are accounted at acquisition price as "equity underwritten" in the "assets section" of the consolidated balance sheet.

If the Group needs to continue holding the equity underwritten for some reasons, it will be difficult for the Group to receive the expected commission fee upon the transfer of the relevant equity underwritten and to collect investments. Furthermore, because such a situation implies that the Group itself is involved in the operating lease business as an investor, it could adversely affect the Group's financial position and business performance. In case the value of the lease properties falls, the Group will be exposed to the risk of failing to recoup all or part of its equity underwritten.

5) Currency risks

i) Impact on new operating lease businesses

In the operating lease business, the lease properties are mainly sold in foreign currencies at termination of each lease term. Therefore, if the yen is appreciated more than the exchange rate at the time of the lease structuring, yen-denominated earnings will deteriorate, leading to investors who have invested in the business incurring losses.

Additionally, investors often receive their investments in capital in foreign currencies at termination of each lease term. Therefore, if the yen is appreciated more than the exchange rate at the time of the equity investment, they will receive the proceeds less than the amount of the initial investment, leading to investors who have invested in the business incurring losses.

As described above, if investors expect that the yen-denominated earnings or cash flows from the operating lease business will deteriorate and they will incur losses in the future because of stronger yen, their appetite for investing in operating leases structured by the Group may wane, and in turn, soliciting investment in newly structured operating leases could become difficult. Consequently, sale of rights under silent partnership agreement may decrease, resulting in a drop in the Group's commission fee revenue, which could adversely affect the Group's financial position and business performance.

ii) Impact on transfer of equity underwritten

When the Group transfers to investors equity underwritten denominated in yen, which was acquired by the Group in foreign currencies, the Group determines the assignment price of the equity underwritten based on the level of the exchange rate at the time of originating the operating lease business.

Therefore, if the yen is appreciated rapidly after the acquisition of the equity underwritten, the value of the equity underwritten will become higher than the value calculated at the level of the exchange rate at the time of originating the relevant operating lease business. In this case, the Group's financial position and business performance may deteriorate due to waning of the investors' appetite for investment, etc.

(Regarding COVID)

If the pandemic of COVID lingers, opportunities to develop deals may decrease due to the worsening of business performance of lessees, including airlines, and the changes in the terms and conditions of lending by financial institutions; investors, mainly small and medium-sized enterprises, may decrease the willingness to invest; and the value of assets owned for the operating lease business may degrade.

If an employee of our corporate group is infected with the novel coronavirus, the internal infection spreads, etc., and our offices are temporarily closed or some of our businesses are temporarily stopped, then the business operation of our corporate group may be affected. In order to secure the safety and security of clients, business partners, executives, and employees, we have been undertaking measures suited for promotion of social distancing, wearing of face masks, and health management of our staff as much as possible.

Furthermore, The Group conducts estimation for accounting, such as evaluation of assets, based on information available as of the preparation of consolidated financial statements. However, the figures obtained through estimation with the best efforts may be different from actual results, due to uncertainties about the future. We

conduct estimation for accounting, under the assumption that it will take one to two years to see the pandemic subsiding and the economy returning to the pre-pandemic state.

If sales decline, value of owned assets degrade, or our business operation is affected due to the factors mentioned above, despite our countermeasures, then the financial standing and business performance of our corporate group may suffer adverse effects.

(Risk of the renewable energy business)

The Group engages in a solar photovoltaic generation business as part of the renewable energy business.

Since this business is subject to the government regulations including the Renewable Energy Act and other related legal system, revisions to the feed-in tariff scheme in connection with changes in the legal system for various governmental reasons could adversely affect structuring, sales and operation of the funds administered by the Group, which may result in drop in the Group's commission fee revenue, and adversely affect the Group's financial position and business performance.

(Risk of the aircraft part-out & conversion business)

The Group is engaged in the parts-out & conversion business, which involves purchase of aircraft, engines and other parts, remodeling of aircraft, inventory control, and sales.

The Group intends to mitigate risks of this business by leveraging knowledge and business networks established through arrangement and sale of the aircraft leases at the operating lease business.

Nevertheless, as this business is influenced by trends in capital investment in the aviation industry, the Group's financial position and business performance could be affected in case of a downturn in the global economy, decline in demand for aircraft due to geopolitical risks and more-than-expected drop in selling price of aircraft or other assets.

(Risks in the private equity investment business)

As part of the private equity investment business, the Group provides support for the selection and development of investee companies, mainly with the aim of obtaining capital gains through value enhancement.

When investing, the Group strives to minimize risks by conducting due diligence on the target companies. However, in the event of violations of laws and regulations, unrecognized debts, etc. that could not be discovered before the investment or that become apparent after the investment, or if the future performance of the investee is below the Group's expectations, it will be difficult to recover the investment funds. Furthermore, impairment accounting will be applied to the Company's operational investment securities, which may adversely affect the Group's financial position and business performance.

(Risks related to Statutory regulations)

1) Financial Instruments and Exchange Act

Since investors' rights under silent partnership agreements executed in the operating lease business fall under securities stipulated in the Article 2, Paragraph 2-5 of the Financial Instruments and Exchange Act, the Group is obliged to abide by each of the Financial Instruments and Exchange Act and the Act on Sales, etc. of Financial Instruments.

Since JP Lease Products & Services Co., Ltd.(hereinafter JLPS) is engaged in handling private placement for silent partnership equity stake including rights under silent partnership agreements, it is registered as an operator of Type II Financial Instruments Business under the Article 29 of the Financial Instruments and Exchange Act. JIA Securities Co., Ltd. (hereinafter JIA Securities) is also registered as an operator of Type I Financial Instruments

Business. The Article 52 of the Financial Instruments and Exchange Act stipulates reasons for rescission of registration or suspension of business. If JLPS or JIA Securities fall under any of the reasons, it could be ordered to rescind the registration or suspend the business.

The Group stringently enforces compliance of laws and regulations when engaging in this business and has recognized no evidence of reasons for such rescission of registration or suspension of business as of the date of filing this report. Nevertheless, if JLPS or JIA Securities are, for some reason, subject to punitive administrative actions to rescind the registration or suspend the business in the future, it could significantly affect the Group's financial position and business performance.

2) Tax and other related laws and regulations

We develop portfolios in the operating lease business in accordance with the current ordinances regarding tax, accounting and others pertaining to the business.

The Group confirm substance and interpretation of the related ordinances with respect to each portfolio by consulting with Certified Public Tax Accountants, lawyers or other professionals. Nevertheless, if the relevant ordinances are revised or newly enacted, leading to changes in taxation, investors' appetite for investing in the operating leases business may wane, and in turn, sale of rights under a silent partnership agreement may decrease, which could adversely affect the Group's financial position and business performance.

(Risk related to fund raising)

The Group may temporarily acquire rights under silent partnership agreement pertaining to SPCs on the premise that it will transfer the rights to investors. If it becomes difficult for the Group to develop portfolios smoothly after failing to procure funds from financial institutions for some reasons such as worsening economy or deterioration of the Group's business performance, etc., the Group's financial position and business performance may be adversely affected.

(Risk related to financial covenants)

The Group procure funds for temporarily acquiring rights under silent partnership agreement in the operating lease business by using its own funds, borrowings from financial institutions, or executing an overdraft facility agreement and a commitment line agreement so that we can draw down funds as needed.

These agreements include financial covenants stipulating that the Group shall maintain financial position and results of operations at levels above certain specified figures. Such covenants include maintaining the balance of net assets on the consolidated balance sheet at the end of each fiscal year and the second quarter end of each fiscal year at 75% or more of the balance of net assets at the end of the specified period of the immediate previous fiscal year; and reporting no ordinary losses (or no operating losses depending on financial institutions) on the consolidated statement of income for each fiscal year and for the first half of each fiscal year.

Therefore, if the Group's business performance deteriorates to the extent that it will violate any financial covenants, the Group's obligation to repay the loans is accelerated by lenders, which could adversely affect the Group's financial position and business performance.

(Risk related to significant litigations)

The Group engages in the operating lease business and other investment banking services. In the course of our business activities, investors or intermediaries may file legal proceedings against us. It is difficult for us to predict the occurrence or outcome of such litigations and legal proceedings in which the Group would be involved as a party. If unfavorable outcomes occur to the Group, it could adversely affect the Group's financial position, business performance and business development.

(Risk arising from inclusion of non-consolidated subsidiaries into the scope of consolidation)

As inclusion of SPCs, operators of individual deals structured by the Group, into the scope of consolidation may considerably mislead the stakeholders' decision-making, the Group excludes these SPCs from the scope of consolidation for purposes of the Group's financial reporting based on the Article 5, Paragraph 1, Item 2 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of Ministry of Finance No. 28, 1976).

If the SPCs who are operators of the projects structured by the Group is included in the scope of consolidation for some reasons such as new rules different from conventional rules are enacted in the future, it could adversely affect the Group's financial position and business performance.

(Risk related to corporate organization)

1) Dependence on the founder

The founder of the Group is Naoto Shiraiwa, current President and CEO. He has served as CEO since inception of the Group and has played a significant role in promoting the Group's business by determining the management policy and business strategies, as well as formulating and implementing operational measures.

The Group appoints directors in charge of each operation, operating officer and division heads, and holds regular meetings so that the Group can proactively seek various ideas and share information. Additionally, The Nominees and Compensation Advisory Committee, an advisory body to the Board of Directors of the Company, discusses the formulation of succession plans. We have steadily been working on establishing a corporate structure not overly dependent on Mr. Shiraiwa by delegating authority as appropriate. Nevertheless, if something unexpected would occur to Mr. Shiraiwa for some reasons or things would occur that will cause him to leave the post, it could adversely affect the Group's financial position, business performance and business development.

2) Risks related to securing and developing human resources

The Group recognizes that securing talented professionals with good business skill and sense as well as fostering human resources are vital issues for the Group to expand the business going forward. Therefore, the Group is intending to increase highly skilled staff and strengthen the internal control system.

Nevertheless, if the Group fails to secure a sufficient number of qualified workers, fails to retain current employees resulting in the shortage of workforce, or fails to effectively and sufficiently accommodate the growth of the Group's business due to the shortage of workforce or lack of organizational capability, the Group's business development, financial position and business performance could be adversely affected.

It is difficult to gauge the possibility, degree, and timing of each risk and accurately estimate factors that would affect the financial standing and business performance of the Group. In the current consolidated fiscal year, the economic and financial environment in many countries deteriorated due to the spread of COVID infections around the world. In particular, due to the downturn of the business environment of the airline industry, the operating lease business of the Group saw the decline in needs for transactions by lessees, although the needs of investors remained strong despite the uncertain business environment, which affected the business performance and financial standing of the Group.

As for the future outlook, the global economy and the business environment of airlines are expected to get out of the worst period, thanks to the voluntary efforts of airlines, each country's measures for preventing the spread of COVID, in addition to vaccinations and the development of therapeutic drugs to prevent the spread of the new coronavirus infection. But it is assumed that it will still take 1 or 2 years to see the pandemic subsiding and the economy returning to the pre-pandemic state. If actual situations turn out to be different from the Group's assumption, the above risks may emerge, affecting the financial standing and business performance of the Group.

2. Corporate Group

(as of December 31,2022)

Name	Location	Capital (Thousands of yen)	Main line of business	Share of voting rights (%)	Relationships
Consolidated subsidiaries					
JP Lease Products & Services Co., Ltd. (note.2)	Chiyoda-ku, Tokyo	950,000	Operating lease business for aircrafts and shipping container boxes, Insurance agent	100.0	Concurrent directors: Yes Guarantees of debt Contract services financial support
JLPS Ireland Limited (note. 3)	Ireland	20,000 thousand euros	Aircraft leasing businesses	100.0 (100.0)	Concurrent directors: Yes
Finspire Inc.	Chiyoda-ku, Tokyo	50,000	Operating lease business	100.0	Concurrent directors: None
JIA Trust Co., Ltd.	Chiyoda-ku, Tokyo	300,000	Trust business	100.0	Concurrent directors: Yes
JIA Securities Co., Ltd.	Chuo-ku, Tokyo	503,720	Securities business	100.0	Concurrent directors: None
Nihon Securities Journal Inc.	Chuo-ku, Tokyo	4,500	Media-related business	100.0	Concurrent directors: Yes financial support
Other 19 Company					
Affiliates accounted for using the equity method					
Bleriot Aviation Leasing Designated Activity Company (note.3)	Ireland	154,181 thousand US dollar	Joint venture with Airbus Group Procurement of aircraft leasing for sale to investors	25.0 (25.0)	Concurrent directors: None
ADLER SOLAR WORKS Co., Ltd.	Yokohama, Kanagawa	30,010	PV Plant Operation and Maintenance Service, etc	49.9	Concurrent directors: None
JIA Aviation Finance G.K.	Chiyoda-ku, Tokyo	100,000	Finance Business for Aircraft	47.5	Concurrent directors: None
Other 3 Company					

Note1: There are no companies submitting securities registration statement or securities report.

2: JP Lease Products & Services Co., Ltd. is significant subsidiaries whose revenue exceeds 10% of consolidated revenue reported in the consolidated financial statements.

Key financial results (in Japanese yen)

Revenue	7,101 millions of yen
Ordinary profit	916 millions of yen
Profit for the year	665 millions of yen
Total equity	5,538 millions of yen
Total assets	134,874 millions of yen

3: JLPS Ireland Limited is significant subsidiaries whose revenue exceeds 10% of consolidated revenue reported in the consolidated financial statements.

Key financial results (in Japanese yen)

Revenue	3,862 millions of yen
Ordinary profit	2,183 millions of yen
Profit for the year	1,802 millions of yen
Total equity	5,425 millions of yen
Total assets	8,148 millions of yen

4: Voting rights (%) figures in parentheses show percentage indirectly owned by the Company.

3. Basic Approach for the Selection of Accounting Standards

The JIA Group will continue to prepare consolidated financial statements using the generally accepted accounting principles in Japan for the time being. We will take suitable actions with regard to the application of International Financial Reporting Standards by taking into account associated factors in Japan and other countries.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	End of Dec 31, 2021	End of Dec 31, 2022
[Assets]		
Current assets		
Cash and deposits	12,314	20,906
Accounts receivable-trade	7,420	4,593
Merchandise	9,817	9,963
Equity underwritten	18,871	46,587
Trust beneficiary right	-	28,680
Costs on uncompleted – trade	281	999
Advance payments-trade	13,191	10,583
Advances paid	8,568	6,204
Short-term loans receivable	1,379	3,649
Operational investment securities	1,967	2,136
Other	2,876	2,657
Total current assets	76,687	136,963
Non-current assets		
Property, plant and equipment		
Buildings, net	179	188
Land	135	227
Other, net	41	45
Total property, plant and equipment	355	460
Intangible assets		
Software	115	96
Goodwill	244	329
Patent right	0	-
Total intangible assets	360	425
Investments and other assets		
Investment securities	11,471	17,449
Long-term loans receivable	11,150	17,166
Deferred tax assets	1,316	3,000
Other	334	329
Allowance for doubtful accounts	(19)	(20)
Total Investments and other assets	24,253	37,926
Total non-current assets	24,969	38,812
Deferred assets		
Bond issuance cost	106	101
Total deferred assets	106	101
Total assets	101,764	175,876

(Millions of yen)

	End of Dec 31, 2021	End of Dec 31, 2022
[Liabilities]		
Current liabilities		
Accounts payable-trade	270	452
Accounts payable-operating	68	246
Short-term loans payable	38,931	86,797
Current portion of long-term loans payable	2,657	2,024
Current portion of long-term non-recourse loans	-	717
Current portion of bonds payable	1,715	5,321
Income taxes payable	1,377	2,428
Unearned revenue	1,164	-
Contract liabilities	-	5,510
Provision for shareholder benefit program	64	60
Provision for bonus	338	367
Other	1,721	2,962
Total current liabilities	48,310	106,890
Non-current liabilities		
Long-term borrowings	5,702	5,424
Long-term non-recourse loans	-	12,662
Bonds payable	5,754	3,217
Other	318	886
Total non-current liabilities	11,775	22,190
Total liabilities	60,085	129,080
[Net assets]		
Shareholders' equity		
Capital stock	11,679	11,679
Capital surplus	11,621	11,624
Retained earnings	19,011	22,457
Treasury shares	(1,470)	(1,470)
Total shareholders' equity	40,842	44,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320	4
Foreign currency translation adjustment	386	1,478
Total accumulated other comprehensive income	706	1,483
Subscription rights to shares	8	8
Non-controlling interests	121	1,011
Total net assets	41,679	46,795
Total liabilities and net assets	101,764	175,876

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

(Millions of yen)

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Net sales	14,105	18,045
Cost of sales	5,445	11,018
Gross profit	8,659	7,027
Selling, general and administrative expenses		
Directors' compensations	245	289
Salaries and allowances	1,557	1,683
Bonuses	698	863
Commission fee	201	269
Compensations	331	343
Taxes and dues	599	646
Rents	339	349
Other	914	1,284
Total selling, general and administrative expenses	4,886	5,728
Operating profit	3,773	1,298
Non-operating income		
Interest income	411	323
Commission income	173	12
Gain on sales of equity underwritten	187	161
Interest on securities	154	187
Foreign exchange gains	1,849	5,484
Share of profit of entities accounted for using equity method	-	300
Other	65	73
Total non-operating income	2,840	6,543
Non-operating expenses		
Interest expenses	513	828
Commission expenses	921	1,046
Amortization of bond issuance costs	37	63
Share of loss of entities accounted for using equity method	413	-
Other	22	5
Total non-operating expenses	1,909	1,944
Ordinary profit	4,704	5,897
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	38	519
Gain on reversal of share acquisition rights	6	-
Total extraordinary income	45	519
Extraordinary loss		
Loss on valuation of securities	-	149
Total extraordinary loss	-	149
Profit before income tax	4,749	6,268
Income taxes-current	1,605	3,429
Income taxes-deferred	151	(1,568)
Total income taxes	1,757	1,860
Profit	2,992	4,408
Profit attributable to non-controlling interests	71	(3)
Profit attributable to owners of parent	2,921	4,412

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Profit	2,992	4,408
Other comprehensive income		
Valuation difference on available-for-sale securities	203	(316)
Foreign currency translation adjustment	538	1,092
Total other comprehensive income	742	776
Comprehensive income	3,735	5,185
(Breakdown)		
Comprehensive income attributable to owners of parent	3,663	5,188
Comprehensive income attributable to non-controlling interests	71	(3)

(3) Consolidated Statement of Changes in Equity

FY2021 (Jan. 1 – Dec. 31, 2021)

(Millions of yen)

		Shareholders' equity				
		Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balar Balance at beginning of current period		11,670	11,605	17,134	(1,470)	38,938
Changes of item	Changes of items during period	-	-	-	-	-
	Issuance of new shares - exercise of subscription rights to shares	9	9	-	-	18
	Dividends of surplus	-	-	(963)	-	(963)
	Profit attributable to owners of parent	-	-	2,921	-	2,921
	Change of scope of consolidation	-	7	(80)	-	(72)
	Net changes of items other than shareholders' equity	-	-	-	-	-
	Total changes of items during period	9	16	1,877	-	1,903
Balar Balance at end of current period		11,679	11,621	19,011	(1,470)	40,842

		Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
		Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balar Balance at beginning of current period		116	(152)	(35)	15	166	39,085
Changes of item	Changes of items during period	-	-	-	-	-	-
	Issuance of new shares - exercise of subscription rights to shares	-	-	-	-	-	18
	Dividends of surplus	-	-	-	-	-	(963)
	Profit attributable to owners of parent	-	-	-	-	-	2,921
	Change of scope of consolidation	-	-	-	-	-	(72)
	Net changes of items other than shareholders' equity	203	538	742	(7)	(45)	689
	Total changes of items during period	203	538	742	(7)	(45)	2,593
Balar Balance at end of current period		320	386	706	8	121	41,679

FY2022 (Jan. 1 – Dec. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Bal Balance at beginning of current period	11,679	11,621	19,011	(1,470)	40,842
Changes of it Changes of items during period	-	-	-	-	-
Issuance of new shares - exercise of subscription rights to shares	-	-	(966)	-	(966)
Dividends of surplus	-	-	4,412	-	4,412
Profit attributable to owners of parent	-	-	-	(0)	(0)
Change of scope of consolidation	-	3	-	-	3
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	3	3,445	(0)	3,449
Bal Balance at en Balance at end of current period	11,679	11,624	22,457	(1,470)	44,291

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive			
Bal Balance at beginning of current period	320	386	706	8	121	41,679
Changes of it Changes of items during period	-	-	-	-	-	-
Issuance of new shares - exercise of subscription rights to shares	-	-	-	-	-	(966)
Dividends of surplus	-	-	-	-	-	4,412
Profit attributable to owners of parent	-	-	-	-	-	(0)
Change of scope of consolidation	-	-	-	-	-	3
Net changes of items other than shareholders' equity	(316)	1,092	776	-	890	1,667
Total changes of items during period	(316)	1,092	776	-	890	5,116
Bal Balance at en Balance at end of current period	4	1,478	1,483	8	1,011	46,795

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	4,749	6,268
Depreciation	520	446
Amortization of goodwill	21	83
Foreign exchange losses (gains)	678	(3,350)
Gain on sales of equity underwritten	(187)	(161)
Loss (gain) on valuation of investment securities	-	(332)
Share of (profit) loss of entities accounted for using equity method	413	(300)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(38)	(519)
Interest and dividend income	(739)	(522)
Interest expenses	513	828
Decrease (increase) in notes and accounts receivable-trade	(3,414)	2,724
Decrease (increase) in inventories	(2,391)	(34,960)
Decrease (increase) in advance payments	2,780	2,607
Increase (decrease) in notes and accounts payable-trade	103	347
Decrease (increase) in equity underwritten	9,619	(27,966)
Decrease (increase) in advances paid	10,963	2,376
Decrease (increase) in accounts receivable-other	(249)	501
Decrease (increase) in deposits paid	(523)	473
Increase (decrease) in unearned revenue	(1,607)	-
Increase (decrease) in contract liabilities	-	4,294
Decrease (increase) in consumption taxes receivable/payable	1,826	(1,440)
Others	(585)	2,306
Subtotal	22,454	(46,298)
Interest and dividend income received	1,027	483
Interest expenses paid	(509)	(781)
Income taxes receivable	1,559	17
Income taxes paid	(383)	(2,366)
Net cash provided by (used in) operating activities	24,147	(48,944)
Cash flows from investing activities		
Purchase of property, plant and equipment	(56)	(128)
Purchase of intangible assets	(25)	(6)
Purchase of investment securities	(7,073)	(14,490)
proceeds from sales and redemption of investment securities	-	9,446
Payments of loans receivable	(12,195)	(14,688)
Collection of loans receivable	1,914	9,357
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(230)	-
Payments for acquisition of shares in subsidiaries resulting in change in scope of consolidation	(773)	-
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	-	692
Others	233	547
Net cash provided by (used in) investing activities	(18,207)	(9,270)

(Millions of yen)

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Cash flows from financing activities		
Increase in short-term loans payable	41,323	140,320
Decrease in short-term loans payable	(60,089)	(91,880)
Proceeds from long-term loans payable	2,276	21,658
Repayments of long-term loans payable	(2,157)	(4,441)
Proceeds from issuance of bonds	5,400	3,110
Redemption of bonds	(1,236)	(2,041)
Proceeds from exercise of share options	18	-
Cash dividends paid	(962)	(966)
Other, net	69	830
Net cash provided by (used in) financing activities	(15,358)	66,589
Effect of exchange rate change on cash and cash equivalents	284	216
Net increase (decrease) in cash and cash equivalents	(9,132)	8,591
Cash and cash equivalents at beginning of period	21,377	12,244
Cash and cash equivalents at end of period	12,244	20,836

(5) Notes to Consolidated Financial Statements**((Going Concern Assumption))**

Not applicable.

(Change in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition") and others from the beginning of the first quarter of the current fiscal year, and has decided to recognize revenue at the amount expected to be received in exchange for the promised goods or services at the time control of the promised goods or services is transferred to the customer.

As a result, with respect to accounting for sales of aircraft and other equipment in the Part Out & Conversion business, the Company previously recognized in net sales an amount equivalent to the Group's profit (equivalent to the service fee), which is the transfer price of the goods, less the book value of the aircraft and other equipment, but effective from the first quarter of the current fiscal year, however, the Company changed the method of recording the transfer price of the aircraft, etc. in net sales as the Group's role in providing goods or services to customers corresponds to that of the principal. This change does not impact profits or losses.

In accordance with the transitional treatment stipulated in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the first quarter of the current fiscal year is included in the cumulative effect of retrospectively applying the new accounting policies prior to the beginning of the first quarter of the current fiscal year was added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting methods were implemented at the beginning of first period.

As a result, there is no effect on net sales and cost of sales for the nine months ended September 30, 2022 compared to the previous method. There is no impact on profit and loss, and retained earnings at the beginning of the period. Due to the application of the revenue recognition accounting standard, "Unearned revenue," which was presented in "Current liabilities" in the consolidated balance sheet in the previous consolidated fiscal year, is included in "Contract liabilities" in "Current liabilities" from the first quarter of the current consolidated fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to reflect the new presentation for the previous consolidated fiscal year.

In addition, in accordance with the transitional handling stipulated in Paragraph 28-15 of the "Accounting Standards for Quarterly Financial Statements (ASBJ Statement No. 12; March 31, 2020)," the breakdown of revenues from contracts with customers in the cumulative third quarter of the previous consolidated term is not described.

(Application of Accounting Standard for Measurement of Fair Value)

In accordance with the "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Calculation of Fair Value"), the Company has adopted the following accounting standard. (Application of the "Accounting Standard for Measurement of Fair Value") and others are applied from the beginning of the first quarter of the current consolidated fiscal year, as stipulated in Paragraph 19 of the Accounting Standard for Calculation of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). In accordance with the transitional treatment, the new accounting policies prescribed by the fair value accounting standard will be applied prospectively. There is no impact on the quarterly consolidated financial statements as a result of this amendment.

(Change display method)

(Notes Regarding Consolidated Balance Sheets)

"Accounts receivable-other" and "Consumption taxes receivable," which were separately indicated in the section of "Current assets" until the previous consolidated fiscal year, became insignificant in terms of value, so they have been included in "Other" of "Current assets" from the consolidated fiscal year under review. To reflect this change in indication, the consolidated balance sheet for the previous consolidated fiscal year has been revised.

As a result, 773 million yen, 528 million yen, and 1,574 million yen indicated in the consolidated balance sheet for the previous consolidated fiscal year as "Accounts receivable-other," "Consumption taxes receivable," and "Other" of "Current assets," respectively, have been replaced by 2,876 million yen as "Other."

"Accounts payable-other" and "Accrued consumption taxes," which were separately indicated in the section of "Current liabilities" until the previous consolidated fiscal year, became insignificant in terms of value, so they have been

included in “Other” of “Current liabilities” from the consolidated fiscal year under review. To reflect this change in indication, the consolidated balance sheet for the previous consolidated fiscal year has been revised.

As a result, 129 million yen, 854 million yen, and 737 million yen indicated in the consolidated balance sheet for the previous consolidated fiscal year as “Accounts payable-other,” “Accrued consumption taxes,” and “Other” of “Current liabilities,” respectively, have been replaced by 1,721 million yen as “Other.”

(Segment Information, etc.)

[Segment Information]

FY2021 (Jan. 1 – Dec. 31, 2021)

The JIA Group is engaged in the financial solutions business, which includes primarily the operating lease business, and the media-related business. Only information about the financial solutions business is presented because of the negligible importance of the other business.

FY2022 (Jan. 1 – Dec. 31, 2022)

The JIA Group is engaged in the financial solutions business, which includes primarily the operating lease business, and the media-related business. Only information about the financial solutions business is presented because of the negligible importance of the other business.

[Related information]

FY2021 (Jan. 1 – Dec. 31, 2021)

1. Information by product or service

(Millions of yen)

Business segments	Financial solutions business				Media-related business	Total
	Operating lease	Renewable energy	Aircraft part-out & conversion	Other businesses		
Business units					-	-
External sales	11,199	1,521	728	424	231	14,105

2. Information by region

(1) Net sales (Millions of yen)

Japan	Ireland	Europe	Total
11,195	2,136	773	14,105

Note: Classification of net sales is based on the location of the client and categorized by country or region.

(2) Property, plant and equipment (Millions of yen)

Japan	Europe	Total
299	56	355

3. Information by major customer

This information is omitted because there are no sales to specific clients that account for 10% or more of net sales in the consolidated statements of income.

FY2022 (Jan. 1 – Dec. 31, 2022)

1. Information by product or service

(Millions of yen)

Business segments	Financial solutions business				Media-related business	Total
	Operating lease	Renewable energy	Aircraft part-out & conversion	Other businesses		
Business units					-	-
External sales	8,976	7,214	1,042	558	253	18,045

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Europe	Other regions	Total
16,868	464	712	18,045

Note: Classification of net sales is based on the location of the client and categorized by country or region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Europe	Total
403	57	460

3. Information by major customer

This information is omitted because there are no sales to specific clients that account for 10% or more of net sales in the consolidated statements of income.

[Information related to impairment losses on non-current assets for each reportable segment]

Not applicable.

[Information related to goodwill amortization and the unamortized balance for each reportable segment]

Omitted due to immateriality.

[Information related to gain on bargain purchase for each reportable segment]

Not applicable.

(Per-share Information)

(Yen)

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Net assets per share	1,376.22	1,516.19
Net income per share	97.03	146.14
Diluted net income per share	96.77	—

Notes: 1. Diluted earnings per share is not shown because there are no residual securities with dilutive effects.

2. Basis for the calculation of net income per share and diluted net income per share are as follows:

	FY2021 (Jan. 1 – Dec. 31, 2021)	FY2022 (Jan. 1 – Dec. 31, 2022)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	2,921	4,412
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent applicable to common stock (Millions of yen)	2,921	4,412
Average number of shares during the period (Shares)	30,101,276	30,190,794
Diluted net income per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common stock (Shares)	81,283	—
[of which subscription rights to shares (Shares)]	(81,283)	(—)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share since there was no dilutive effect	Second Series Stock Acquisition Rights (Number of stock subscription rights 2,994(598,800 shares of common stock))	Second Series Stock Acquisition Rights (Number of stock subscription rights 2,994(598,800 shares of common stock))

(Subsequent Events)

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.