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February 9, 2024

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (Japanese GAAP)

Company name: Japan Investment Adviser Co., Ltd.  
 Listing: Tokyo Stock Exchange, Prime Market  
 Securities code: 7172  
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 Scheduled date of Annual General Meeting of Shareholders: March 26, 2024  
 Scheduled date to file quarterly securities report: March 27, 2024  
 Scheduled date to commence dividend payments: March 27, 2024-  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly 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, 2023 (from January 1, 2023 to December 31, 2023)

#### (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	%
FY2023	21,818	20.9	5,492	322.9	3,668	(37.8)	2,359	(46.5)
FY2022	18,045	27.9	1,298	(65.6)	5,897	25.4	4,412	51.0

Note: Comprehensive income For the Fiscal year ended Dec 31, 2023: ¥2,978 million [down 42.5%]  
 For the Fiscal year ended Dec 31, 2022: ¥5,185 million [up 38.8%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY2023	78.12	—	5.0	1.9	25.2
FY2022	146.14	—	10.1	4.2	7.2

Reference: Equity in earnings of affiliates Fiscal year ended Dec. 31, 2023: 371 million yen  
 Fiscal year ended Dec. 31, 2022: 300 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, 2023	211,750	48,811	22.6	1,582.66
As of Dec. 31, 2022	175,876	46,795	26.0	1,516.19

Reference: Owners' equity  
 As of December 31, 2023: ¥47,861 million  
 As of December 31, 2022: ¥45,775 million

### (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
FY2023	(18,101)	3,940	21,262	28,186
FY2022	(48,944)	(9,270)	66,589	20,836

### 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	%	%
FY2022	-	16.0	-	16.0	32.0	963	21.9	2.2
FY2023	-	16.0	-	16.0	32.0	966	41.0	2.1
FY2024 (forecast)	-	8.0	-	8.0	16.0		—	

On January 17, 2024, our company issued 30,240,953 fourth share acquisition rights (partially committed rights offering; exercise period: from Jan. 17 to Mar. 15, 2024; the number of issuable shares: 30,240,953). If the already issued share acquisition rights are exercised during the fiscal year ending December 2024, the total number of outstanding shares will increase significantly. Considering this possibility, the “annual dividend amount” for the fiscal year ending December 2024 has been calculated from the average number of shares during the fiscal year based on the following assumption.

- For all of the 30,240,953 fourth share acquisition rights (30,240,953 issuable shares) issued on January 17, 2024, all share acquisition rights will be exercised on each calendar day during the period from January 17 to 2024 and March 14, 2024.
- In addition, the total number of outstanding shares will not change during the fiscal year ending December 2024.
- During the fiscal year ending December 2024, the number of treasury shares will not change.

### 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	%	Yen
First half	14,550	62.8	4,850	51.5	4,000	53.1	2,720	60.3	51.17
Full year	27,780	27.3	8,120	47.8	6,300	71.7	4,300	82.2	75.65

#### \* Notes

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

Newly added: -

Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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.

(4) Number of shares issued (common stock)

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

As of Dec. 31, 2023	30,781,400 shares	As of Dec. 31, 2022	30,731,200 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023	540,447 shares	As of Dec. 31, 2022	540,420 shares
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3) Average number of shares during the period

Fiscal year ended Dec. 31, 2023	30,207,685 shares	Fiscal year ended Dec. 31, 2022	30,190,794 shares
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**(Reference) Summary of Non-consolidated Financial Results****Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023****(from January 1 to December 31, 2023)**

(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	%
FY2023	5,362	(48.0)	1,344	20.8	3,054	(33.7)	2,144	(39.1)
FY2022	10,317	91.8	1,112	(14.5)	4,609	(0.1)	3,519	(2.2)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2023	71.00	-
FY2022	116.57	-

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

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2023	88,756	41,521	46.8	1,373.00
As of Dec. 31, 2022	70,301	40,270	57.3	1,333.58

Reference: Owners' equity As of Dec. 2023: 41,521 million yen As of Dec. 31, 2022: 40,261 million yen

\* Financial result report is not subject to audit procedures.

## Proper use of earnings forecasts, and other special matters

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. Qualitative Information on Quarterly Consolidated Financial Performance (1) Analysis of Results of Operations (b) Outlook for the Next Fiscal Year" 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, 2024.

**Contents of Attachments**

<b>1. Qualitative Information on Consolidated Financial Performance</b>	<b>2</b>
(1) Analysis of Results of Operations	2
(2) Analysis of Financial Position	3
(3) Analysis of Cash Flows	4
(4) Basic Policy for Profit Distribution, and Dividends for the Current and Next Fiscal Years	5
(5) Business Risks	5
<b>2. Corporate Group</b>	<b>11</b>
<b>3. Basic Approach for the Selection of Accounting Standards</b>	<b>12</b>
<b>4. Consolidated Financial Statements and Notes</b>	<b>13</b>
(1) Consolidated Balance Sheet	13
(2) Consolidated Statements of Income and Comprehensive Income	15
Consolidated Statement of Income	15
Consolidated Statement of Comprehensive Income	16
(3) Consolidated Statement of Changes in Equity	17
(4) Consolidated Statement of Cash Flows	19
(5) Notes to Consolidated Financial Statements	21
Going Concern Assumption	21
Change in Accounting Policies	21
Change display method	21
Segment Information, etc.	21
Per-share Information	24
Subsequent Events	24

## 1. Overview of Results of Operations

### (1) Analysis of Results of Operations

#### (a) Summary of 2023

In the global economy in the consolidated fiscal year (January 1 to December 31, 2023) under review, consumer spending was healthy after the subsiding of COVID-19, but the demand for capital investment weakened due to the monetary tightening mainly in advanced countries, the economic slowdown of China caused by the worsening of the real estate market, etc., so the pace of economic recovery was gentle. In addition, geopolitical issues, such as the prolongation of Russia's invasion of Ukraine and the destabilization of the Middle East situation, induced the rise in inflation rates of food and energy prices. These became risk factors that could trigger economic slowdown.

In the Japanese economy, COVID-19 was reclassified into Class 5 in the Infectious Disease Law in May 2023, so social and economic activities were normalized. According to the Tankan survey in December, the manufacturing and non-manufacturing industries showed a recovery of business confidence, and the economy is driven by automobiles, which sell well, and the lodging and restaurant industries, where demand recovered. The rise in wages is still not enough to cover increased inflation rate, but the income environment is expected to improve due to the worsening of shortage of manpower, the rise in minimum wages, etc. The exchange rate between the dollar and the yen changed from "1 dollar =

around 130 yen" in early 2023 to "1 dollar = around 150 yen" in November due to the difference in financial policy between Japan and the U.S., but when the end of the year drew closer, the rate abruptly reached around "1 dollar = around 140 yen," showing unstable fluctuations and affecting corporate revenues.

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 15,739 million yen (up 75.3% year on year). The demand from investors is firm, and we prepared sufficient financial instruments for the year-end demand period of the Japanese operating lease investment product (JOL/JOLCO), so equity sales was as healthy as 77,331 million yen, up 54.1% year on year. The amount of deals structured was 259,702 million yen (up 35.2% year on year), indicating the vitalization of the environment for structuring deals. Furthermore, the trading revenue per leasable aircraft contributed significantly, increasing operating revenue considerably.

The sales of the Renewable Energy Business were 755 million yen (down 89.5% year on year). This is because of the recoil from a large-scale project in which we sold 14 facilities for solar power generation we had owned to institutional investors as "Portfolio Fund" in the second quarter of the previous term.

The sales of the Part-Out & Conversion Business were 3,418 million yen (up 227.8% year on year). We are working to realize projects in the Part-Out business, which manages parts that have been dismantled from retired aircraft and sells them to maintenance companies, lease companies, and airlines, as well as in the conversion business, which converts passenger aircraft into cargo aircraft.

The table below shows the changes and change rates between the consolidated fiscal year 2023 and the previous year.

[Unit: Million yen]

	Previous consolidated fiscal year	Current consolidated fiscal year	Change	Change rate (%)
Net sales	18,045	21,818	3,773	20.9
Operating profit	1,298	5,492	4,193	322.9
Ordinary profit	5,897	3,668	(2,229)	(37.8)
Profit attributable to owners of parent	4,412	2,359	(2,052)	(46.5)

**(b) Outlook for the Next Fiscal Year**

In the operating lease business, which is the mainstay, the demand from investors remains firm, so equity sales are expected to remain healthy. We are steadily developing unique financial instruments suited for the needs of investors. The consolidated balance of equities underwritten as of the end of FY 2023 was 94,266 million yen, hitting a record high. By combining the trading of leasable aircraft, which contributed to revenues in the previous fiscal year, we aim to reach the earnings forecast.

Our company also announced a medium-term management plan (FY 2024 to FY 2026) on July 31, 2023. In addition to the operating lease business, which is the mainstay, we will develop new core businesses, such as the real estate business, with the aim of diversifying our business portfolio.

Forecast for the fiscal year ending December 31, 2024 are as follows.

[Unit: Million yen]

	FY 2023 (Actual)	FY 2024 (Forecast)			
	Throughout the year	First half	YoY (%)	Throughout the year	YoY (%)
Net sales	21,818	14,550	62.8	27,780	27.3
Operating profit	5,492	4,850	51.5	8,120	47.8
Ordinary profit	3,668	4,000	53.1	6,300	71.7
Profit attributable to owners of parent	2,359	2,720	60.3	4,300	82.2

The above forecasts of future performance are based on information currently available and actual results could differ from the business forecasts due to various factors in the future.

**(2) Analysis of Financial Position**

Assets, liabilities and net assets

**(Assets)**

Total assets increased by 35,874 million yen from the end of 2022 to 211,750 million yen at the end of 2023 consolidated fiscal year.

Total current assets increased by 40,159 million yen from the end of 2022 to 177,122 million yen at the end of 2023. This was mainly due to increases in equity underwritten of 47,678 million yen, cash and deposits of 7,349 million yen, merchandise of 5,690 million yen, and short-term loans receivable of 3,398 million yen, while there were decreases in trust beneficiary rights to be sold of 27,644 million yen.

Total non-current assets decreased by 4,309 million yen from the end of 2022 to 34,502 million yen at the end of 2023. This was mainly due to decreases in long-term loans receivable of 8,133 million yen and goodwill of 191 million yen, while there were increases in deferred tax assets of 2,711 million yen and Investment securities of 1,404 million yen.

**(Liabilities)**

Total liabilities increased by 33,858 million yen from the end of 2022 to 162,939 million yen at end of 2023 consolidated fiscal year.

Total current liabilities increased by 42,471 million yen from the end of 2022 to 149,361 million yen at the end of FY2023. This was mainly due to increases in short-term loans payable of 32,640 million yen and contract liabilities of 10,119 million yen, while there were decreases in current portion of long-term loans payable of 2,417 million yen.

Total non-current liabilities decreased by 8,612 million yen from the end of 2022 to 13,577 million yen at the end of FY2023. This was mainly due to decreases in long-term non-recourse loans payable of 12,662, while there were increase in bonds payable of 2,964 million yen and long-term loans payable of 273 million yen.

## (Net Assets)

Total net assets increased by 2,015 million yen from the end of 2022 to 48,811 million yen at the end of FY2023. This was mainly due to increases in retained earnings of 1,337 million yen and foreign currency translation adjustment of 724 million yen, while there were decreases in valuation difference on available-for-sale securities of 45 million yen.

**(3) Analysis of Cash Flows**

Cash and cash equivalents (hereinafter, “net cash”) at the end of 2023 increased 7,349 million yen from the end of 2022 to 28,186 million yen. The cash flow components during 2023 and the main reasons for changes are as described below.

## (Cash flows from operating activities)

Net cash used in operating activities was 18,101 million yen (compared with 48,944 million yen used in 2022). Main negative factors include increase in equity underwritten of 48,358 million yen. Main positive factors include decrease in inventory of 20,706 million yen, 10,126 million yen increase in contract liabilities.

## (Cash flows from investing activities)

Net cash provided in investing activities was 3,940 million yen (compared with 9,270 million yen used in 2022). Main positive factors include collection of 16,463 million yen for loans receivable. Main negative factors include payments of 12,115 million yen for the purchase of investment securities, payments of 11,416 million yen of loans receivable.

## (Cash flows from financing activities)

Net cash provided by financing activities was 21,262 million yen (compared with 66,589 million yen used in 2022). Main positive factors include a 150,460 million yen increase in short-term loans payable. Main negative factors include a 117,932 million yen decrease in short-term loans payable.

## Reference: Cash flow indicators

	FY2021	FY2022	FY2023
Equity ratio (%)	40.8	26.0	22.6
Market value-based equity ratio (%)	38.6	20.0	19.0
Interest-bearing debt to cash flow ratio (years)	2.3	(Note. 6)	(Note. 6)
Interest coverage ratio (times)	47.4	(Note. 6)	(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

Regarding internal reserve, we will effectively use it for operating business and fortifying our financial foundation.

Under the above basic policy, the annual dividend for the fiscal year ended December 2023 is to be 32 yen/share, including the already paid interim dividend (consolidated payout ratio: 41.0%).

Regarding the dividend for the fiscal year ending December 2024, we plan to pay 16 yen/share (interim dividend: 8 yen, term-end dividend: 8 yen, consolidated payout ratio: 20.9%).

The reason for the decrease in dividend per share is that the number of outstanding shares, excluding treasury shares, will increase about two times, through the capital increase scheme with “partially committed rights offering” announced on December 28, 2023. Dividend per share will decrease, but the total dividend amount will be unchanged from the fiscal year ended December 2023.\*

\*The shareholders who have exercised share acquisition rights provided free of charge after the confirmation of shareholders on January 16, 2024 will see the number of shares they hold increasing by the same number of the share acquisition rights. Accordingly, each of the dividends of parent and new shares will be 16 yen/share, and the dividend amount calculated by summing up the number of parent shares and the number of new shares will be 32 yen.

On January 17, 2024, our company issued 30,240,953 fourth share acquisition rights (partially committed rights offering; exercise period: from Jan. 17 to Mar. 15, 2024; the number of issuable shares: 30,240,953). If the already issued share acquisition rights are exercised during the fiscal year ending December 2024, the total number of outstanding shares will increase significantly. Considering this possibility, the “annual dividend amount” for the fiscal year ending December 2024 has been calculated from the average number of shares during the fiscal year based on the following assumption.

- For all of the 30,240,953 fourth share acquisition rights (30,240,953 issuable shares) issued on January 17, 2024, all share acquisition rights will be exercised on each calendar day during the period from January 17 to 2024 and March 14, 2024.
- In addition, the total number of outstanding shares will not change during the fiscal year ending December 2024.
- During the fiscal year ending December 2024, the number of treasury shares will not change.

#### (5) Business Risks

JIA Group’s risks that may have a significant impact on investment decisions of investors are as follows. JIA 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 JIA 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)

JIA Group posts the arrangement fee, etc. for “Japanese Operating Lease (JOL)” in the operating lease business as sales. Since the establishment of our company, JIA Group have been striving to expand our business with the operating lease business being the mainstay, so the sales from this business account for a significant proportion of sales of JIA Group. In addition, primary assets handled in the operating lease business are aircraft, vessels, and containers for maritime transportation. Among them, aircraft are dominant.

Accordingly, the changes in the business environment in the aviation industry and the competitive environment



of the operating lease business for aircraft would affect the demand for lease of aircraft and for “Japanese Operating Lease (JOL)” having an impact on the financial standing and business performance of JIA Group.

(Risks in the operating lease business)

The operating lease business of JIA Group carries the following risks.

(1) Risks caused by conflicts, spread of infectious disease, etc. around the world

The primary assets subject to “Japanese Operating Lease (JOL)” in the operating lease business are aircraft, vessels, and containers for maritime transportation. These are leased to mainly major airline companies, shipping companies, and maritime transportation companies around the world.

These lessees operate business around the world. Accordingly, if a conflict, an epidemic, or the like breaks out, the demand for lease from lessees and the demand for investment from investors will weaken, affecting the financial standing and business performance of JIA Group.

(2) Risks caused by the bankruptcy or the like of a lessee (e.g. an airline company)

In structuring and selling “Japanese Operating Lease (JOL)” the Group receives commissions from an SPC, which represents the silent partnership where investors make investments, as the SPC entrusts us with the operation of the operating lease business, including deal creation, sale, management, and exit management, reporting in accordance with the silent partnership agreement for business operation, posting required for company management, and tax filing.

In the operating lease business, if a lessee such as an airline company fails to pay lease fees for products we structured due to the commencement of bankruptcy proceedings, the revenues of the silent partnership project may decrease, causing damage to investors investing in said project. In such case, the demand for investment from investors will weaken, affecting the financial standing and business performance of JIA Group.

(3) Risks caused by fluctuations in residual values (selling prices of leasable assets in the future)

If a lessee does not purchase leased assets after the lease period for “Japanese Operating Lease (JOL)” the SPC representing the silent partnership project will sell owned leasable assets to a third party through the market.

If the assets are sold at lower prices than initially assumed prices, the revenues of the silent partnership project may decline, decreasing the amount distributed to each investor and causing a loss. In such case, the demand for investment from investors will weaken, affecting the financial standing and business performance of JIA Group.

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

If JIA Group is forced to continue to hold the “equity underwritten ” and “advance payments-trade” held by our group for some reason, it may become difficult to collect the arrangement fees that we had expected to receive in connection with the transfer of such investments and to recover such investments. In addition, this would result in JIA Group, rather than the SPC, holding the assets of the operating lease business.

Furthermore, in the event of a decline in the value of the leased assets, JIA Group may not be able to recover all or part of its investment in the said equity interest. Such case may affect the financial standing and business performance of JIA Group.

(5) Currency risks

(a) 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 JIA 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 JIA Group's commission fee revenue. Such case may affect the financial standing and business performance of JIA Group.

(b) Impact on transfer of equity underwritten

When JIA 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 such case, the demand for investment from investors will weaken, affecting the financial standing and business performance of JIA Group.

(Risks in the leasable asset trading business, the part out & conversion business, etc.)

JIA Group operates the business of trading assets related to mainly aircraft, including the sale of leasable aircraft (trading), the sale of aircraft components, such as engines (part out), and the conversion of passenger airplanes into cargo aircraft to sell them.

In the case where we store items temporarily before selling them to airline companies, leasing companies, etc., if their selling prices fall below the assumed ones due to the business environment and competitions in the aviation industry, this may affect the financial standing and business performance of JIA Group.

(Risks in the renewable energy business)

In the renewable energy business, we mainly undertake the operation of solar power plants, make arrangements for creating and selling financial instruments, and obtain revenues from the sale of electricity generated at our own power plants.

If an error is found in legal procedures for power generation equipment, civil engineering, structures, and land for business, causing trouble regarding land rights, safety of power generation equipment, profitability of the power generation business, coexistence with local communities, etc., the revenues of the power generation business may decline, causing a loss to investors in this business. In addition, at a power plant owned by JIA Group, we may incur a loss. This business is subject to the legal regulations, such as "the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities." Accordingly, the amendment, abolishment, or the like of relevant laws may cause restrictions on this business. Such case may affect the financial standing and business performance of JIA Group.

(Risks in the private equity investment business)

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

When investing, JIA 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 JIA 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 affect the financial standing and business performance of JIA Group.

(Risks in the real estate business)

JIA Group makes arrangements for creating and selling real estate fractional ownership investment products for real estate in Japan as the real estate business. Mainly, the consolidated subsidiary JIA Securities Co., Ltd. sells trust beneficiary rights to investor with the trustee being JIA Trust Co., Ltd., which is another consolidated subsidiary.

If the sale of such real estate fractional ownership investment products is stagnant and the value of such products degrades significantly due to the rapid changes in the real estate market, the environment surrounding target real estate, etc., there may emerge a valuation loss, etc., affecting the financial standing and business performance of JIA Group.

(Risks related to Statutory regulations)

(1) Financial Instruments and Exchange Act

The rights and trust beneficiary rights of investors based on silent partnership agreement, etc. concluded in the operating lease business are positioned as "deemed securities" defined in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act, so the Group operates the business in accordance with the Financial Instruments and Exchange Act and the Act on Provision of Financial Services.

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 and Type II 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.

JIA 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 may affect the financial standing and business performance of JIA Group.

(2) Regarding the Trust Business Act

JIA Group sells assets, such as aircraft and real estate, as trust beneficiary rights, while assuming the transfer to investors. Regarding the handling of trust beneficiary rights, the consolidated subsidiary JIA Trust Co., Ltd. has the license for a trust company that can manage assets in trust at its discretion and operates business pursuant to the Trust Business Act. Article 44 of the Trust Business Act specifies the requirements for supervisory actions against licensed trust companies that can manage assets in trust at its discretion. If JIA Trust Co., Ltd. is subject to them, the license may be revoked or it may be ordered to suspend business operations.

JIA Trust Co., Ltd. observes laws and regulations thoroughly when conducting the above-mentioned business operations, and recognizes that there are no facts that fall under a reason for revoking its license, as of the

date of submission of this document. However, if JIA Trust Co., Ltd. receives an administrative punishment, such as the revocation of the license and an order for business suspension for some reason, this may affect the financial standing and business performance of JIA Group.

(3) Tax and other related laws and regulations

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

JIA 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, it may affect the financial standing and business performance of JIA Group.

(Risk related to fund raising)

JIA 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., it may affect the financial standing and business performance of JIA Group.

(Risk related to financial covenants)

JIA 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 JIA 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 JIA 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, it may affect the financial standing and business performance of JIA Group.

(Risk related to significant litigations)

JIA 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 JIA Group to predict the occurrence or outcome of such litigations and legal proceedings in which JIA Group would be involved as a party. If unfavorable outcomes occur to JIA Group, it may affect the financial standing and business performance of JIA Group.

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

As inclusion of SPCs, operators of individual deals structured by JIA Group, into the scope of consolidation may considerably mislead the stakeholders' decision-making, JIA Group excludes these SPCs from the scope of consolidation for purposes of JIA 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 JIA 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 may affect the financial standing and business performance of JIA Group.

(Risk related to corporate organization)

(1) Dependence on the founder

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

JIA Group appoints directors in charge of each operation, operating officer and division heads, and holds regular meetings so that JIA 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. JIA Group 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 may affect the financial standing and business performance of JIA Group.

(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.

Nevertheless, if the Group fails to secure a sufficient number of qualified workers, fails to retain current employees resulting in the shortage of workforce, it may affect the financial standing and business performance of JIA Group.

(Risks related to large-scale disasters, such as natural disasters)

JIA Group operates business globally with multiple domestic business establishments and several overseas group companies.

At each business establishment, we make efforts to take appropriate measures, including the production of regulations specifying how to respond to emergency situations and the adoption of safety confirmation systems, but if a natural disaster, such as an earthquake, a tsunami, and a typhoon, a glitch in a communication network, the spread of infectious disease, or the like prolongs the stagnation or suspension of business activities of JIA Group, this may affect the financial standing and business performance of JIA Group.

## 2. Corporate Group

(as of December 31,2023)

Name	Location	Capital (Thousands of yen)	Main line of business	Share of voting rights (%)	Relationships
<b>Consolidated subsidiaries</b>					
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, money lending 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	653,720	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 16 Company					
<b>Affiliates accounted for using the equity method</b>					
Bleriot Aviation Leasing Designated Activity Company (note.3)	Ireland	200,981 thousand US dollar	Joint venture with Airbus Group Procurement of aircraft leasing for sale to investors	25.0 (25.0)	Concurrent directors: None
JIA Aviation Finance G.K.	Chiyoda-ku, Tokyo	100,000	Finance Business for Aircraft	47.5	Concurrent directors: None
Other 2 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	13,371 millions of yen
Ordinary profit	1,351 millions of yen
Profit for the year	778 millions of yen
Total equity	4,843 millions of yen
Total assets	166,579 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	4,133 millions of yen
Ordinary profit	2,157 millions of yen
Profit for the year	1,861 millions of yen
Total equity	8,857 millions of yen
Total assets	11,822 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, 2022	End of Dec 31, 2023
<b>[Assets]</b>		
Current assets		
Cash and deposits	20,906	28,256
Accounts receivable-trade	4,593	6,809
Merchandise	9,963	15,653
Equity underwritten	46,587	94,266
Trust beneficiary right	28,680	1,035
Costs on uncompleted – trade	999	2,078
Advance payments-trade	10,583	8,249
Advances paid	6,204	7,115
Short-term loans receivable	3,649	7,048
Operational investment securities	2,136	2,676
Other	2,657	3,931
<b>Total current assets</b>	<b>136,963</b>	<b>177,122</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	188	170
Land	227	227
Other, net	45	40
<b>Total property, plant and equipment</b>	<b>460</b>	<b>437</b>
Intangible assets		
Software	96	65
Goodwill	329	137
<b>Total intangible assets</b>	<b>425</b>	<b>203</b>
Investments and other assets		
Investment securities	17,449	18,853
Long-term loans receivable	17,166	9,033
Deferred tax assets	3,000	5,712
Other	308	261
<b>Total Investments and other assets</b>	<b>37,926</b>	<b>33,861</b>
<b>Total non-current assets</b>	<b>38,812</b>	<b>34,502</b>
Deferred assets		
Bond issuance cost	101	125
<b>Total deferred assets</b>	<b>101</b>	<b>125</b>
<b>Total assets</b>	<b>175,876</b>	<b>211,750</b>



(Millions of yen)

	End of Dec 31, 2022	End of Dec 31, 2023
<b>[Liabilities]</b>		
<b>Current liabilities</b>		
Accounts payable-trade	452	227
Accounts payable-operating	246	544
Short-term loans payable	86,797	119,438
Current portion of long-term loans payable	2,024	5,257
Current portion of long-term non-recourse loans	717	-
Current portion of bonds payable	5,321	2,904
Income taxes payable	2,428	2,390
Contract liabilities	5,510	15,629
Provision for shareholder benefit program	60	82
Provision for bonus	367	454
Other	2,962	2,433
<b>Total current liabilities</b>	<b>106,890</b>	<b>149,361</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,424	5,697
Long-term non-recourse loans	12,662	-
Bonds payable	3,217	6,182
Other	886	1,697
<b>Total non-current liabilities</b>	<b>22,190</b>	<b>13,577</b>
<b>Total liabilities</b>	<b>129,080</b>	<b>162,939</b>
<b>[Net assets]</b>		
<b>Shareholders' equity</b>		
Capital stock	11,679	11,716
Capital surplus	11,624	11,658
Retained earnings	22,457	23,795
Treasury shares	(1,470)	(1,470)
<b>Total shareholders' equity</b>	<b>44,291</b>	<b>45,698</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4	(40)
Foreign currency translation adjustment	1,478	2,203
<b>Total accumulated other comprehensive income</b>	<b>1,483</b>	<b>2,162</b>
Subscription rights to shares	8	-
Non-controlling interests	1,011	950
<b>Total net assets</b>	<b>46,795</b>	<b>48,811</b>
<b>Total liabilities and net assets</b>	<b>175,876</b>	<b>211,750</b>

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

(Millions of yen)

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
Net sales	18,045	21,818
Cost of sales	11,018	9,631
<b>Gross profit</b>	<b>7,027</b>	<b>12,187</b>
Selling, general and administrative expenses		
Directors' compensations	289	289
Salaries and allowances	1,683	1,949
Bonuses	863	1,032
Commission fee	269	316
Compensations	343	513
Taxes and dues	646	696
Rents	349	333
Other	1,284	1,562
<b>Total selling, general and administrative expenses</b>	<b>5,728</b>	<b>6,694</b>
<b>Operating profit</b>	<b>1,298</b>	<b>5,492</b>
Non-operating income		
Interest income	323	839
Gain on sales of equity underwritten	161	415
Interest on securities	187	207
Foreign exchange gains	5,484	-
Share of profit of entities accounted for using equity method	300	371
Other	85	94
<b>Total non-operating income</b>	<b>6,543</b>	<b>1,927</b>
Non-operating expenses		
Interest expenses	828	2,012
Commission expenses	1,046	1,063
Foreign exchange losses	-	601
Other	68	73
<b>Total non-operating expenses</b>	<b>1,944</b>	<b>3,750</b>
<b>Ordinary profit</b>	<b>5,897</b>	<b>3,668</b>
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	519	224
<b>Total extraordinary income</b>	<b>519</b>	<b>224</b>
Extraordinary loss		
Loss on valuation of securities	149	60
Loss on valuation of shares of subsidiaries and associates	-	33
Impairment losses	-	142
<b>Total extraordinary loss</b>	<b>149</b>	<b>236</b>
<b>Profit before income tax</b>	<b>6,268</b>	<b>3,656</b>
Income taxes-current	3,429	4,028
Income taxes-deferred	(1,568)	(2,672)
<b>Total income taxes</b>	<b>1,860</b>	<b>1,356</b>
<b>Profit</b>	<b>4,408</b>	<b>2,299</b>
<b>Profit attributable to non-controlling interests</b>	<b>(3)</b>	<b>(60)</b>
<b>Profit attributable to owners of parent</b>	<b>4,412</b>	<b>2,359</b>

**Consolidated Statement of Comprehensive Income**

(Millions of yen)

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
Profit	4,408	2,299
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	(45)
Foreign currency translation adjustment	1,092	724
Total other comprehensive income	776	679
Comprehensive income	5,185	2,978
(Breakdown)		
Comprehensive income attributable to owners of parent	5,188	3,039
Comprehensive income attributable to non-controlling interests	(3)	(60)

**(3) Consolidated Statement of Changes in Equity**

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					
Dividends of surplus	-	-	(966)	-	(966)
Profit attributable to owners of parent	-	-	4,412	-	4,412
Purchase of treasury shares	-	-	-	(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 income			
Balance at beginning of current period	320	386	706	8	121	41,679
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(966)
Profit attributable to owners of parent	-	-	-	-	-	4,412
Purchase of treasury shares	-	-	-	-	-	(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

## FY2023 (Jan. 1 – Dec. 31, 2023)

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balar Balance at beginning of current period	11,679	11,624	22,457	(1,470)	44,291	
Changes of item	Changes of items during period					
	Issuance of new shares - exercise of subscription rights to shares	36	36	-	-	72
	Dividends of surplus	-	-	(966)	-	(966)
	Profit attributable to owners of parent	-	-	2,359	-	2,359
	Purchase of treasury shares	-	-	-	0	0
	Change of scope of consolidation	-	(3)	(56)	-	(59)
	Net changes of items other than shareholders' equity	-	-	-	-	-
	Total changes of items during period	36	33	1,337	0	1,406
Balar Balance at end of current period	11,716	11,658	23,795	(1,470)	45,698	

	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	4	1,478	1,483	8	1,011	46,795
Changes of item	Changes of items during period					
	Issuance of new shares - exercise of subscription rights to shares	-	-	-	-	72
	Dividends of surplus	-	-	-	-	(966)
	Profit attributable to owners of parent	-	-	-	-	2,359
	Purchase of treasury shares	-	-	-	-	0
	Change of scope of consolidation	-	-	-	-	(59)
	Net changes of items other than shareholders' equity	(45)	724	679	(8)	608
	Total changes of items during period	(45)	724	679	(8)	2,015
Balar Balance at end of current period	(40)	2,203	2,162	-	950	48,811

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,268	3,656
Depreciation	446	331
Impairment losses	-	142
Amortization of goodwill	83	85
Foreign exchange losses (gains)	(3,350)	(484)
Gain on sales of equity underwritten	(161)	(415)
Loss (gain) on valuation of investment securities	(332)	60
Share of (profit) loss of entities accounted for using equity method	(300)	(371)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(519)	(224)
Interest and dividend income	(522)	(1,054)
Interest expenses	828	2,012
Decrease (increase) in notes and accounts receivable-trade	2,724	(2,198)
Decrease (increase) in inventories	(34,960)	20,706
Decrease (increase) in advance payments	2,607	2,334
Increase (decrease) in notes and accounts payable-trade	347	65
Decrease (increase) in equity underwritten	(27,966)	(48,358)
Decrease (increase) in advances paid	2,376	(953)
Decrease (increase) in deposits paid	473	-
Increase (decrease) in contract liabilities	4,294	10,126
Decrease (increase) in consumption taxes receivable/payable	(1,440)	395
Others	2,807	880
<b>Subtotal</b>	<b>(46,298)</b>	<b>(13,264)</b>
Interest and dividend income received	483	1,300
Interest expenses paid	(781)	(2,040)
Income taxes receivable	17	-
Income taxes paid	(2,366)	(4,097)
<b>Net cash provided by (used in) operating activities</b>	<b>(48,944)</b>	<b>(18,101)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(128)	(54)
Purchase of intangible assets	(6)	(2)
Purchase of investment securities	(14,490)	(12,115)
proceeds from sales and redemption of investment securities	9,446	10,762
Proceeds from liquidation of subsidiary	-	21
Payments of loans receivable	(14,688)	(11,416)
Collection of loans receivable	9,357	16,463
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	692	200
Others	547	81
<b>Net cash provided by (used in) investing activities</b>	<b>(9,270)</b>	<b>3,940</b>

(Millions of yen)

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	140,320	150,460
Decrease in short-term loans payable	(91,880)	(117,932)
Proceeds from long-term loans payable	21,658	6,555
Repayments of long-term loans payable	(4,441)	(17,439)
Proceeds from issuance of bonds	3,110	6,000
Redemption of bonds	(2,041)	(5,452)
Proceeds from issuance of shares	-	60
Cash dividends paid	(966)	(965)
Other, net	830	(24)
<b>Net cash provided by (used in) financing activities</b>	<b>66,589</b>	<b>21,262</b>
Effect of exchange rate change on cash and cash equivalents	216	248
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,591</b>	<b>7,349</b>
Cash and cash equivalents at beginning of period	12,244	20,836
Cash and cash equivalents at end of period	20,836	28,186

## **(5) Notes to Consolidated Financial Statements**

### **(Going Concern Assumption)**

Not applicable.

### **(Change in Accounting Policies)**

(Application of Accounting Standard for Measurement of Fair Value)

The Company applied the "Accounting Standards for Calculation of Fair Value" (ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as the "Accounting Standard for Calculation of Fair Value") at the beginning of the consolidated fiscal year under review, and decided to apply the new accounting policy set in the Accounting Standard for Calculation of Fair Value prospectively, in accordance with the transitional measures described in Paragraph 27-2 of the Accounting Standard for Calculation of Fair Value.

This application will not produce any effect on the consolidated financial statements.

### **(Change display method)**

(Notes Regarding Consolidated Statement of Income)

"Commission income," which was separately indicated in the section of "Non-operating income" until the previous consolidated fiscal year, became insignificant in terms of value, so it has been included in "Other" of "Non-operating income" 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, 12 million yen indicated in the consolidated statements of income for the previous consolidated fiscal year as "Commission income" of "Non-operating income" has been included in "Other."

"Amortization of bond issuance costs," which was separately indicated in the section of "Non-operating expenses" until the previous consolidated fiscal year, became insignificant in terms of value, so it has been included in "Other" of "Non-operating expenses" 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, 63 million yen indicated in the consolidated statements of income for the previous consolidated fiscal year as "Amortization of bond issuance costs" of "Non-operating expenses" has been included in "Other."

### **(Segment Information, etc.)**

[Segment Information]

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.

FY2023 (Jan. 1 – Dec. 31, 2023)

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]

**FY2022 (Jan. 1 – Dec. 31, 2022)**

## 1. Information by product or service

(Millions of yen)

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

## 2. Information by region

## (1) Net sales (Millions of yen)

Japan	Ireland	Europe	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.

**FY2023 (Jan. 1 – Dec. 31, 2023)**

## 1. Information by product or service

(Millions of yen)

Business segments	Financial solutions business				Media-related business	Total
Business units	Operating lease	Renewable energy	Aircraft part-out & conversion	Other businesses	-	-
External sales	15,739	755	3,418	1,628	276	21,818

## 2. Information by region

## (1) Net sales (Millions of yen)

Japan	Europe	Other regions	Total
20,427	673	717	21,818

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
386	51	437

## 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]

Omitted due to immateriality.

[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)

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
Net assets per share	1,516.19	1,582.66
Net income per share	146.14	78.12
Diluted net income per share	—	—

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:

	FY2022 (Jan. 1 – Dec. 31, 2022)	FY2023 (Jan. 1 – Dec. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	4,412	2,359
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent applicable to common stock (Millions of yen)	4,412	2,359
Average number of shares during the period (Shares)	30,190,794	30,207,685

**(Subsequent Events)**

At the meeting of the board of directors held on December 28, 2023, our company resolved to conduct “partial commitment-type rights offering” (hereinafter referred to as “the Finance,” and the fourth subscription rights to shares issued through the Finance will be hereinafter referred to as “the Subscription Right”), and issued the Subscription Right on January 17, 2024. On that date, the exercise of the right became effective.

The outline of the Subscription Right is as follows.

- ① Total number of subscription rights to shares: 30,240,953
- ② Type of shares subject to the Subscription Right: common shares
- ③ Number of issuable shares through the issuance of the Subscription Right: 30,240,953
- ④ Exercise price of subscription rights to shares: 357 yen/share (investment amount: 342 yen)
- ⑤ Exercise period of subscription rights to shares:
  - (1) Period in which subscription right holders excluding underwriters (limited to the exercise of rights pursuant to a commitment agreement) can exercise their rights (period for exercise of rights by general investors)  
January 17, 2024 to March 11, 2024
  - (2) Period in which underwriters can exercise their rights pursuant to their commitment agreements (period for exercise of rights by underwriters)  
March 14, 2024 to March 15, 2024
- ⑥ Amount allocated to capital from the issue price: half of the investment amount

*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.*