

JIA

Financial Results for FY2023

February 9, 2024

Japan Investment Adviser Co., Ltd.

Stock Code: 7172



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

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(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



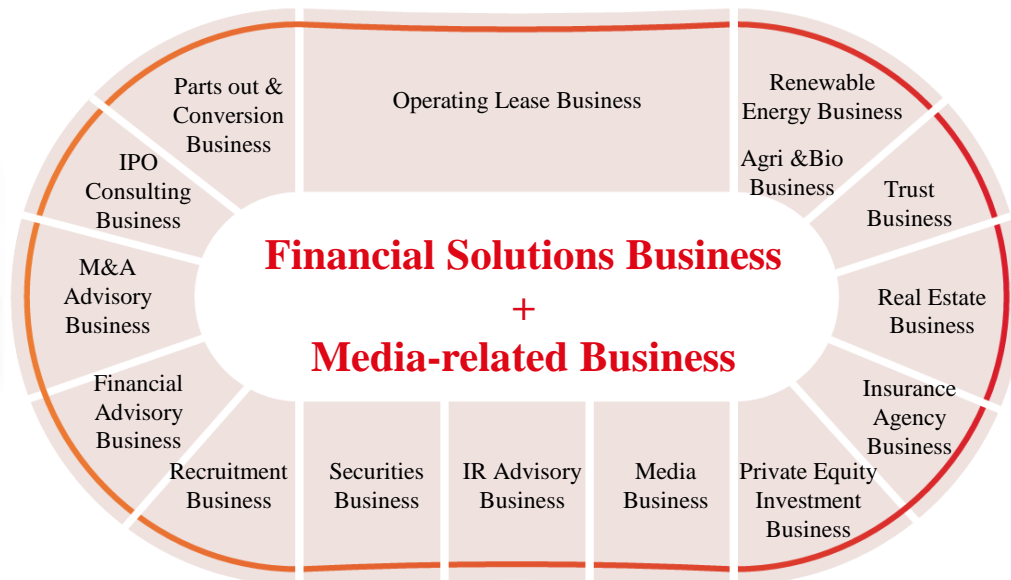
Company Name	Japan Investment Adviser Co., Ltd.
Head Office	Kasumigaseki Common Gate West Tower 3-2-1 Kasumigaseki Chiyoda-ku Tokyo
Representative	President, CEO Naoto Shiraiwa
Established	September 2006 (Fiscal Year-end: December 31)
Business	Financial solutions business, Media-related business
Paid-in Capital	¥11,716 million
Stock Exchange Listing	The Prime Market of the Tokyo Stock Exchange (Stock Code: 7172)
Employees	Non-consolidated: 164 ; Consolidated: 252
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 66 companies
Major Shareholders	Top shareholders (66.1% shares, excluding treasury stock) as of December 31, 2023 KODO Holdings Co., Ltd. (24.5%) Naoto Shiraiwa (22.7%) Custody Bank of Japan, Ltd. (Trust account) (10.6%) Master Trust Bank of Japan.(Trust account) (5.4%) Teiji Ishikawa (1.5%) Yoshitaka Murata (1.5%)
Independent Auditor	Grant Thornton Taiyo LLC

As of December. 31, 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 • Money Lending 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 December. 31, 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 **JIA-Trust** 2023
Started structuring and selling fractional real estate investment.

FY2023

2. Business Overview

Highlights for FY2023

Operating profit grew considerably, as the Operating Lease Business, which is the mainstay, remained healthy.

- Operating profit exceeded 5 billion yen for the first time since December 2020.
- Ordinary profit and net profit decreased year on year, as an exchange gains of 5,484 million yen was posted in the same period of the previous year as a special factor.

(Millions of yen)	FY2022	FY2023		FY2023 Forecast announced on July 20 [12/28 Re-revised Forecast]		
	Result	Result	Change	Change(%)	Fiscal Year	Progress rate
Net Sales	18,045	21,818	3,773	20.9%	19,300 [21,450]	113.1% [101.7%]
Operating profit	1,298	5,492	4,193	322.9%	5,000 [5,430]	109.8% [101.1%]
Ordinary profit	5,897	3,668	(2,229)	(37.8%)	3,400 [3,440]	107.9% [106.7%]
Profit attributable to owners of parent	4,412	2,359	(2,052)	(46.5%)	2,400 [2,400]	98.3% [98.3%]
Total amount of equity sales ^{※1}	50,188	77,331	27,143	54.1%	80,000	96.7%

Note1 : 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 FY2023

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

- ◆ From October to December, equity sales increased 16,591 million yen year on year, indicating continued favorable performance. Equity sales grew for the fifth consecutive quarter.
- ◆ The amount of deals structured from October to December was up 33,158 million yen year on year. It grew for the seventh consecutive quarter. For the full year, we achieved the second highest amount of deals structured in history after 2019.

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

(Millions of yen)	FY2023 Jan.-Mar.	FY2023 Apr.-Jun.	FY2023 Jul.-Sep.	FY2023 Oct.-Dec.
Equity Sales	19,047	14,520	15,982	27,780
(YoY Change)	4,555	471	5,524	16,591
Deals Structured	28,191	95,053	42,634	93,724
(YoY Change)	8,015	7,279	19,059	33,158

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 revenue, the mainstay of Operating Lease Business. At the time of sale, the yen was weaker than at the time of acquisition, so foreign exchange gains were added.

	FY2020	FY2021	FY2022	FY2023
No. of cases of trading of aircraft with lease	1	4	2	8

③ Recording foreign exchange losses of 847 million yen in the fourth 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.
- ◆ There emerge quarterly exchange gain or loss, but the exposure to exchange rate fluctuations decreases, and the risk of incurring an exchange loss at the time of yen appreciation diminishes.

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

[FX rate]	FY2023 Jan.-Mar.	FY2023 Apr.-Jun.	FY2023 Jul.-Sep.	FY2023 Oct.-Dec.
Beginning rate(A) 1USD=	132.70JPY	133.53JPY	144.99JPY	149.58JPY
End-of-quarter rate(B) 1USD=	133.53JPY	144.99JPY	149.58JPY	141.83JPY
Change(B)-(A)	0.83JPY	11.46JPY	4.59JPY	(7.75JPY)
Foreign exchange gains (Millions of yen) (C)	(136)	(40)	422	(847)
(C)÷(B-A) (Millions of yen)	(164)	(3.5)	92	109

FY2023 Consolidated Income Statement Summary

(Millions of yen)	FY2022	FY2023		
	Result	Result	YoY Change	YoY change(%)
Net Sales	18,045	21,818	3,773	20.9%
Costs of sales	11,018	9,631	(1,386)	(12.6%)
Gross profit *1	7,027	12,187	5,159	73.4%
SG&A expenses*2	5,728	6,694	966	16.9%
Operating profit	1,298	5,492	4,193	322.9%
Non-operating income *3	6,543	1,927	(4,616)	(70.5%)
Non- operating expenses	1,944	3,750	1,806	92.9%
Ordinary Profit	5,897	3,668	(2,229)	(37.8%)
Profit attributable to owners of parent	4,412	2,359	(2,052)	(46.5%)

Point

Note.1 Gross profit

Gross profit margin was 55.9% (FY2022 – 38.9%)

[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 966 million yen

- Increase of 525 million yen in labor cost.

Note.3 Non-operating income/expenses

Foreign exchange losses : 601 million yen

(Recorded 5,484 million yen in the previous fiscal year.)

Gain of affiliates : 371 million yen

(Increase of 70 million yen.)

Interest income : 839 million yen

(Increase of 515 million yen.)

Interest expenses : 2,012 million yen

(Increase of 1,184 million yen..)

Other notes

Extraordinary gains:224 million yen (Decrease of 295 million yen)

Gain on sale of shares of subsidiaries and associates (Vallair)

Extraordinary losses:236 million yen (Increase of 87 million yen)

Impairment loss on invested company stocks, etc.

Business Segment (FY2023)

The Operating Lease Business, which is the mainstay achieved second highest sales after 2020.

- As the trading revenue from aircraft with lease contributed, earnings accelerated in the second half.
- The Part-Out & Conversion Business sales increased significantly, but the profit margin is low. The segment will be integrated into the Operating Lease Business from 2024.

Business units (Millions of yen)	FY2022	FY2023			
	Result	Result	YoY change	YoY change(%)	
Operating Lease Business	8,976	15,739	6,763	75.3%	
Renewable Energy Business	7,214	755	(6,459)	(89.5%)	
Aircraft Part-Out & Conversion Business	1,042	3,418	2,375	227.8%	
Other Financial Solution Business	Securities Business / Trust Business				
	M&A Advisory Business / Financial Advisory Business				
	Private Equity Investment Business	558	1,628	1,069	191.4%
	IPO Consulting Business / Insurance Agency Business				
	Recruitment Business				
Media- related Business	253	276	23	9.5%	
Total	18,045	21,818	3,773	20.9%	

Note : The company plans to change the segments in the fiscal year ending December 2024.

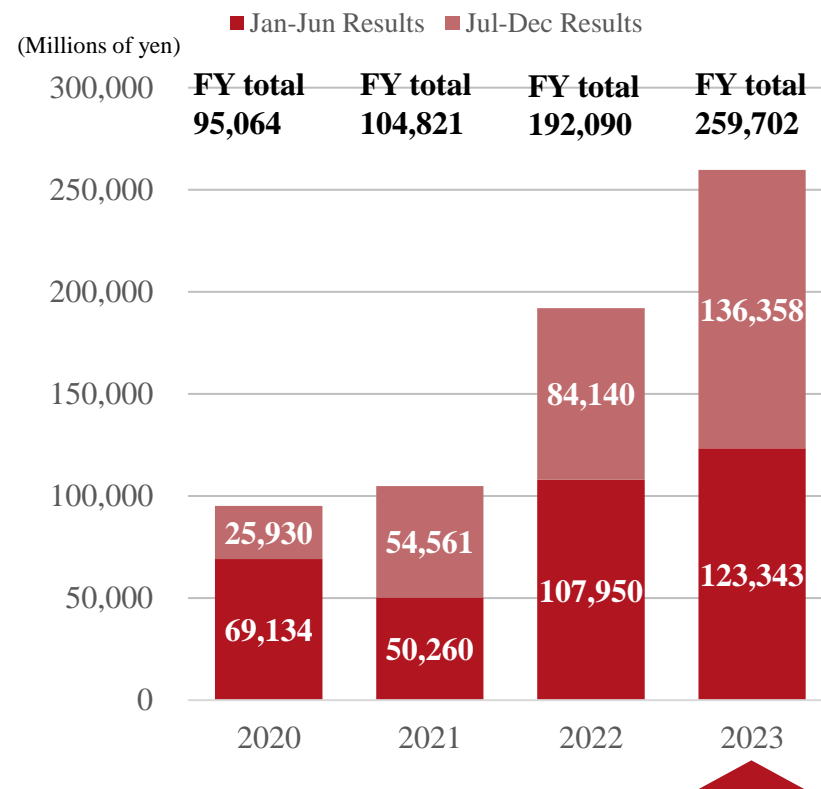
Deals Structured

(Operating Lease Business, Renewable Energy Business)

Deals Structured by Type of Asset

(Millions of yen)	FY2022	FY2023
Aircraft	185,463 (28 deals)	202,624 (33 deals)
Vessel	0 (0 deal)	11,050 (2 deals)
Container box	6,626 (1 deal)	46,027 (8 deals)
Solar photovoltaic generation	0 (0 deal)	0 (0 deal)
Total	192,090 (29 deals)	259,702 (43 deals)

Change in Amount of Deals Structured



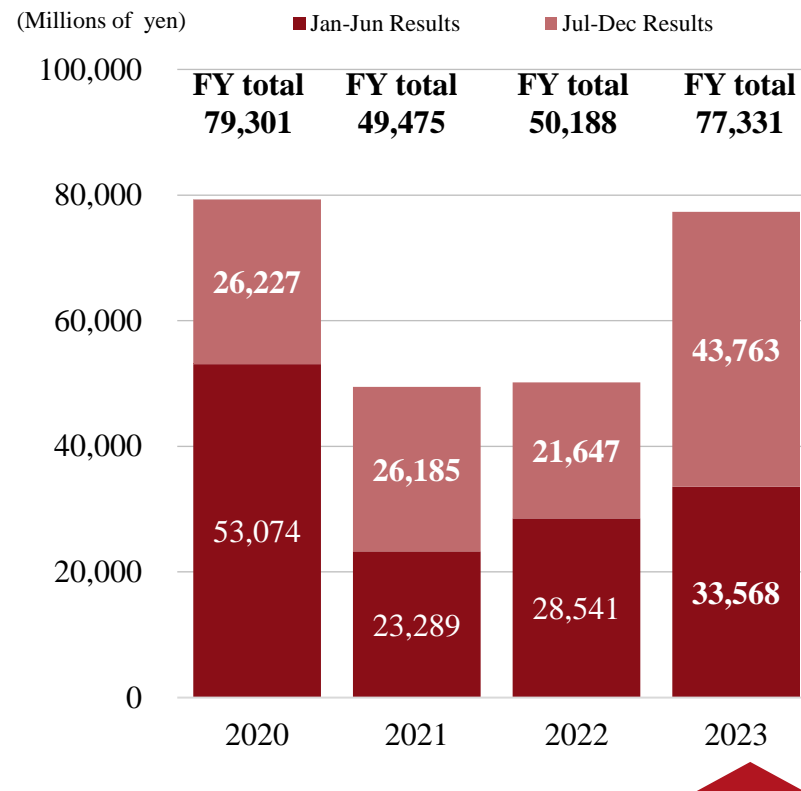
Equity Sales

(Operating Lease Business, Renewable Energy Business)

Equity Sales by Type of Asset

(Millions of yen)	FY2022	FY2023
Aircraft	45,466	60,532
Vessel	0	4,096
Container box	3,482	12,701
Solar photovoltaic generation	1,240	0
Total	50,188	77,331

Change in Amount of Equity Sales



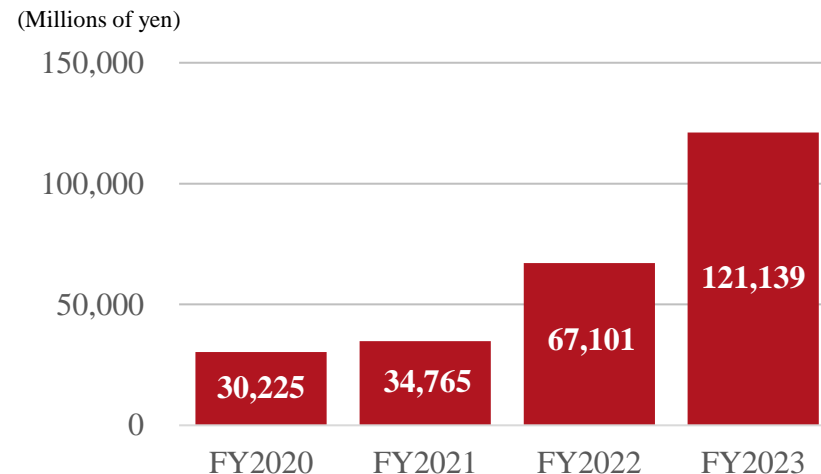
Equity underwritten etc.

(Operating Lease Business)

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

(Millions of yen)	End of December 2022	End of December 2023
Aircraft	43,516 (18 deals)	70,888 (24 deals)
Vessel	0 (0 deal)	0 (0 deal)
Container box	3,070 (1 deal)	23,377 (6 deals)
Subtotal	46,587 (19 deals)	94,266 (30 deals)
Investment in Bleriot*	20,514	26,873
Total	67,101	121,139

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



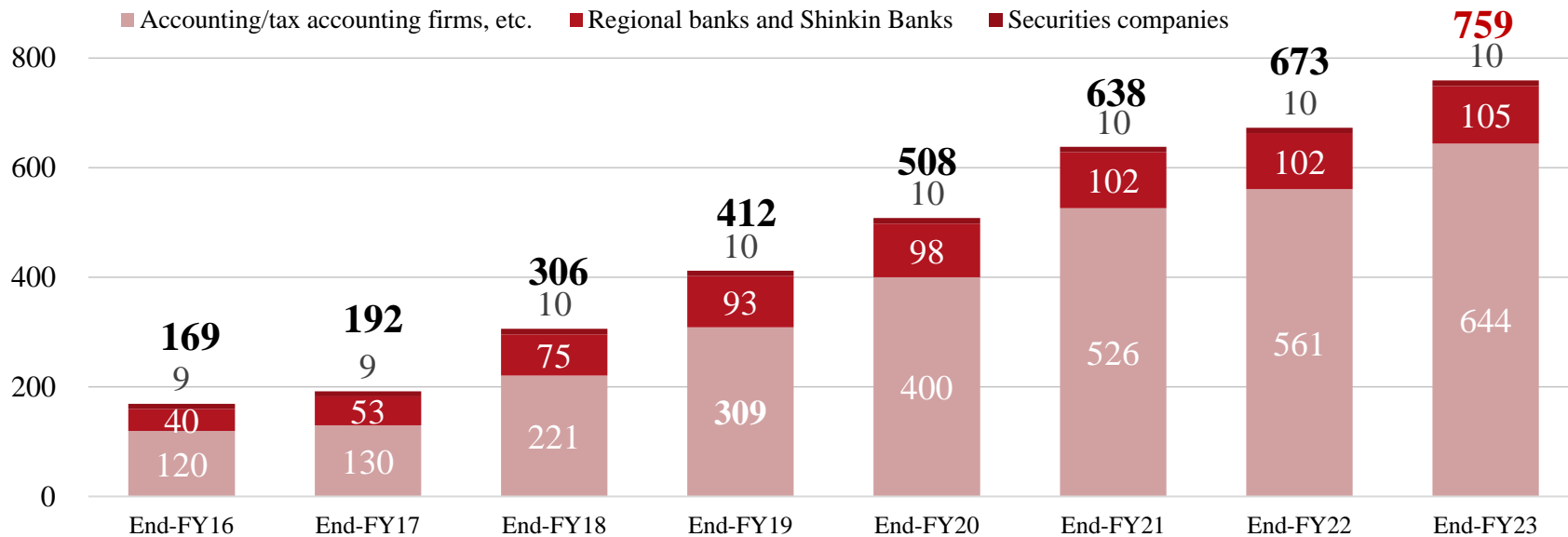
* Inclusion of Bleriot's investment balance in Equity underwritten)

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

(The Group accounts for its 50% 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. During FY 2023, the number of business matching partners, which match investors with JIA Group, increased by 86 to a total of 759.

→It will become a strong advantage in expanding customer base to those considering business succession and wealthy individuals.

FY2023 Consolidated Balance Sheet Summary (1)

(Millions of yen)	Dec 31, 2022	Dec 31, 2023		
		Result	YoY change	YoY change(%)
Cash and deposits	20,906	28,256	7,349	35.2%
Accounts receivable – trade	4,593	6,809	2,216	48.2%
Merchandise *1	38,643	16,689	(21,954)	(56.8%)
Equity underwritten *2	46,587	94,266	47,678	102.3%
Costs on uncompleted – trade	999	2,078	1,078	107.9%
Advance payments-trade *3	10,583	8,249	(2,334)	(22.1%)
Advances paid*4	6,204	7,115	911	14.7%
Other	8,444	13,656	5,212	61.7%
Current assets	136,963	177,122	40,159	29.3%
Tangible fixed assets	460	437	(23)	(5.0%)
Intangible fixed assets	425	203	(221)	(52.1%)
Investment and other assets *5	37,926	33,861	(4,064)	(10.7%)
Non-current assets	38,812	34,502	(4,309)	(11.1%)
Deferred assets	101	125	23	23.7%
Total assets	175,876	211,750	35,874	20.4%

Point

*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): 13,436 million yen (equivalent to 50% of the equity)

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

FY2023 Consolidated Balance Sheet Summary (2)

(Millions of yen)	Dec 31, 2022	December 31, 2023		
		Result	YoY change	YoY change(%)
Accounts payable - trade	452	227	(225)	(49.7%)
Short-term loans payable *1	94,861	127,599	32,738	34.5%
Contract liabilities *2	5,510	15,629	10,119	183.7%
Other	6,066	5,904	(161)	(2.7%)
Current liabilities	106,890	149,361	42,471	39.7%
Non-current liabilities*1	22,190	13,577	(8,612)	(38.8%)
Total liabilities	129,080	162,939	33,858	26.2%
Capital stock	11,679	11,716	36	0.3%
Capital surplus	11,624	11,658	33	0.3%
Retained earnings	22,457	23,795	1,337	6.0%
Treasury shares	-1,470	-1,470	(0)	(0.0%)
Shareholders' equity *3	44,291	45,698	1,406	3.2%
Other	2,504	3,112	608	24.3%
Total net assets	46,795	48,811	2,015	4.3%

Point

*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	FY2023	22.6%

3. Forecasts for FY2024

Earnings Forecasts for FY2024

First year of the Three-year Business Plan from 2024 to 2026.

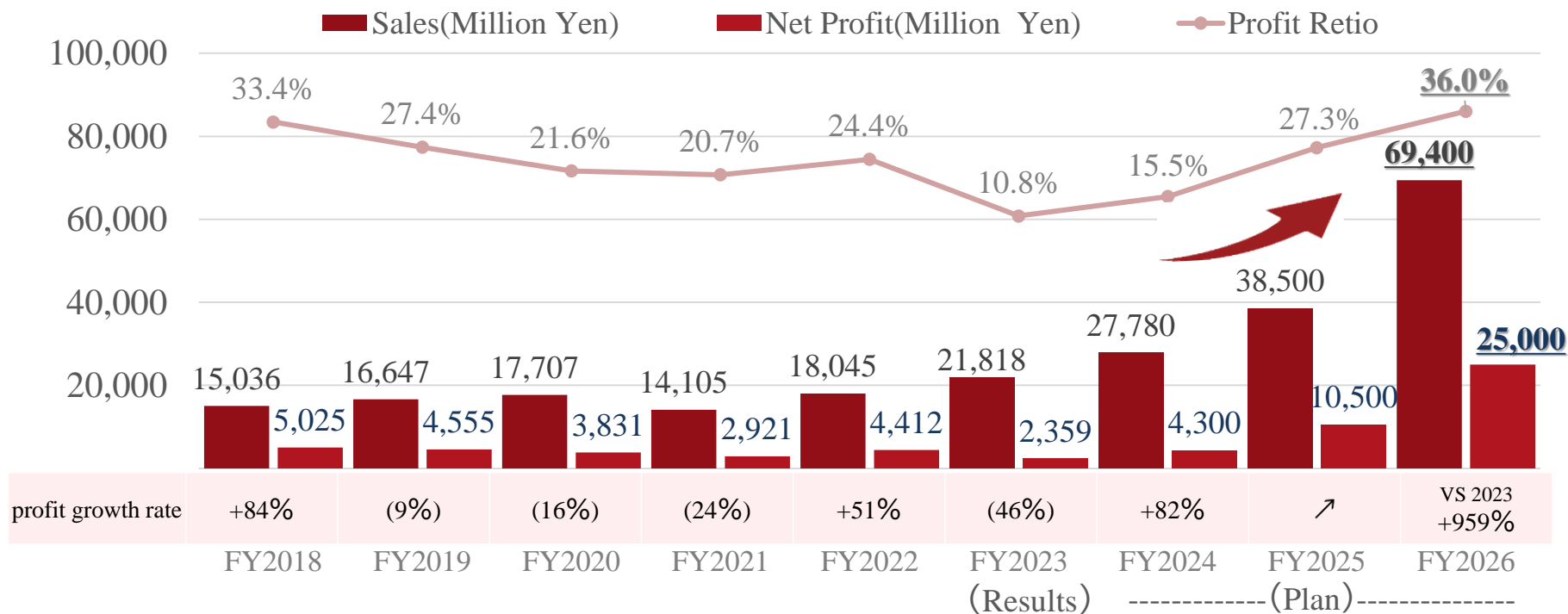
- Equity sales in the Operating Lease Business are planned to be 100 billion yen for the first time since fiscal 2019.
- Aiming to increase profits by diversifying business portfolio including the Real Estate Business.
- The foreign exchange rate is assumed to remain at 1 US dollar = 141.83 yen at the end of FY2023 through the end of FY2024.

(Millions of yen)	FY2024					
	First Half		Second Half		Fiscal year	
	Forecast	YoY Change	Forecast	YoY Change	Forecast	Change
Net Sales	14,550	5,611 62.8%	13,230	349 2.7%	27,780	5,961 27.3%
Operating profit	4,850	1,649 51.5%	3,270	978 42.7%	8,120	2,627 47.8%
Ordinary profit	4,000	1,388 53.1%	2,300	1,242 117.6%	6,300	2,631 71.7%
Profit attributable to owners of parent	2,720	1,023 60.3%	1,580	916 138.3%	4,300	1,940 82.2%
Total amount of equity sales*	50,300	21,758 76.2%	49,700	909 1.9%	100,000	22,668 29.3%

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

Changes in Profit

- ✓ To actualize a highly profitable structure with a net income of 25 billion yen and a net income margin of 36.0% in FY2026



Changes in important indicators

- ✓ We will speed up the evolution of our business model, which was stagnant amid the coronavirus pandemic.
- ✓ We will expand the sales of businesses other than the Operating Lease Business, while achieving high-level profit growth.

Important indicators	FY 2023	2024年	2025年	2026年
	Result	Forecast	To FY2026 Three-year Business Plan	
Composition of sales other than operating lease business(※1)	12%	20%	↗	About 30%
Profit growth rate	(46.5%)	+82.2%	↗	Profit doubles every year
ROE	5.0%	7.9% (※3)	↗	More than 25%
Dividend payout ratio	32 yen per Share 41.0% (※2)	16 yen per Share 20.8% (※4)	↗ Increase in dividends	More than 20%

Note1: According to the segment classification until 2023, it is the sum of other than the operating lease business and the part out & conversion business.

Note2: Despite stagnant earnings, the dividend amount was maintained, resulting in a temporary increase in the dividend payout ratio

Note3: Projected figures based on the assumption that the rights offering will result in a capital increase of up to approximately 10,342 million yen (reference: page 37 for an explanation of the rights offering).

Note4: Projected figures based on the assumption that the number of outstanding shares will increase significantly as a result of the rights offering (reference: page 37 for an explanation of the rights offering and page 38 for the calculation method).

4. Growth Strategy

Main strategic points for 2024 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)

Expansion of profit models other than conventional JOL/JOLCO

- 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.

Expansion of JOL/JOCO



- ✓ To fortify a sales system for achieving equity sales of 150 billion yen in 2026
- ✓ To enhance the uniqueness of products, including used aircraft and flexible periods, to expand our share in the JOL/JOLCO market

New products



- ✓ To convert passenger airplanes that have ended their lifespans into cargo aircraft, and include them in JOL/JOLCO deals (planning to sell 2 aircraft in 2024)
- ✓ To develop revenue models with new products, including business jets (arranging a business jet in Jan. 2024)

Trading



- ✓ To meet the needs of domestic business owners or the like for an aircraft (selling 4 aircraft in 2023)
- ✓ To meet the needs of overseas airline companies or leasing companies with our capability of arranging the procurement of popular aircraft (trading 4 aircraft in 2023)

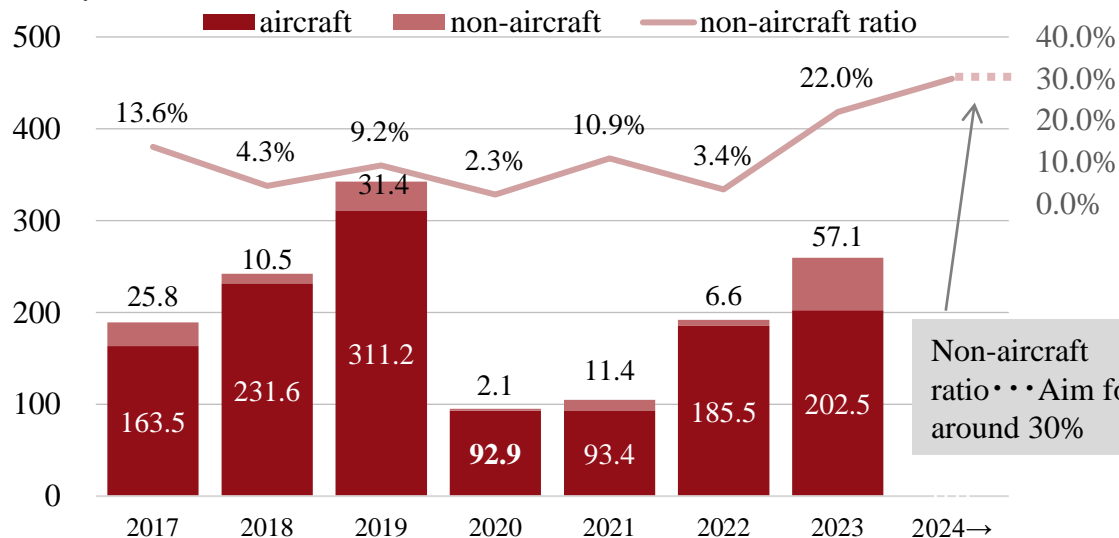
To diversify the Operating Lease Business(2)

Promoting diversification of leased assets away from dependence on aircraft

- We have been cautiously working on JOL/JOLCO for vessels and shipping containers 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.
- In 2023, we strengthened deal structuring of vessels and shipping containers. In the future, we aim to increase the composition of lease assets other than aircraft to around 30%.

Changes in amount of JOL/JOLCO deals structured asset type

(Billions of yen)



Container deals
Structured 46,027 million yen (FY2023)

Vessel deals
Structured 11,050 million yen (FY2023)

Non-aircraft ratio... Aim for around 30%

To build a foundation for the Real Estate Business

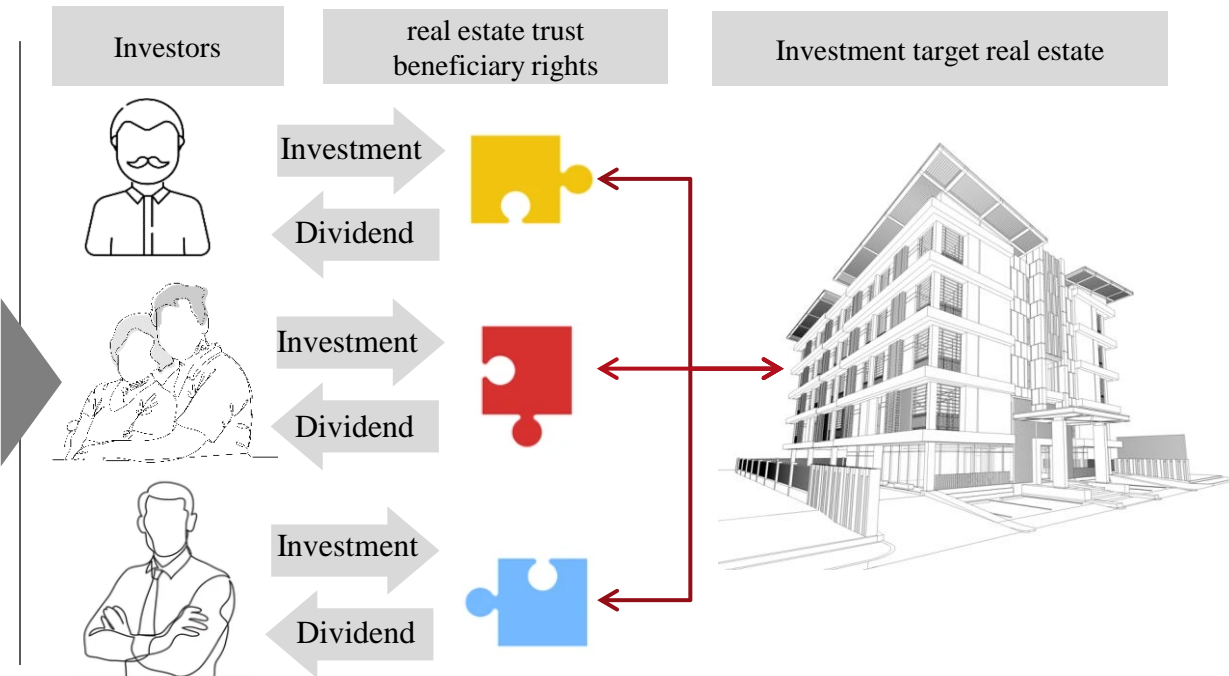
Strengthen sales of fractional real estate investment.

- Strengthening the sales system for real estate trust beneficiary rights, which began sales in April 2023
- To develop our real estate-related business as the next core business, by utilizing the customer base and information network established through the Operating Lease Business

Fractional real estate investment

Multiple investment units make it possible to inherit real estate after dividing it.

It can be considered as a measure for smooth inheritance.



To expand business portfolio (Renewable Energy Business)

Secure stable profits in the solar power generation business and create the next strategic business

- The new power source business is at the stage of a demonstration experiment.
To produce new financial instruments for a sustainable society



Solar power generation business



- ✓ Utilizing the knowledge of operating 25 solar power plants, we have earned stable income from electricity sales.
- ✓ Expansion of weeding business at solar power plants using sheep farming.
- ✓ To cultivate potential markets of solar power generation by operating the business of the power purchase agreement (PPA) for installation of rooftop solar panels

New power source business



- ✓ Start of operation of Sagamihara Biogas Power Tana Pauer Plant in November 2023. Inducing methane fermentation by using recyclable food resources to produce biogas and then generates electric power that is sold based on the Feed-in tariff (FIT) system.
https://ssl4.eir-parts.net/doc/7172/ir_material4/217077/00.pdf
- ✓ Developing a business model of wooden biomass power generation with woodchips made in Japan based on industry-academia cooperation with Tokyo University of Agriculture and Technology.
- ✓ (Selected for NEDO [New Energy and Industrial Technology Development Organization] grant project)

To expand business portfolio (PE Investment Business)

To monetize the private equity investment business

To achieve two revenue models with different time axes: “Investment for improving corporate value” and “fund creation,” and stabilize revenues

■ The two wheels of the Private Equity Investment Business

Create an investment fund and earn management fees and performance fees



To create investment funds for enterprises that are likely to make an IPO, receive fund management fees as a general partner (GP) and get performance-based compensation with a speedy exit

FY2023: Realized IPO of 3 companies from invested funds

AVILEN, Inc, Nyle Inc., Nalnet communications Inc.

Exit income from own value improvement investment



To strive to improve corporate value on a hands-on basis from the seed stage, and yield significant revenues through exit in a long span of time

FY2023: Achieved buyout of two companies

ADLER SOLAR WORKS Co.,Ltd., NMP Specialist Inc.

【Outline of Private Equity Investment Business.】

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

To expand business portfolio (Comprehensive financial solutions)

Providing our group's diverse services as comprehensive financial solutions

- Without being bound by preconceived notions, discuss the optimal approach from among various solutions and support implementation.
- Build deeper relationships by supporting the management issues of our customers.

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

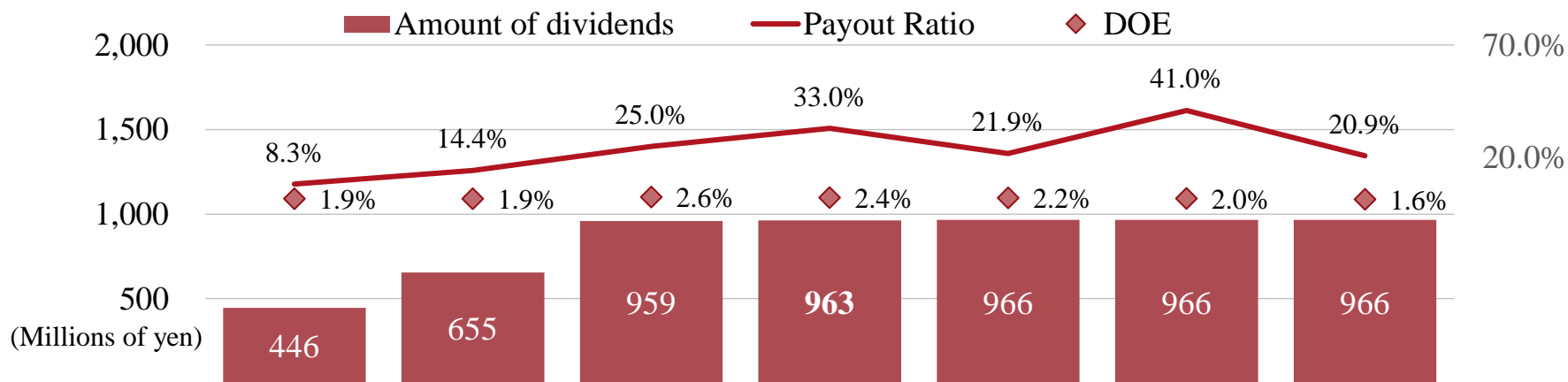
FY2026→

5. Shareholder Returns

Dividend policy continues

- The number of shares outstanding is expected to increase significantly due to the rights offering initiative. When calculated based on the assumptions shown in the Appendix, total dividends are expected to be the same as in the previous fiscal year, although dividends per share will decrease.

(reference page 37 for an explanation of the Rights Offering and page 38 for the calculation method.)



Dividend per share	2018 Result	2019 Result	2020 Result	2021 Result	2022 Result	2023 Result	2024 Forecast
		15 yen	22 yen	32 yen	32 yen	32 yen	32 yen

Through the “partially committed rights offering,” the shareholders who have exercised all of 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, the dividend amount calculated by summing up the number of parent shares and the number of new shares will be 32 yen.

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.

(Our shareholder incentive system may change in the future.)



Unlimited reading of back issues



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



Use of sophisticated tools such as chart analysis

Nihon Securities Journal

Search

Continuous holding period \ Continuous holding share	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 (Financing by rights offering)-1

A partial commitment-type rights offering (Resolved at the board of directors meeting on December 28th)

- A capital increase system that allocates stock acquisition rights free of charge according to the number of common shares held by existing shareholders. If all stock acquisition rights are exercised, there will basically be no dilution of ownership held by the shareholder.

【Overview of the rights offering】

Name of subscription rights to shares	Japan Investment Adviser Co., Ltd. 4 th subscription rights
Exercise period for general investors	From January 17, 2024 To March 11, 2024
Total number of subscription rights issued	30,240,953 subscription rights
Commitment contract	Regarding 6,048,190 subscription rights (upper limit), which account for 20% of the above mentioned, the underwriter will accept all of them and exercise them.

【Use of funds】

Specific use	Amount (Millions of yen)	Expected spending period
Loans to JLPS by our wholly-owned subsidiary	7,000 ※	From Feb 2024 To Dec 2024
Loan to SPC scheduled to be established for the purpose of conducting real estate business	3,276	From Jun 2024 To Dec 2024

The procurement amount through this rights offering (※Based on payment amount)

Up to approximately 10,342 million yen

【Background of the financing】

- It is indispensable to secure our own funds in order to increase the amount of deals structured in the operating lease business, which is the mainstay.
- It is indispensable to secure our own funds from the viewpoints of creation and sales strategies in the real estate business, on which we have been concentrating in recent years.

Calculation methods for various indices due to large fluctuations in the number of shares issued and outstanding

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.

- I. Dividend payout ratio (pages 23 and 34)
- II. Dividend per share (page 34)
- III. Ratio of dividends to net assets (page 34)

Assumption 1) 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.

Assumption 2) In addition, the total number of outstanding shares will not change during the fiscal year ending December 2024.

Assumption 3) During the fiscal year ending December 2024, the number of treasury shares will not change.

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 organizations that support local life, etc.



◆ List of private placement bonds (donation-type) issued by the Group from 2023 (We have issued a total of 8 billion yen since 2019)

Underwriter	Name / (Donation recipients)	Issue Amount (million yen)	Underwriter	Name / (Donation recipients)	Issue Amount (million yen)
Kirayaka Bank	Kirayaka Local Support Private placement bonds (Yamagata University Faculty of Medicine)	200	THE TOKUSHIMA TAISHO BANK (JIA)	SDGs Private placement bonds (Public interest incorporated association Tokushima Forest Bank)	100
The Chiba Kogyo Bank	SDGs Private placement bonds (Foodbank Chiba)	300	THE TOKUSHIMA TAISHO BANK (JLPS)		100
The First Bank of Toyama	SDGs Private placement bonds (Toyama City Welfare Scholarship Fund)	200	The Aichi Bank	SDGs Private placement bonds “ASUNARO” (Social welfare corporation Chubu Zen’i Bank)	200
The 77 Bank	SDGs Private placement bonds (International Center for Synchrotron Radiation Innovation Smart, Tohoku University)	200	The Tottori Bank	SDGs Private placement bonds “Hometown future support bonds” (Tottori City Regional Restaurant Network)	100
The Bank of Toyama	SDGs Private placement bonds (Toyama City Welfare Scholarship Fund)	200	The Musashino Bank	SDGs Private placement bonds “ (Power of the future)” (Public interest incorporated foundation Saitama Green Trust Fund)	100
The Hiroshima Bank	Private placement bonds with bank guarantee (SDGs type) (Public interest incorporated foundation Hiroshima Kodomo Yume Zaidan)	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...

Investor Relations Group.

Japan Investment Adviser Co., Ltd.

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

Tel : +81-3-6550-9307