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Listed on: Tokyo Stock Exchange Standard Market (Stock code: 8518)
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Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard”

Japan Asia Investment Co., Ltd. (JAIC) hereby announces that, based on the recent business performance etc., JAIC has revised its “Result Forecast Consolidated under the Previous Accounting Standard” for fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024), previously announced on May 15, 2023.

The “Result Forecast Consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document are based upon the information currently available to JAIC at the time of writing and certain assumptions. The achievement is not promised. Numerous factors could cause actual results to differ materially from these forward-looking statements.

1. Revision on the “ Result Forecast Consolidated under the Previous Accounting Standard” for fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Consolidated operating revenue (Millions of yen)	Consolidated operating income (Millions of yen)	Consolidated ordinary income (Millions of yen)	Net profit attributable to owners of parent (Millions of yen)	Consolidated net income per share (*Note) (Yen)
Previous forecast(A)	2,300	200	120	120	6.78
Revised forecast (B)	950 ~ 2,300	Δ1,450 ~ Δ400	Δ1,500 ~ Δ450	Δ1,500 ~ Δ450	Δ84.7 ~ Δ25.4
Change(B-A)	Δ1,350 ~ 0	Δ1,650 ~ Δ600	Δ1,620 ~ Δ570	Δ1,620 ~ Δ570	
Percentage Change (%)	Δ58.7 ~ 0.0	-	-	-	
(Reference) Actual results under the Previous Accounting Standards for FY Mar. 2023	3,017	Δ185	Δ224	Δ269	Δ15.22

*Note: Consolidated net income per share in the above table is calculated based on the number of shares issued and outstanding (excluding treasury stock) as of December 31, 2023 as the average number of shares during the period.

2. Reasons for revision

In the previous forecast which JAIC announced at the beginning of this fiscal year, JAIC estimated to sell project-oriented investments such as the logistic warehouse and the group homes for disabled people in the second half of the fiscal year.

However, negotiation and process of selling these projects took longer than expected. Now JAIC estimates capital gains from these projects in FY Mar. 2025.

As for private equity investments, JAIC estimates sales of listed shares to exceed the previous forecast. On the other hand, JAIC estimates sales of unlisted shares are uncertain. In the previous forecast, JAIC expected to sell domestic unlisted shares with relatively large investment amount in the second half of the fiscal year. Now JAIC are negotiating for the sale of the unlisted shares. It is not yet clear whether JAIC will reach an agreement on the sale of the shares during the current fiscal year. The details of the terms of the sale have not yet been determined.

If JAIC will sell the unlisted shares on the best terms JAIC currently envisioned, consolidated operating revenue is expected to remain unchanged from the previous forecast. On the other hand, if JAIC will end up selling the shares on lower terms, if JAIC can sell only a part of the shares, or if JAIC can not sell the

shares during the current fiscal year, consolidated operating revenue is expected to decrease accordingly. As a result, consolidated operating revenue is expected to be up to 58.7% lower than the previous forecast.

As for consolidated operating income, consolidated ordinary income and net profit attributable to owners of the parent, they are estimated dropping from the previous forecast and they are estimated to fluctuate significantly depending on the sale of the unlisted shares.

In addition to the possibility of a significant downturn in consolidated operating revenue, capital loss, which JAIC did not estimate at the beginning of the fiscal year, has been posted and provision for possible investment losses and investment write-off exceeded the previous forecast.

The “Result Forecast Consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document are based upon the information currently available to JAIC at the time of writing and certain assumptions. The achievement is not promised. Numerous factors could cause actual results to differ materially from these result forecasts.

3. “Result Forecast Consolidated Under the Previous Accounting Standard”

5-1. Result forecast

The private equity investment business conducted by the JAIC Group is significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment in recent years. Therefore, JAIC does not disclose the results forecast. For the convenience of investors and shareholders, however, JAIC discloses “result forecast consolidated under the Previous Accounting Standard” even though it does not have enough rationality.

5-2. “Result forecast consolidated under the Previous Accounting Standard”

There is a difference between current accounting standards and those applied to the “Result forecast consolidated under the Previous Accounting Standard.” As of fiscal year ended March 31, 2007 the JAIC Group has adopted “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan Practical Issues Task Force No. 20 issued on September 8, 2006), and consolidated financial statements, etc., are being prepared with the inclusion in the consolidation of some of the operational investment funds managed by the JAIC Group.

On the other hand, the operational investment funds managed by the JAIC Group are excluded from the scope of consolidations in the financial statements etc., prepared in accordance with the previous accounting standards. Assets, liabilities, revenues and expenses for investment funds are reported based on the investment portion by JAIC and its subsidiaries and by excluding the portion held by external investors. In addition, company-type funds are excluded from the scope of consolidations.

To enable investors and shareholders to have an accurate understanding of the JAIC Group’s business results and financial position, JAIC considers it essential also to disclose financial statements, etc., prepared in accordance with the previous accounting standards. Therefore, for reference purposes, JAIC will

continue to disclose financial statements, etc., in accordance with the previous accounting standards.

(End)