

JIA

Financial Results for the Third Quarter of FY2023

October 31, 2023

Japan Investment Adviser Co., Ltd.

Stock Code: 7172



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

1. Company Overview	P03 ~ P08
2. First Half of FY2023 Business Overview	P09 ~ P19
3. Forecasts for FY2023	P20 ~ P21
4. Growth Strategy	P22 ~ P30
5. Shareholder Returns	P31 ~ P33
6. Topics	P34 ~ P36

(Reference) Three-year Business Plan 2024-2026

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



(Reference) Performance data for past years

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



1. Company Overview

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

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



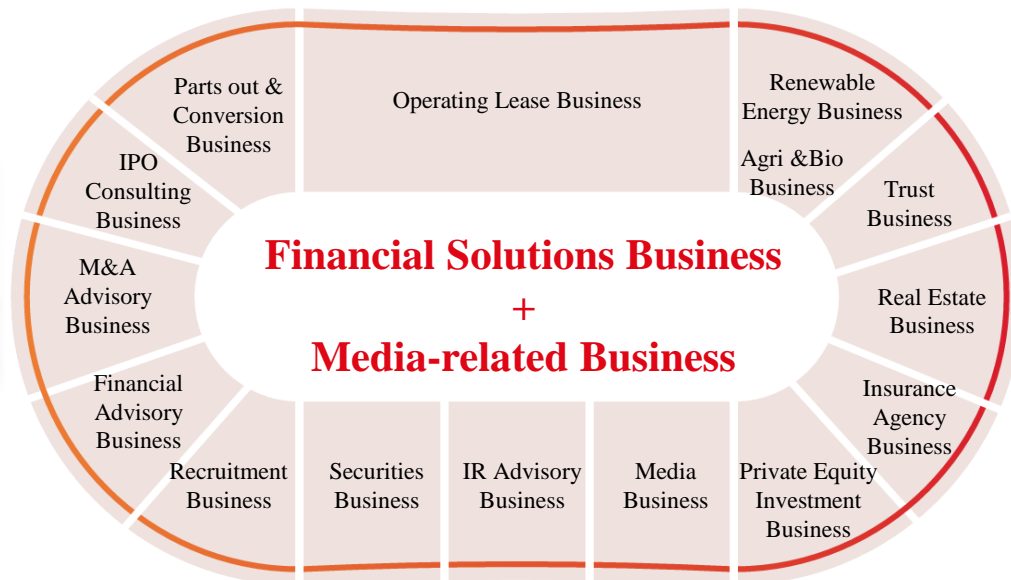
Company Name	Japan Investment Adviser Co., Ltd.
Head Office	Kasumigaseki Common Gate West Tower 3-2-1 Kasumigaseki Chiyoda-ku Tokyo
Representative	President, CEO Naoto Shiraiwa
Established	September 2006 (Fiscal Year-end: December 31)
Business	Financial solutions business, Media-related business
Paid-in Capital	¥11,716 million
Stock Exchange Listing	The Prime Market of the Tokyo Stock Exchange (Stock Code: 7172)
Employees	Non-consolidated: 162 ; Consolidated: 249
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 65 companies
Major Shareholders	Top shareholders (66.4% shares, excluding treasury stock) as of June 30, 2023 KODO Holdings Co., Ltd. (24.5%) Naoto Shiraiwa (22.8%) Custody Bank of Japan, Ltd. (Trust account) (10.5%) Master Trust Bank of Japan.(Trust account) (5.7%) Teiji Ishikawa (1.5%) Yoshitaka Murata (1.5%)
Independent Auditor	Grant Thornton Taiyo LLC

As of September. 30, 2023

Our Group Business

Our group core business is Operating Leases Business, which is the structuring and sale of unique financial products (Japanese Operating Leases, JOL/JOLCO) to investors, namely small and medium-sized enterprises (SMEs), through a nationwide network of banks, securities firms and other financial institutions, as well as public tax accounting firms and certified public accountants.

In addition to the Operating Lease Business, the Company provides comprehensive solution services to SMEs, including solutions to issues such as lack of human resources and successors, as well as financing and strategic planning support for sustainable growth.



Our Major Group Companies

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

Company Name	Voting Rights Ratio	Business
JP Lease Products & Services Co., Ltd.	100%	<ul style="list-style-type: none"> • Operating Lease Business • Part out & Conversion Business • Renewable Energy Business • Insurance Agency Business
JLPS Ireland Limited	100%	<ul style="list-style-type: none"> • Operating Lease Business
Finspire Inc.	100%	<ul style="list-style-type: none"> • Operating Lease Business
JIA Trust Co., Ltd.	100%	<ul style="list-style-type: none"> • Trust Business
JIA Securities Co., Ltd.	100%	<ul style="list-style-type: none"> • Securities Business
JIA Kawano Consulting Co., Ltd.	60%	<ul style="list-style-type: none"> • Business succession consulting business
Nihon Securities Journal Inc.	100%	<ul style="list-style-type: none"> • Media Business • IR Advisory Business

| Equity method affiliates |

Bleriot Aviation Leasing Designated Activity Company	25%	<ul style="list-style-type: none"> • Joint venture with Airbus Group, etc. • Procurement of aircraft leasing for sale to investors
JIA Aviation Finance G.K.	47.5%	<ul style="list-style-type: none"> • Finance Business for Aircraft

As of September. 30, 2023

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.

List
MOTHERS

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.

100 billion yen

List 1st Section
(currently Prime)
of TSE

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.

JAF 2022
JIA Aviation Finance G.K., a joint venture company that conducts aviation finance business, started business in July.

JIA-Sec 2023
Started structuring and selling fractional real estate investment.

Third Quarter of FY2023

2. Business Overview

Highlights for the Nine Months of FY2023

● **Operating income grew considerably, as the Operating Lease Business, which is the mainstay, remained healthy.**

- Healthy equity sales and trading revenue from aircraft with lease to single investor in the Operating Lease Business continues.
- Ordinary profit and net profit decreased year on year, as an exchange gains of 5,489 million yen was posted in the same period of the previous year as a special factor.

(Millions of yen)	Nine Months FY2022	Nine Months FY2023			FY2023 Forecast announced on July 20	
	Result	Result	Change	Change(%)	Fiscal Year	Progress rate
Net Sales	15,500	14,833	(666)	(4.3%)	19,300	76.9%
Operating profit	1,775	3,566	1,790	100.8%	5,000	71.3%
Ordinary profit	7,660	3,143	(4,517)	(59.0%)	3,400	92.5%
Profit attributable to owners of parent	5,784	2,231	(3,553)	(61.4%)	2,400	93.0%
Total amount of equity sales [※]	38,999	49,550	10,551	27.1%	80,000	61.9%

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

Summary for the Nine Months of FY2023

① In the Operating Lease Business, equity sales grew, and the balance of equity underwritten was at the pre-pandemic level.

■ Change in amount of Equity Sales and balance of Equity underwritten at the end of the term

- ◆ In the third quarter, equity sales increased 5,524 million yen year on year, indicating continued favorable performance. Equity sales grew for the fourth consecutive quarter.
- ◆ Deals have been structured steadily, and the amount of deals structured in the third quarter was up 19,059 million yen year on year. It grew for the sixth consecutive quarter.

(Millions of yen)	2022.Q4	2023.Q1	2023.Q2	2023.Q3
Equity Sales	11,189	19,047	14,520	15,982
(YoY Change)	1,628	4,555	471	5,524
Deals Structured	60,565	28,191	95,053	42,634
(YoY Change)	15,071	8,015	7,279	19,059

② The revenues of trading of aircraft with lease contributed.

- ◆ The trading revenue from aircraft with lease to single investor contributed in addition to equity sales, the mainstay of Operating Lease Business. The company continues efforts to increase revenues from trading.

	FY2020	FY2021	FY2022	FY2023 Nine Months
No. of cases of trading of aircraft with lease	1	4	0	4

③ Recording foreign exchange gains of 422 million yen in the third quarter.

- ◆ Gain on foreign exchange consists mainly of settlement of receivables in foreign currency (advance payments related to products to be sold) and revaluation based on the exchange rate at the end of the term.
- ◆ Exchange rates fluctuate and the exposure to it varies. The yen was weak in the second quarter, but an exchange losses was posted. In the third quarter, the weakening of the yen subsided, but an exchange gains was posted. Although there is a difference in gains and losses on a quarterly basis, the impact of the difference in gains and losses is smaller over the period.

■ Changes in the exchange rate and non-operating foreign exchange gains/losses

[FX rate]	FY2022 Oct.-Dec.	FY2023 Jan.-Mar.	FY2023 Apr.-Jun.	FY2023 Jul.-Sep.
Beginning rate(A) 1USD=	144.81JPY	132.70JPY	133.53JPY	144.99JPY
End-of-quarter rate(B) 1USD=	132.70JPY	133.53JPY	144.99JPY	149.58JPY
Change(B)-(A)	(12.11)JPY	0.83JPY	11.46JPY	4.59JPY
Foreign exchange gains (Millions of yen) (C)	(4)	(136)	(40)	422
(C)÷(B-A) (Millions of yen)	0.34	(164)	(3.5)	92

Q3 FY2023 Consolidated Income Statement Summary

(Millions of yen)	Nine Months FY2022	Nine Months FY2023		
	Result	Result	YoY Change	YoY change(%)
Net Sales	15,500	14,833	(666)	(4.3%)
Costs of sales	9,686	6,247	(3,438)	(35.5%)
Gross profit *1	5,814	8,585	2,771	47.7%
SG&A expenses*2	4,038	5,019	981	24.3%
Operating profit	1,775	3,566	1,790	100.8%
Non-operating income *3	7,321	2,184	(5,136)	(70.2%)
Non- operating expenses	1,436	2,607	1,171	81.5%
Ordinary Profit	7,660	3,143	(4,517)	(59.0%)
Profit attributable to owners of parent	5,784	2,231	(3,553)	(61.4%)

Point

Note.1 Gross profit

Gross profit margin was 57.9% (2022 Nine Months – 37.5%)

[Reason of the rise]

➢ This is due to the recoil from the special factor in the same period of the previous year. Unlike before, for large-scale projects posted in the Renewable Energy Business, total sales were posted instead of net sales, which pushed down the profit margin.

Note.2 SG&A expenses

Increase of 981 million yen

- Increase of 685 million yen in labor cost.

Note.3 Non-operating income/expenses

Foreign exchange gains : 245 million yen

(Decrease of 5,243 million yen.)

Gain of affiliates : 732 million yen

(Decrease of 551 million yen.)

Interest income : 719 million yen

(Increase of 473 million yen.)

Interest expenses : 1,558 million yen

(Increase of 1,061 million yen..)

Business Segment (Nine Months of FY2023)

The Composition Ratio of the Operating Lease Business which is the mainstay was increase.

•Sales grew, except the Renewable Energy Business, which saw a decline in sales due to the recoil from the special factor in the same period of the previous year. (Because investment products under a new scheme sold in the previous year and total sales were posted instead of net sales, unlike before.)

Business units (Millions of yen)	Nine Months FY2022	Nine Months FY2023			
	Result	Result	YoY change	YoY change(%)	
Operating Lease Business	6,785	11,263	4,478	66.0%	
Renewable Energy Business	7,132	382	(6,750)	(94.6%)	
Aircraft Part-Out & Conversion Business	938	2,386	1,447	154.2%	
Other Financial Solution Business	Securities Business / Trust Business				
	M&A Advisory Business / Financial Advisory Business				
	Private Equity Investment Business	460	603	142	30.9%
	IPO Consulting Business / Insurance Agency Business				
	Recruitment Business				
Media- related Business	183	198	14	8.1%	
Total	15,500	14,833	(666)	(4.3%)	

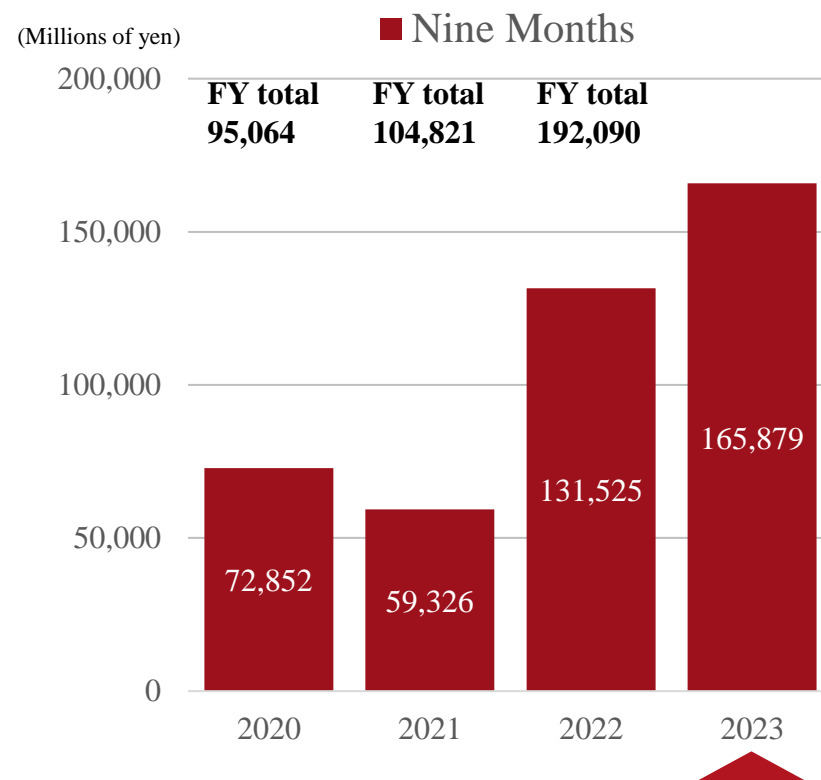
Deals Structured

(Operating Lease Business, Renewable Energy Business)

Deals Structured by Type of Asset

(Millions of yen)	Nine Months FY2022	Nine Months FY2023
Aircraft	124,898 (19 deals)	120,552 (22 deals)
Vessel	0 (0 deal)	11,050 (2 deals)
Container box	6,626 (1 deal)	34,275 (5 deals)
Solar photovoltaic generation	0 (0 deal)	0 (0 deal)
Total	131,525 (20 deals)	165,879 (29 deals)

Change in Amount of Deals Structured



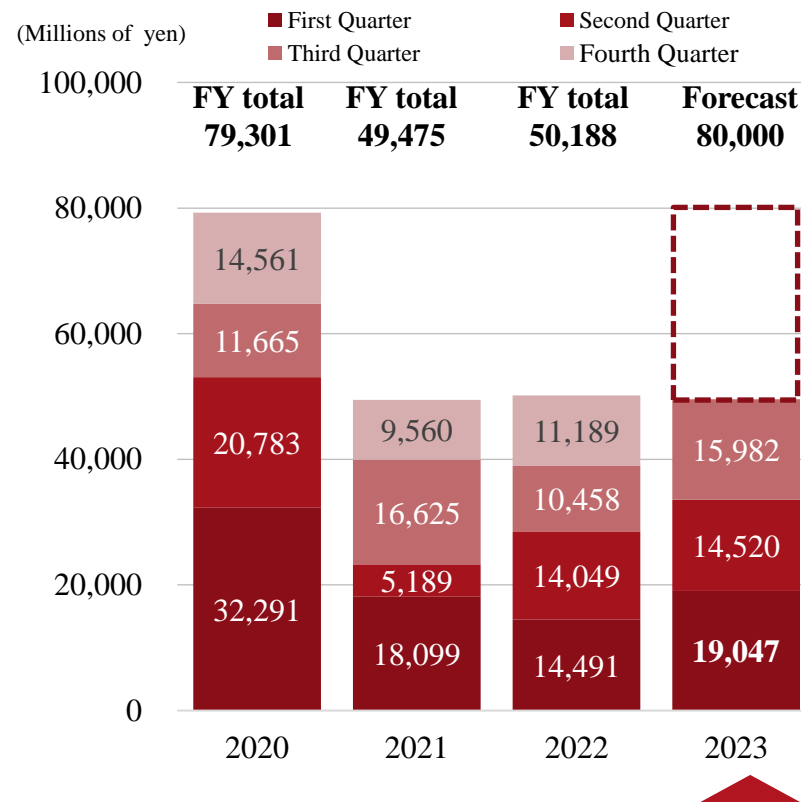
Equity Sales

(Operating Lease Business, Renewable Energy Business)

Equity Sales by Type of Asset

(Millions of yen)	Nine Months FY2022	Nine Months FY2023
Aircraft	34,276	40,462
Vessel	0	1,653
Container box	3,482	7,434
Solar photovoltaic generation	1,240	0
Total	38,999	49,550

Change in Amount of Equity Sales



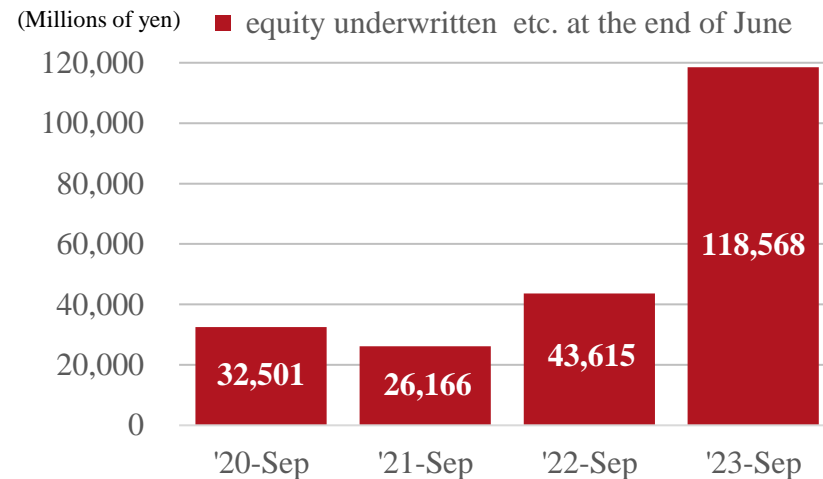
Equity underwritten etc.

(Operating Lease Business, Renewable Energy Business)

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

(Millions of yen)	End of September 2022	End of September 2023
Aircraft	29,578 (12 deals)	64,170 (22 deals)
Vessel	0 (0 deal)	2,443 (1 deal)
Container box	3,070 (1 deal)	16,999 (4 deals)
Subtotal	32,649 (13 deals)	83,612 (27 deals)
Solar photovoltaic generation	0	0
Investment in Bleriot*	10,966	34,956
Total	43,615	118,568

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



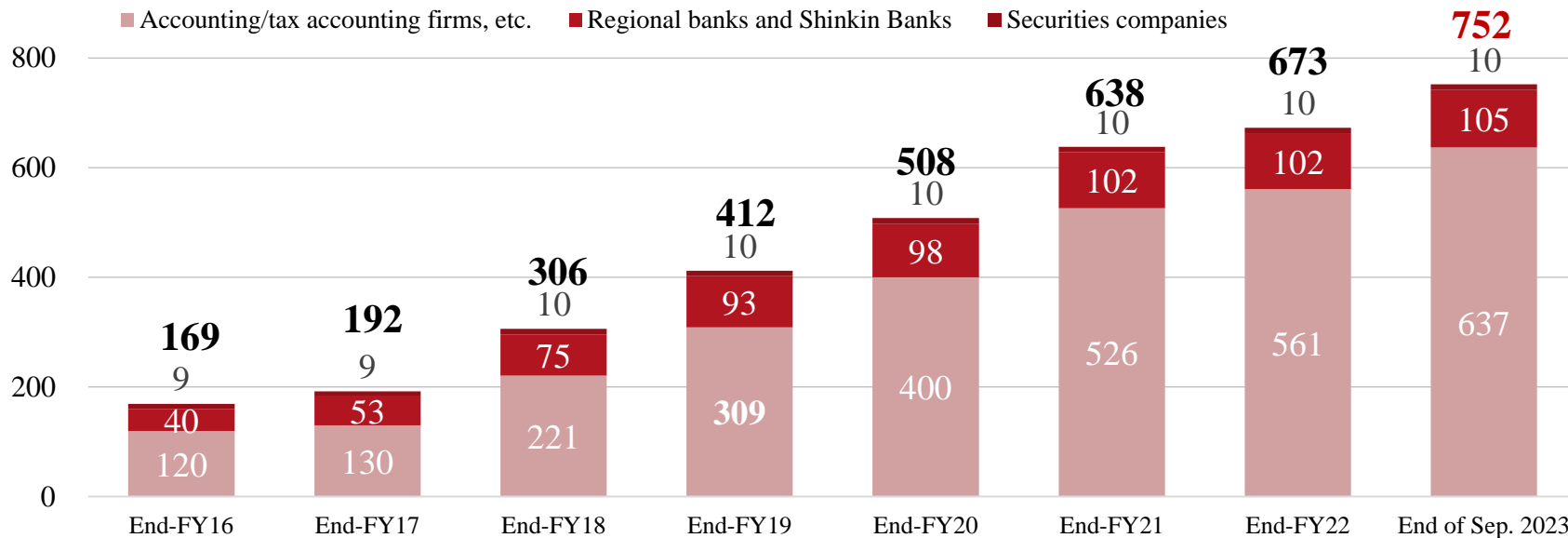
* Inclusion of Bleriot's investment balance in Equity underwritten)

Balance of equity underwritten in Bleriot, an equity-method affiliate.

(The Group accounts for its 60% investment in Bleriot in the "Investment securities".)

- Bleriot, a JV with Airbus Group, etc., procures and pools high-quality aircraft leasing projects through "equity according to the investment ratio of each investor" and "loan from BNP PARIBAS, 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".

Number of business matching contracts



- As we started structuring and selling real estate fractional ownership products, the needs from tax accountant offices grew. Accordingly, the number of clients of business matching, which introduces investors, increased by 3 in the first quarter of 2023, by 39 in the second quarter, and by 37 in the third quarter, indicating continued favorable performance.
- 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 expanding customer base to those considering business succession and wealthy.

Q3 FY2023 Consolidated Balance Sheet Summary (1)

(Millions of yen)	Sep 30, 2022	Dec 31, 2022	Sep 30, 2023		
			Result	QoQ change	YoY change
Cash and deposits	18,513	20,906	26,395	7,882	5,488
Accounts receivable – trade	5,910	4,593	5,966	55	1,372
Merchandise *1	30,970	38,643	22,867	(8,102)	(15,776)
Equity underwritten *2	32,649	46,587	83,612	50,963	37,025
Costs on uncompleted – trade	436	999	2,050	1,613	1,050
Advance payments-trade *3	12,086	10,583	8,376	(3,710)	(2,207)
Advances paid*4	6,536	6,204	5,357	(1,178)	(846)
Other	8,547	8,444	14,203	5,656	5,759
Current assets	115,650	136,963	168,830	53,179	31,867
Tangible fixed assets	473	460	473	0	12
Intangible fixed assets	452	425	336	(116)	(88)
Investment and other assets *5	28,483	37,926	50,721	22,237	12,795
Non-current assets	29,409	38,812	51,531	22,121	12,718
Deferred assets	118	101	131	13	30
Total assets	145,178	175,876	220,493	75,314	44,616

*1 Merchandise

Mainly,

- The aircraft trust beneficiary rights to be sold
- 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.

- ※ The company may sell aircraft.
- ※ Declined, because some deals were structured as equities underwritten in the third quarter.

*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): 20,973 million yen (equivalent to 60% of the equity)

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

Q3 FY2023 Consolidated Balance Sheet Summary (2)

Point

(Millions of yen)	June 30, 2022	Dec 31, 2022	June 30, 2023		
			Result	QoQ change	YoY change
Accounts payable - trade	533	452	211	(322)	(241)
Short-term loans payable *1	73,612	94,861	133,845	60,232	38,984
Contract liabilities *2	3,196	5,510	12,742	9,546	7,232
Other	4,189	6,066	5,256	1,066	(810)
Current liabilities	81,532	106,890	152,055	70,523	45,165
Non-current liabilities*1	15,532	22,190	18,810	3,277	(3,380)
Total liabilities	97,064	129,080	170,865	73,801	41,785
Capital stock	11,679	11,679	11,716	36	36
Capital surplus	11,621	11,624	11,658	36	33
Retained earnings	23,829	22,457	23,835	6	1,378
Treasury shares	(1,470)	-1,470	-1,470	0	0
Shareholders' equity *3	45,660	44,291	45,739	78	1,447
Other	2,453	2,504	3,887	1,434	1,383
Total net assets	48,113	46,795	49,627	1,513	2,831

*1. Interest-bearing debt

•**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 donation-type private placement bonds

*2. Contract liabilities

•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	FY2022	26.0%
End of	Q3 FY2023	22.0%

3. Forecasts for FY2023

Earnings Forecasts for FY2023

Earnings announced on July 20 remains unchanged.

- Continuing from the Nine Months, the strong Operating Lease Business will be the driving force.
- In the fourth quarter, significant improvement is expected due to the rebound from the valuation loss and temporary expenses in the same period of the previous year.
- The foreign exchange rate is assumed to remain at 1 US dollar = 149.58 yen at the end of the third quarter through the end of the fiscal year.

(Millions of yen)	FY2023					
	from Jan 1 to Sep 30		From Oct 1 to Dec 31		Fiscal year	
	Forecast	YoY Change	Forecast	YoY Change	Forecast	Change
Net Sales	14,833	(666)	4,467	1,922	19,300	1,254
Operating profit	3,566	1,790	1,434	1,911	5,000	3,701
Ordinary profit	3,143	(4,517)	257	2,019	3,400	(2,497)
Profit attributable to owners of parent	2,231	(3,553)	169	1,541	2,400	(2,012)
Total amount of equity sales [※]	49,550	10,551	30,450	19,260	80,000	29,811

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

4. Growth Strategy

Main strategic points for 2023 and beyond.

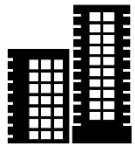
1 To diversify the Operating Lease Business

2 To build a foundation for the Real Estate Business

3 To expand business portfolio

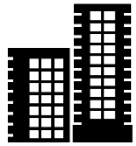
To diversify the Operating Lease Business(1)

Value chains evolve by building partnerships



To improve procurement capacity of aircrafts with lease contract

Bleriot (JV with the Airbus Group and others)



To improve senior debt financing capacity at origination

JIA Aviation Finance
(JV with a world-class fund and others)



To improve product diversity

Plans to sell operating lease investment products for “cargo aircraft” in the fourth quarter

Conversion Business
(Partnership with EFW, JV of ST Aerospace and Airbus Group)

To improve ability to originate and sell
JOL/JOLCO



Our strength in procurement capacity of "used equipment" will be combined with our ability to procure "new equipment"



JOL/JOLCO of aircraft converted from a passenger aircraft to a cargo aircraft

To diversify the Operating Lease Business(2)

- **Trading aircraft with lease contract alongside the conventional silent partnership equity sales**
 - The improvement in the ability to procure aircraft enables the use of sales strategies other than the silent partnership equity sales method.
 - JIA Group, which has strengths in Japanese operating lease (JOL) without purchase options, will demonstrate its capabilities through its extensive experience of selling aircraft after the end of the lease.



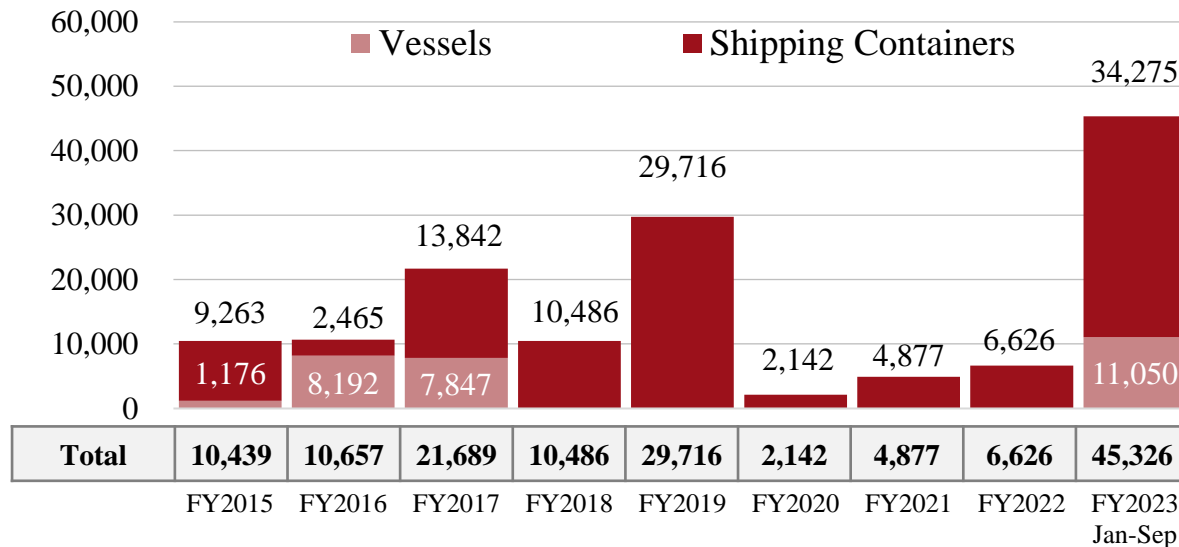
To diversify the Operating Lease Business(3)

Focusing again on JOL/JOLCO for shipping containers and vessels and started structuring deals

- We have been cautiously working on JOL/JOLCO for shipping containers and vessels due to the soaring prices of shipping containers and other shipping-related markets caused by the COVID-19 pandemic, the Ukraine conflict, and other factors.
- At the timing when the market returns to pre-COVID-19 levels, Focusing again on JOL/JOLCO for shipping containers and vessels and started structuring deals.

Change in amount of deals structured for vessels and shipping containers

(Millions of yen)



Vessel deals
Structured 11,050 million yen
(Nine Months FY2023)

Container deals
Structured 34,275 million yen
(Nine Months FY2023)

To build a foundation for the Real Estate Business

Started handling fractional real estate investment and approached individual customers

- Customers of the aircraft operating lease business are small and medium-sized enterprises nationwide.
- We will expand customer channels to approach individuals, such as the owners of existing client companies and wealthy people.
- As part of product diversification, concluded a capital and business alliance agreement with Onko Chishin Co., Ltd. (Refer to Topics 1)

Outline of the acquired real estate



Property Name	Shibuya Jinnan
Location	1-17-7, Jinnan, Shibuya-ku, Tokyo
Access	8 minutes walk from Shibuya Station on JR East Yamanote Line, and Tokyu Toyoko Line
Land Area	297.53 square meters (Registered area)
Total Floor Area	1,139.76 square meters (Registered area)
Structure	Steel Reinforced Concrete, Flat roof, B1/4F
Use	Offices and stores
Year of completion	November 2000

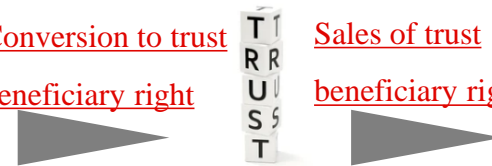
Developing with group's comprehensive capabilities



Conversion to trust
beneficiary right

Sales of trust

beneficiary right



Expansion of new customer channels

Individual investor
Responding to fund management needs, inheritance needs, etc.



To expand business portfolio(1)



Establishment of new Renewable Energy Business

Maintenance and operation of solar power plants, and consultation

- ※ Start of external sales business of weeding inside solar power plants by sheep based on SDGs
- ※ Started demonstration test of security system construction using AI surveillance cameras in cooperation with TRIPLEIZE CO., LTD.



Acquisition and financial commercialization of existing power plants

Photovoltaic rooftop installation PPA Business

- ※ 1 deal signed in March 2023.



Demonstration project for new power sources such as wood biomass is underway

- ※ Our company's "project for demonstrating the Forest of Energy utilizing Eucalyptus trees in Chugoku and Shikoku regions" was adopted as a "project for demonstrating the 'Forest of Energy' for finding new fuel candidates, such as fast-growing trees, and making them available" organized by New Energy and Industrial Technology Development Organization (NEDO), and this demonstration project is ongoing.



To improve management skills

Undertaking of operations for existing properties utilizing management skills, such as maintenance of solar power plants

Financial commercialization

- Commercialization of retail financial instruments for solar power plants
- Creation of a large-scale portfolio fund for multiple power plants

To improve management skills

Comprehensive sales as one of the solution services for corporate management issues

PPA introduction fee

- Implementation of optimal planning.
- Supporting corporate PPA introduction by selecting optimal materials

Research of fast-growing trees

Establishment of forest operation and management methods for raising seedlings, afforestation, and nurturing of fast-growing trees with excellent biomass production

Monetization of biomass power generation business

- Income from biomass energy sales
- Sales of domestic biomass fuel
- Arrangement fee from biomass power generation projects

To expand business portfolio(2)

Supporting management issues faced by companies with a extensive service lineup

- Without being bound by preconceived notions, discuss the optimal approach from among various solutions and support implementation.
 - Finance support through IPO and buyout investments, System design support, Governance system transformation support

Private Equity Business

- ✓ Fund management for later deals with a high probability of IPO realization
- ✓ In-house investment to increase the value of venture projects



Consulting regarding business succession

- Financial Advisory
- Insurance Agency
- Recruitment



IPO Consulting

TOKYO PRO Market
J-Adviser



IR Advisory

M&A Advisory



Offering optimal solutions based on a neutral position with no bias

Finance support through IPO and buyout investments

- Creating financing opportunities and support high growth for clients
- Creating high investment returns for investors

Comprehensive support of business succession

- Capital policy, reorganization
- Succession planning (executive recruitment)
- Selection of insurance products

Governance system transformation support

- As a J-Adviser, realization of IPO of client companies
- Creating growth opportunities through M&A

What we will conduct in accordance till 2026

- ✓ To utilize our resources for fund management, which have been accumulated in the aircraft business, for developing funds for various products
- ✓ Through the investors of the Japanese operating lease financial products (JOL and JOLCO), we will attract diverse investors who want to conduct asset management (individuals, business corporations, and financial institutions).

Establishment of a business base centered around aircraft

[Measures] To secure a share in the JOL/JOLCO market
[Effect] To increase clients with the uniqueness of our products

Establishment of a base for domestic investment products, including real estate and PE funds

[Measures] To release new financial instruments, including real estate and PE funds
[Effect] To increase clients, including enterprises that are considering business succession and wealthy individuals

Establishment of a base for solving energy issues, such as investment funds for renewable energy business

[Measures] To start handling new financial instruments by expanding funds for asset liquidation
[Effect] To increase clients, including business corporations and financial institutions

Covid-19

→FY2022

FY2023 – FY2025

FY2026→

5. Shareholder Returns

Dividend forecast is the same as FY2022 (focusing on stable dividend)

Our basic policy 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.

	Dividends(JPY)			Amount of dividends	Payout Ratio	DOE
	Interim	Year-end	Annual	(Millions of yen)	(%)	(%)
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	963	33.0	2.4
FY2022	16.0	16.0	32.0	966	21.9	2.2
FY2023	16.0	(forecast)16.0	(forecast)32.0	(forecast)966	(forecast)40.3	(forecast)2.0

Note: The amount of the interim dividend for 2023 was resolved at the Board of Directors meeting held on July 31, 2023.

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 share Continuous holding period	100 or more and less than 200 shares		200 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	subscription to the Nihon Securities Journal Digital	Quo Card
Less than 1 year	3-months (9,000 yen value)	—	3-months (9,000 yen value)	500 yen	6-months (18,000 yen value)	1,000 yen
1 year or more but less than 2 years	3-months (9,000 yen value)	500 yen	6-months (18,000 yen value)	1,000 yen	12-months (36,000 yen value)	3,000 yen
2 years or more but less than 3 years	6-months (18,000 yen value)	1,000 yen	12-months (36,000 yen value)	3,000 yen		5,000 yen
3 years or more	12-months (36,000 yen value)	3,000 yen		5,000 yen		10,000 yen



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

6. Topics

Topics1 (Private Equity Business)









A company included in the fund JIA Group operates newly listed on the Growth Market of TSE. Strengthening Private Equity Investment Business Anticipating IPOs and Buyouts

■ AVILEN Co., Ltd., in which the fund invested, was newly listed the Growth Market of TSE on September 27.

Company Name	Description of Business	Homepage
AVILEN, Inc. (Stock Code : 5591) 	<ul style="list-style-type: none"> AI software development and implementation support Business support through DX/AI human resource development and organizational development 	 https://corp.avilen.co.jp/en/

【Outline of Private Equity Investment Business.】

■ New PE investment since August

投資先会社名	事業内容	ホームページ
Aeronext Inc. 	<ul style="list-style-type: none"> Research and development for the structure design technology of industrial drones. Patent portfolio development and licensing business for the structure design technology of industrial drones. 	 https://aeronext.com/
SEQSENSE Inc. 	<ul style="list-style-type: none"> Development of the autonomous mobile security robot and related products. 	 https://www.seqsense.com/
bravesoft Inc. 	<ul style="list-style-type: none"> Event DX business - "eventos", "Live! Survey", etc. Application and web development business - contracted and growth development, etc. 	 https://www.bravesoft.co.jp/
Nalnet communications Inc. 	<ul style="list-style-type: none"> Management of automobile maintenance, lease of automobiles, guarantee of residual value for automobile lease, and purchase of used cars. 	 https://www.nal-mt.co.jp/

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

Topics2 (Issuance of donation-type private placement bonds)

To contribute to building a sustainable society together with financial institutions

- We utilize donation-type private placement bonds, to deal with the demand for funds for growth strategies.
- A portion of the issuance fee was donated to local medical organizations, and School attendance support, etc.



◆ List of private placement bonds (donation-type) issued by the Group from 2022 (We have issued a total of 7.4 billion yen since 2019)

Underwriter	Name / (Donation recipients)	Issue Amount (million yen)	Underwriter	Name / (Donation recipients)	Issue Amount (million yen)
The Bank of Iwate	SDGs Private placement bonds (Iwate Manabino Kibou Fund)	200	The Chiba Kogyo Bank	SDGs Private placement bonds (Foodbank Chiba)	300
The Fukui Bank	SDGs Private placement bonds (Fukui Prefectural Hospital)	100	The First Bank of Toyama	SDGs Private placement bonds (Toyama City Welfare Scholarship Fund)	200
The Shikoku Bank	SDGs Private placement bonds (Chikamori Hospital)	100	The 77 Bank	SDGs Private placement bonds (International Center for Synchrotron Radiation Innovation Smart, Tohoku University)	200
The Shimizu Bank	Regional Revitalization Private placement bonds (University of Shizuoka)	300	The Bank of Toyama	SDGs Private placement bonds (Toyama City Welfare Scholarship Fund)	200
MUFG Bank	Private placement bonds (empowering a brighter future) (the World Food Programme)	2,000	THE TOKUSHIMA TAISHO BANK (JIA)	SDGs Private placement bonds (Tokushima Forest Bank)	100
The Keiyo Bank	SDGs Private placement bonds for forest (Chiba prefecture forest cooperate)	100	THE TOKUSHIMA TAISHO BANK (JLPS)		100
Kirayaka Bank	Kirayaka Local Support Private placement bonds(Yamagata University Faculty of Medicine)	200	The Hiroshima Bank	Private placement bonds with bank guarantee (SDGs type) (Educational and welfare-related institutions in Hiroshima Prefecture, plan to donate)	300

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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