JIA

Japan Investment Adviser Co., Ltd.

(Stock Code: 7172)

Financial Results for the First Quarter of FY2020

May 1, 2020



Kasumigaseki Common Gate West Tower 34F
3-2-1 Kasumigaseki, Chiyoda-ku Tokyo Japan
https://www.jia-ltd.com

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1. Company Overview

Corporate Philosophy

Always be a company contributing to society by offering financial services

Our commitments for accomplishing this goal

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.**

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Corporate Information

As of March 31, 2020



Company Name	Japan Investment Adviser Co., Ltd.
Headquarters	Kasumigaseki Common Gate West Tower 34F, 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo
Representative	Naoto Shiraiwa, President and CEO
Established	September 2006 (Fiscal Year-end: December 31)
Business Activities	Financial solutions business, Media-related business
Paid-in Capital	¥11,658 million
Listed Exchange	Tokyo Stock Exchange – Mothers (Stock Code: 7172)
Employees	Non-consolidated: 137; Consolidated: 181
Financial Institutions	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Limited., The Chiba Bank, Ltd., THE DAISHI BANK, LTD., and the other 80 banks
Major Shareholders	Top shareholders (61.4% shares, excluding treasury stock) as of December 31, 2019 Naoto Shiraiwa KODO Holdings Co., Ltd. Japan Trustee Services Bank, Ltd. (Trust account) Japan Trustee Services Bank, Ltd. (Trust account No.9) Japan Investment Adviser Co., Ltd.(Treasury stock) Trust & Custody Services Bank, Ltd. (Securities investment trust account)
Auditor	Grant Thornton Taiyo LLC

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Group Companies

As of March 31, 2020

	Name	Location	Capital (Thousands of yen)	Main line of business	Share of voting rights (%)
Consolidated subsidiaries	JP Lease Products & Services Co., Ltd.	Chiyoda-ku, Tokyo	950,000	Operating lease business for aircrafts, maritime container boxes and vessels Insurance agency business	100.0
	JLPS Holding Ireland Limited	Ireland	20 million euros	Leasing business for aircrafts	100.0
	Finspire Inc.	Chiyoda-ku, Tokyo	50,000	Operating lease business	100.0
	JPO No.0 Co., Ltd.	Chiyoda-ku, Tokyo	300	Aircraft part-out & conversion business	100.0
	JPO No.1 Co., Ltd.	Chiyoda-ku, Tokyo	300	Aircraft part-out & conversion business	100.0
	JIA LUXEMBOURG SARL	Luxembourg	5.3 million euros	Investment business	100.0
	JPE No.1 Co., Ltd.	Chiyoda-ku, Tokyo	300	Investment business	100.0
	Japan M&A Adviser Co.,Ltd.	Chuo-ku, Osaka	30,000	M&A advisory business	100.0
	Nihon Securities Journal Inc.	Chuo-ku, Tokyo	4,500	Media-related business	100.0
	Arena Aviation Partners B.V.	Netherlands	1,100 euros	Aircraft lease management business	49.0
	Others (2 companies)				
Equity method affiliates	Vallair Capital SAS	France	101,570 euros	Aircraft part-out & conversion business	40.0
	Iter Corporation	Chiyoda-ku, Tokyo	50,000	Fintech business	37.0
	Others (2 companies)				

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Business History

2007
Established Japan Investment Adviser Co., Ltd. and started an operating lease business for marine transportation containers

2006
- Started M&A advisory business
- Established CAIJ Inc. (currently Finspire Inc.), a joint venture of leasing business of marine transportation containers that utilized portfolio of America CAI International, Inc. (company listed on NY Stock Exchange)

2011
Established JP Lease Products & Services Co., Ltd. and started an operating lease business for aircraft.

2013
JP Lease Products & Services Co., Ltd. started an operating lease business for marine transportation containers.

2014
Got listed on Tokyo Stock Exchange Mothers Section.
- Started structuring and selling the No. 1 Fund of solar power generation business

2015
- Acquired all shares of Nihon Securities Journal Inc. and Nihon Securities Journal Research Inc. and started media related & IR supporting business.
- Established JIA LUXEMBOURG SARL and constructed a network of partners in Europe.
- Started aircraft part-out and conversion business through a capital and business tie-up with Valliere Aviation S.A. (currently Vallair Capital SAS)
- Started an operating lease business for Vessels
- Started private equity investment business

2016
- Established Japan M&A Adviser Co., Ltd. and enhanced M&A advisory business
- Started IPO consulting business
- Acquired all shares of CAIJ Inc. (currently Finspire Inc.) (made into a wholly owned subsidiary company)

2017
- Acquired shares of Arena Aviation Partners B.V. and strengthened the capabilities for structuring operating lease for aircraft
- Established Iter Corporation (affiliated company accounted for by the equity method), a joint venture for financial service business.
- Started insurance agency business

2018
The first IPO in private equity investment business（TSE – Mothers (Stock Code: 4393)
Bank of Innovation ,Inc.）

2019
- JP Lease Products & Services Co., Ltd. succeeded the insurance agency business of Finspire Inc.
- Nippon Securities Journal Inc. conducted an absorption merger with Nippon Securities Journal Research Inc.
- JLPS Holding Ireland Limited, which was established in 2017, starts full-scale business operation as a hub in Europe.

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Our Businesses

Financial Solutions Business

-Our group supports various business with financial technology-

Three Core Lines of Business

Operating Lease Business(JOL)





(Portfolio sale function) JP Lease Products & Services Co., Ltd.
Finspire Inc.

(Arrange function) JLPS Holding Ireland Limited
Arena Aviation Partners B.V.

Renewable Energy Business



JP Lease Products & Services Co., Ltd.

Aircraft Part-Out & Conversion Business



JPO No.0 Co., Ltd.
JPO No.1 Co., Ltd.
Vallair Capital SAS

M&A Advisory Business



Japan M&A Adviser Co.,Ltd.

Insurance Agency Business



JP Lease Products & Services Co., Ltd.

Fintech Business



Iter Corporation

IPO Consulting Business



Wealth Management Business



Private Equity Investment Business



JPE No.1 Co., Ltd.

Human Resource Business



Real Estate Investment Business



Health Tech Business



Agri Business



※(Operating Lease Business Management function for overseas affiliate companies) JIA LUXEMBOURG SARL

Media-related Business

Media-related & IR Support Business



Nihon Securities Journal Inc.

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First Quarter of FY2020

2. Business Overview

Highlights for the First Quarter of FY2020

Significant increases in sales and profit from the first quarter of the previous term.

- ◆ Profit grew with a growth rate significantly exceeding the decrease rate (50.5%) in the first quarter of the previous term.
- ◆ Since the release in the previous term fell behind schedule, large-scale portfolios carried over to the current term were smoothly sold out.

(Millions of yen)	Q1 FY2019	Q1 FY2020	YoY change (%)	YoY change	Original forecast(Feb 10,2020)			
					First half	Progress rate	Fiscal year	Progress rate
Net sales	2,582	7,380	185.8%	4,798	10,760	68.6%	22,370	33.0%
Operating profit	1,161	3,057	163.4%	1,896	5,470	55.9%	11,300	27.1%
Ordinary profit	913	2,867	213.8%	1,953	5,060	56.7%	9,980	28.7%
Profit attributable to owners of parent	503	2,023	302.2%	1,520	3,330	60.8%	6,280	32.2%
Total amount of equity sales*	19,411	32,291	66.3%	12,879	65,000	49.7%	12,000	26.9%

- 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
- Note2: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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Business Segment Summary

Driven by the mainstay Operating Lease Business

◆ Sales of “Other Businesses” decreased due to the partial suspension of sales of corporate life insurance in March 2019 onward.

Business units (Millions of yen)		Q1 FY2019	Q1 FY2020	YoY change (%)	YoY change
Operating Lease Business		2,181	7,182	229.3%	5,001
Renewable Energy Business		95	78	(18.2%)	(17)
Aircraft Part-Out & Conversion Business		5	42	616.9%	36
Other Businesses	Insurance Business	228	20	(91.2%)	(208)
	M&A Advisory Business				
	Private Equity Investment Business				
	IPO Consulting Business and others				
Media-related & IR Support Business		70	56	(19.7%)	(13)
Total		2,582	7,380	185.8%	4,798

- Note: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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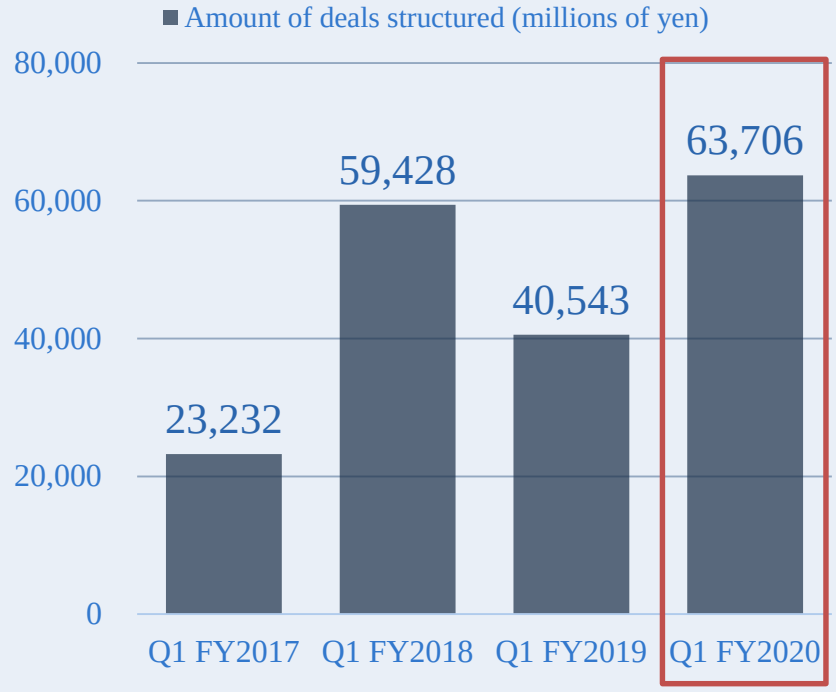
Deals Structured

Amount and Number of Deals Structured by Type of Asset

(Millions of yen)	Q1 FY2019	Q1 FY2020
Aircraft	35,728 (5 deals)	63,706 (4 deals)
Vessel	0 (0 deal)	0 (0 deal)
Container box	4,153 (2 deals)	0 (0 deal)
Solar photovoltaic generation	661 (1deal)	0 (0 deal)
Total	40,543 (8 deals)	63,706 (4 deals)

Change in Amount and Number of Deals Structured



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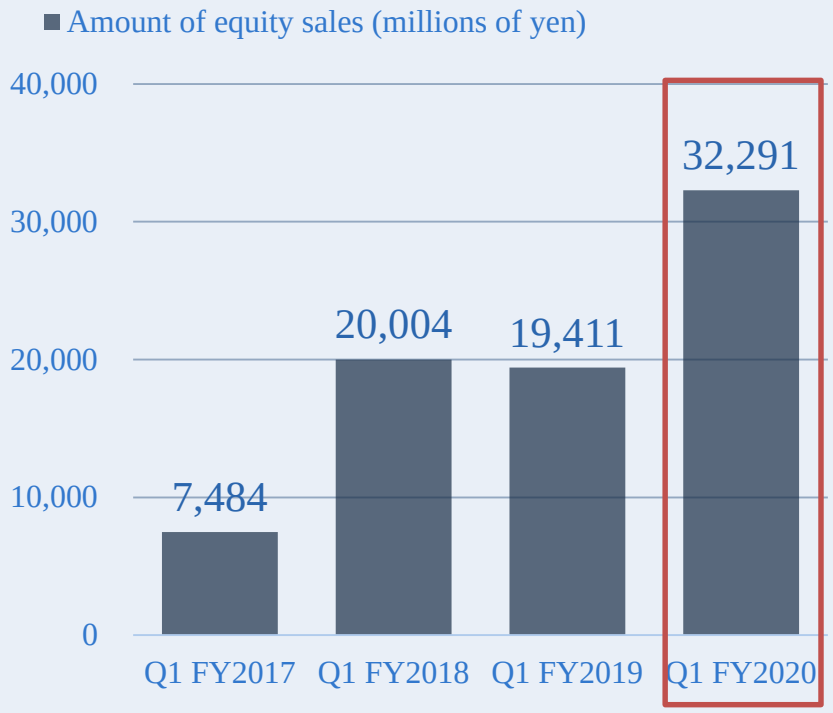
Equity Sales

Amount of Equity Sales* by Type of Asset

(Millions of yen)	Q1 FY2019	Q1 FY2020
Aircraft	18,463	32,141
Vessel	0	0
Container box	698	150
Solar photovoltaic generation	250	0
Total	19,411	32,291

Change in Amount and Number of Equity Sales*



- 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
- Note2: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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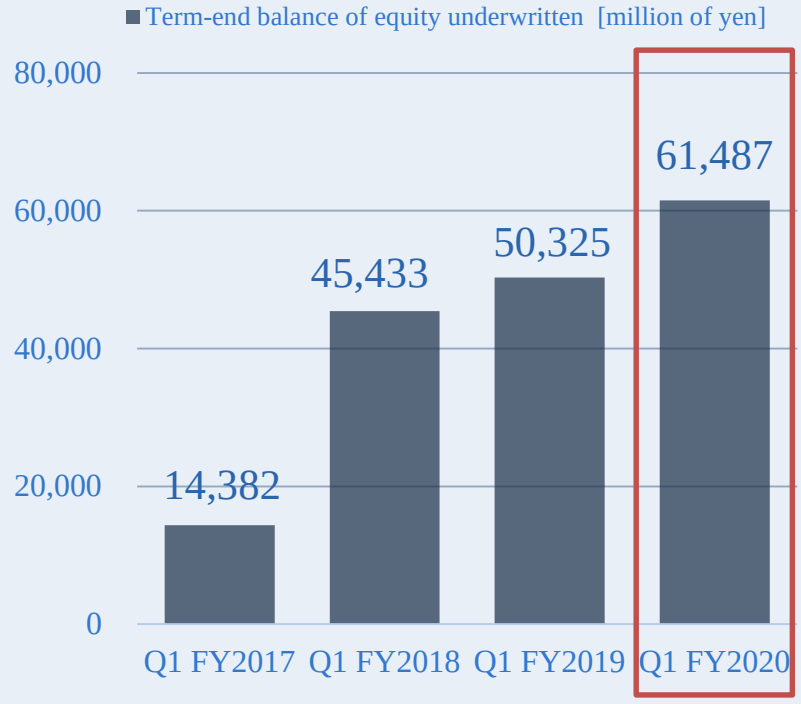
Balance of Equity underwritten* at the End of the Term

Balance and Number of Equity underwritten* at the end of the term by Type of Asset

(Millions of yen)	Q1 FY2019	Q1 FY2020
Aircraft	46,870 (21 deals)	51,736 (19 deals)
Vessel	0 (0 deal)	0 (0 deal))
Container box	3,455 (1 deal)	9,750 (3 deals))
Total	50,325 (22 deals)	61,487 (22 deals)

Balance of Equity underwritten* at the end of the term



Note: Falls under the item “Merchandise Investments” of Balance Sheet

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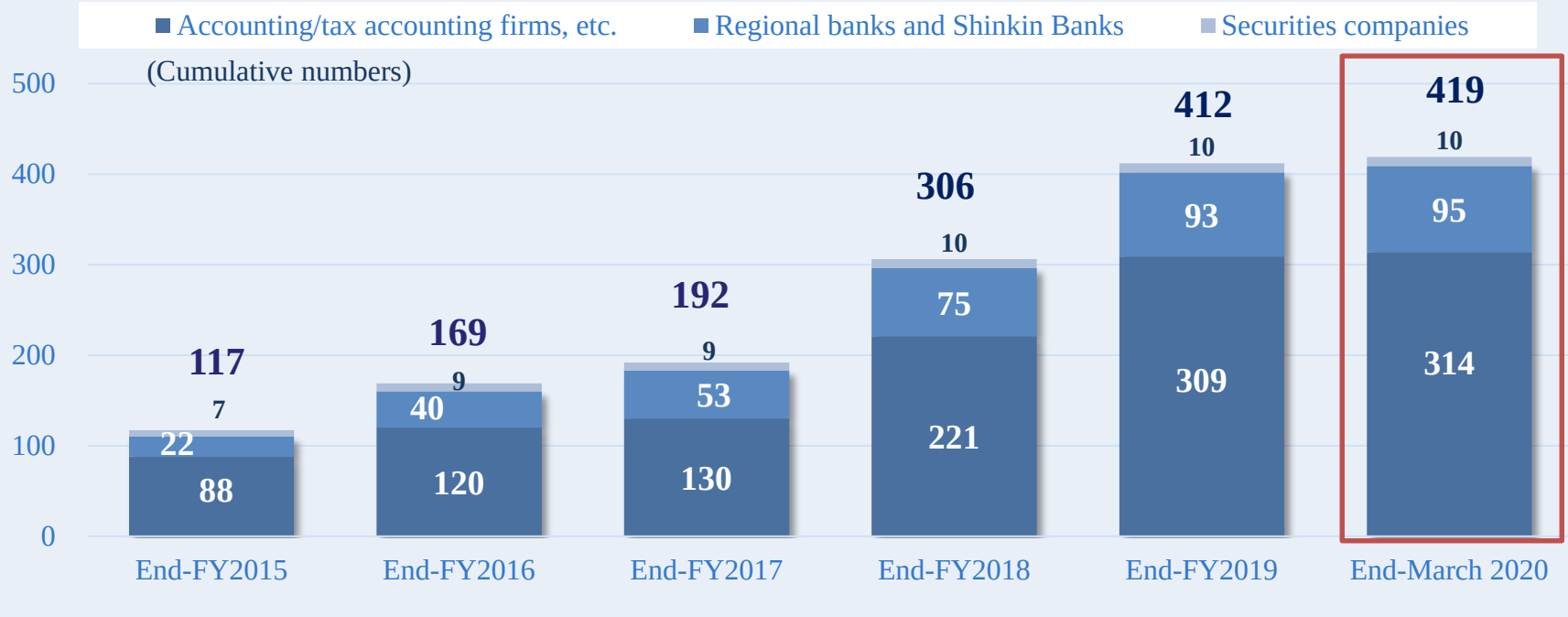
Growth of the Sales Network (Business Matching Partners)

Note: "the sales Network" (Business Matching Partners) indicates the business matchmaking contractor that introduces investors.

- ✓ In the Fourth quarter of 2020 (3 months), business matching contracts were executed with 5 accounting/tax accounting firms, 2 regional bank/shinkin banks.
- ✓ At the end of March 2020, there were matching agreements with 314 accounting/tax accounting firms, 95 regional bank/ shinkin banks, 10 securities companies, a total of 419 partners.



• Note: From the end of 2016, the total number of business matching contracts of JP Lease Products & Services Co., Ltd. and Finspire Inc. has been added.

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First Quarter of FY2020

3. Financial Results

Q1 FY2020 Consolidated Income Statement Summary

(Millions of yen)	Q1 FY2019 *5	Q1 FY2020	YoY change (%)	YoY change
Net sales	2,582	7,380	185.8%	4,798
Cost of sales	703	3,232	359.7%	2,529
Gross profit *1	1,878	4,148	120.8%	2,269
SG&A expenses *2	717	1,090	51.9%	372
Operating profit	1,161	3,057	163.4%	1,896
Non-operating income *3	232	308	32.8%	76
Non-operating expenses *4	479	499	4.1%	19
Ordinary profit	913	2,867	213.8%	1,953
Profit attributable to owners of parent	503	2,023	302.2%	1,520

*1. Gross profit

Gross profit margin decreased 16.6% to 56.2%.

*2. SG&A expenses

SG&A expenses ratio decreased 13.0% to 14.8%.

→The difference from the previous fiscal year has widened because there were projects with different cost accounting. However, from the second quarter onward, gross profit margin and SG&A ratio will return to the ratio as in the past.

*3. Non-operating income

An increase of ¥76 million includes
increase of ¥61 million in gain on sales of special-purpose companies(SPC) investments.

*4. Non-operating expenses

An increase of ¥19 million
increases of ¥72 million in interest expenses
increases of ¥38 million in fees
increases of ¥65 million in foreign exchange losses
A decrease of ¥179 million in equity in loss of affiliates.

- Note5: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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Q1 FY2020 Consolidated Balance Sheet Summary (1)

(Millions of yen)	Mar. 31, 2019 (1)	Dec. 31, 2019 (2)	Mar. 31, 2020 (3)	YoY change (3) – (1)	Vs. Dec. 31, 2019 (3) – (2)
Cash and deposits	19,882	36,239	41,976	22,093	5,736
Accounts receivable - trade	4,110	6,661	5,871	1,760	(790)
*1 Merchandise	4,672	2,637	4,669	(2)	2,031
*2 Equity underwritten	50,325	82,372	61,487	11,161	(20,884)
Costs on uncompleted services	982	4,580	2,012	1,030	(2,567)
*3 Advance payments - trade	18,781	5,263	7,947	(10,834)	2,684
*4 Advances paid	6,553	6,898	3,790	(2,763)	(3,108)
Other	5,051	6,513	4,678	(372)	(1,834)
Current assets	110,360	151,167	132,434	22,073	(18,732)
Property, plant and equipment	412	109	231	(180)	121
Intangible assets	43	114	127	83	12
Investments and other assets	3,509	7,407	6,739	3,229	(668)
Non-current assets	3,965	7,632	7,097	3,132	(534)
Deferred assets	90	80	107	16	26
Total assets	114,416	158,879	139,638	25,222	(19,241)

*1. Merchandise

Inventories mainly in the aircraft part-out & conversion.

*2. Equity underwritten

Special-purpose companies(SPC) investments to be sold in the operating lease business.

・By selling the record-high amount of equity underwritten for the first quarter;
- Equity underwritten decreased ¥20,884 million from the end of the previous fiscal year.

*3. Advance payments - trade

Advance payments - trade mainly for purchase of Aircraft to develop investment products.

※ Plans to transfer all the balance to equity underwritten.

※ The company may sell aircraft.

*4. Advances paid

Advances paid mainly for investments in the renewable energy business.

- Note: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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Q1 FY2020 Consolidated Balance Sheet Summary (2)

(Millions of yen)	Mar. 31, 2019 (1)	Dec. 31, 2019 (2)	Mar. 31, 2020 (3)	YoY change (3) – (1)	Vs. Dec. 31, 2019 (3) – (2)
Accounts payable - trade	18	39	16	(2)	(23)
*1 Short-term loans payable	72,821	99,052	84,486	11,665	(14,565)
*2 Unearned revenue	3,527	13,574	9,769	6,242	(3,804)
Income taxes payable	80	2,335	278	197	(2,056)
Other	1,168	1,596	1,102	(66)	(494)
Current liabilities	77,616	116,598	95,653	18,037	(20,944)
Non-current liabilities	4,437	6,025	6,253	1,816	228
Total liabilities	82,053	122,623	101,906	19,853	(20,716)
Capital stock	11,639	11,658	11,658	18	0
Capital surplus	11,574	11,593	11,593	18	0
Retained earnings	10,397	14,154	15,804	5,407	1,649
Treasury shares	(1,470)	(1,470)	(1,470)	0	0
*3 Shareholders' equity	32,140	35,935	37,585	5,444	1,649
Other	221	321	146	(75)	(174)
Total net assets	32,362	36,256	37,732	5,369	1,475

*1. Short-term loans payable

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.
→The proceeds from the transfer of the Equity Underwritten to the investors will be used to repay the loans.

*2. Unearned revenue

Of the business consignment fees received from SPC, the amount for the period before the transfer to investors.

*3. Total net assets

Equity ratio rose due to a decline in the balance in Equity Underwritten and progress in repayment of loans.

End of 1st quarter of FY 2020	26.9 %
End of FY 2019	22.7 %

- Note: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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FY2020

4. Future outlook

Future outlook for the Group

Considering the spread of the COVID-19 infection,

1. Outlook for the Operating Lease Business
2. Outlook for the Renewable Energy Business
3. Revised earnings forecast

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1. Outlook for the Operating Lease Business

◆ Impact of COVID-19 on flight volume and operation rate

The situational awareness at the time of financial results announcement for FY2019 (February 10, 2020) remains.

- ✓ We will collect information on the direct effects on the Group's performance in FY2020, based on the present conditions as below.
- ✓ Any items requiring disclosure will be announced promptly.
- ✓ We will take a careful look at the deterioration of conditions for deals structured, and the impacts on the future opportunities to make deals, when the situation gets worse and prolonged. **(Cited from the financial results announcement for FY2019)**

"Current status" at the time of financial results announcement for FY2019 (February 10, 2020) **(Cited from the financial results announcement for FY2019)**

(Supplement①) The conditions of the Group's deals to be sold until around the third quarter of 2020 have been largely fixed, but we will carefully monitor the situation.

(Supplement②) The portfolios to be created in the future will be determined while carefully considering the impacts of the COVID-19 on the lessees.

(Supplement③) We will make efforts to gather further information, including the impacts on deals already created for or sold to airline companies, and take appropriate actions..

(Supplement④) We will prepare a contingency plan with monitoring the future performance and financial position of the lessees.

Additional item

(Supplement⑤) Following the announcement that Virgin Australia Holdings Limited (VAH), a party to the existing transaction, applied for voluntary management procedures, we promptly began discussions with related parties on countermeasures.

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2. Outlook for the Renewable Energy Business

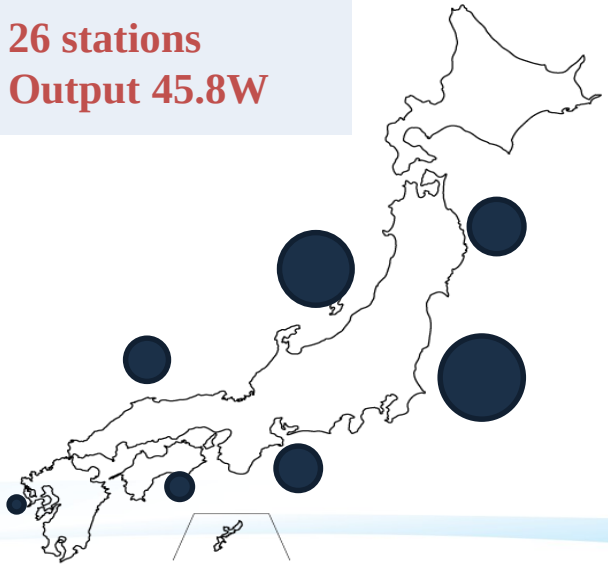
◆ We will carry out businesses as scheduled against the backdrop of stable power generation/operation performance.

✓ Without revising the initial schedule, we will work on monetization through management of our properties, and development and sales of new funds.
- Operation commission fees or income generated from sales of power from 26 existing power stations are our source of stable income.
- Impact of delay in completion of a new large-scale project (15.0 MW) due to COVID-19 is minimal.
- Exercising purchase options for the products sold in previous years has begun. We are establishing a new profit structure after purchase.

Operational status of solar power stations at the end of March 2020

Region	At the end of Dec 2019		At the end of Mar 2020	
	Output	Number	Output	Number
Kanto	11.0MW	7	11.0MW	7
Tohoku	7.2MW	4	4.4MW	3
Chubu	9.6MW	5	9.6MW	5
Kinki	5.9MW	3	7.0MW	4
Chugoku	5.7MW	3	5.7MW	3
Shikoku	3.4MW	2	3.4MW	2
Kyushu	2.0MW	1	2.0MW	1
Total	**44.7MW**	**25**	**45.8MW**	**26**

26 stations
Output 45.8W



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Revision of Earnings Forecast for FY2019 (compared to initial estimates)

Earnings forecast was revised downward to reflect the impact of COVID-19.

- ◆ The full-year sales are estimated to be ¥ 19,730 million (down 11.8% from the initial estimate)
- ◆ Profit attributable to owners of parent for the full year is estimated to be ¥ 4,400 million (down 29.9% from the initial estimate).

(Millions of yen)	Earnings forecast announced on February 20, 2020		Revised forecast					
	1st half	Fiscal year	1st half	Original y to y(%)	Original y to y	Fiscal year	Original y to y (%)	Original y to y
Net sales	10,760	22,370	10,400	(3.3%)	(360)	19,730	(11.8%)	(2,640)
Operating profit	5,470	11,300	4,230	(22.7%)	(1,240)	8,400	(25.7%)	(2,900)
Ordinary profit	5,060	9,980	3,830	(24.3%)	(1,230)	7,000	(29.9%)	(2,980)
Profit attributable to owners of parent	3,330	6,280	2,650	(20.4%)	(680)	4,400	(29.9%)	(1,880)

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Revision of Earnings Forecast for FY2020 (Y to Y)

It is estimated that sales will decrease by 50.4% and 37.3% in the second quarter (3 months) and in the second half, respectively.

- This revision was made based on the currently available information. It may be revised depending on the situation of COVID-19 in the world.

(Millions of yen)	FY2020						
	1st quarter	2nd quarter		2nd half		Fiscal year	
	Result	revision	YoY change (%)	revision	YoY change (%)	revision	YoY change (%)
Net sales	7,380	3,019	(12.8%)	9,330	(12.0%)	19,730	18.5%
Operating profit	3,057	1,172	(41.0%)	4,170	(17.3%)	8,400	2.6%
Ordinary profit	2,867	962	(46.0%)	3,170	(29.4%)	7,000	(2.6%)
Profit attributable to owners of parent	2,023	626	(50.4%)	1,750	(37.3%)	4,400	(3.4%)
Total amount of equity sales*	32,291	14,568	(36.8%)	32,820	(46.8%)	79,680	(23.5%)

- 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

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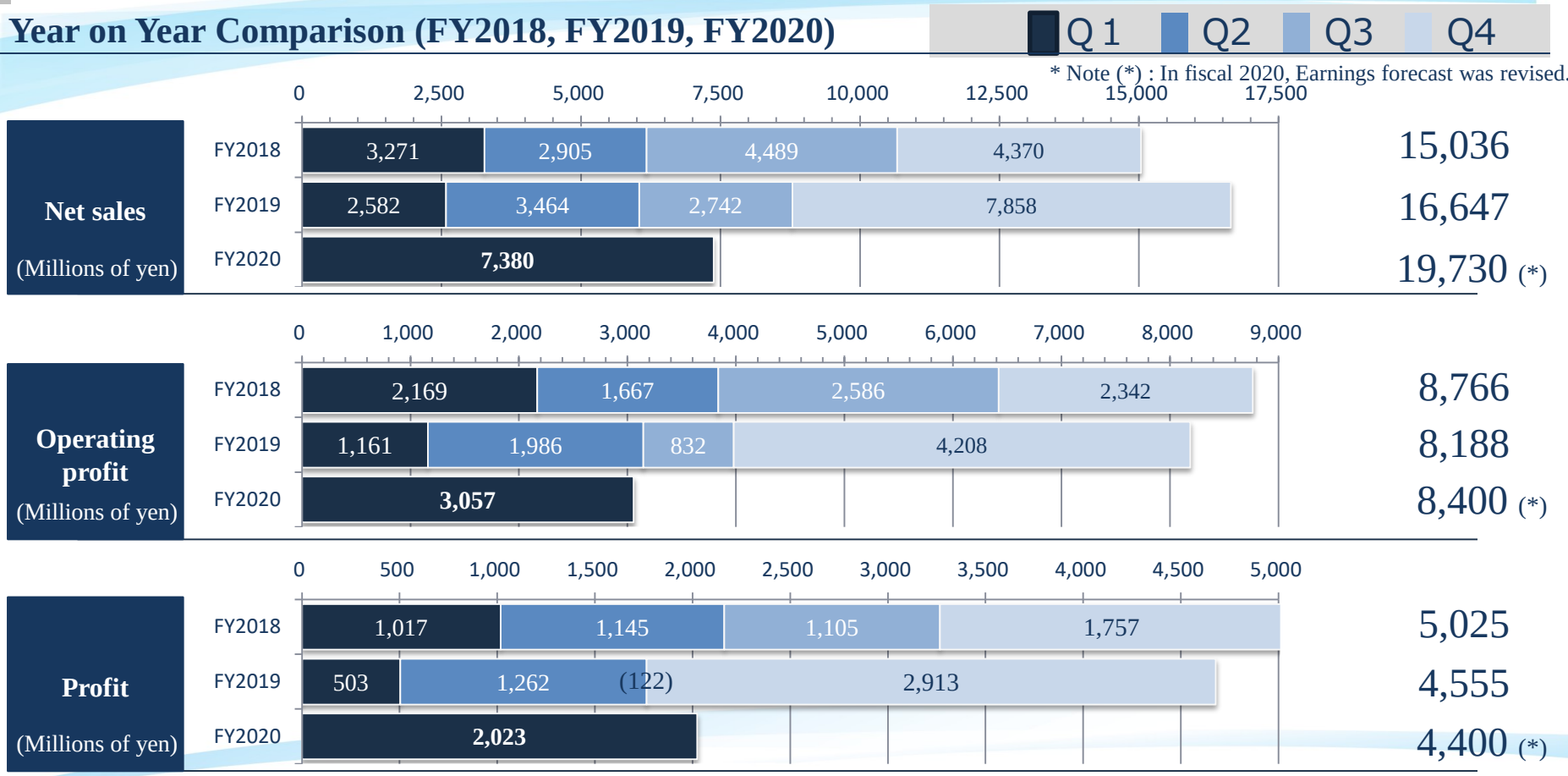
Trends by quarter

Year on Year Comparison (FY2018, FY2019, FY2020)



* Note (*) : In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

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5. Shareholder Return

Dividend Forecast

◆ **Our dividend policy is to aim for a consolidated payout ratio of at least 20% in the medium term**

Basic Policy for Shareholder Return

- ✓ The basic policy of JIA for the profit distribution is to pay dividends linked to business performance, taking into consideration the balance with the expansion of financial base and human investment for performance improvement.
- ✓ The annual dividend for the FY ending December 2020 is estimated to be 32 yen (interim 16 yen and year end 16 yen).

Changes in dividend amount		Interim dividend	Year-end dividend	Annual dividend
FY2017	Result	¥ 6.00	¥ 6.00	(*)
FY2018	Result	¥ 5.50	¥ 9.50	¥ 15.00
FY2019	Result	¥ 9.50	¥ 12.50	¥ 22.00
FY2020	Forecast	¥ 16.00	¥ 16.00	¥ 32.00

* Note: JIA conducted a 2-for-1 common stock split on September 1, 2017. Accordingly, the year-end dividend per share for FY2017 is adjusted to reflect the stock split and the total dividend per share for FY2017 is shown as " - ."

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Profitability Indicators

◆ Capital efficiency remains high thanks to business operation earning large revenue and achieving significant growth

✓ We aim to achieve a high profit rate and a high growth rate while maintaining the good balance between dividends and internal reserve.

	FY2018 *1	FY2019	FY2020 (forecast)
Payout ratio	8.5%	14.4%	21.7%
Equity ratio	30.0%	22.7%	–
ROA	8.4%	5.4%	–
Profit to sales	33.4%	27.4%	22.3%
Increase in profit	+84.3%	(9.3%)	(3.6%)
ROE	21.7%	13.4%	–

* Note1: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.” .

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Shareholder Incentives

◆ Descriptions of shareholder incentives in 2020

✓ We introduced the incentive plan for shareholders to encourage more shareholders to maintain their investment loyalty over the medium- to long-term period.

(1) Eligible shareholders	Perks are provided to all shareholders recorded in the shareholder register as of December 31,2020
(2) Allocation date	End of December,2020 (once each year)
(3) Gift	QUO Card and free subscription of Nihon Securities Journal (Digital Version)
(4) Gift eligibility	The number of shares (QUO Card + subscription ticket of Nihon Securities Journal (Digital Version)) **Period of less than one year** 100 or more and less than 2,000 shares → QUO Card worth ¥1,000 + Three-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥9,000 2,000 shares or more → QUO Card worth ¥3,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000 **Period of one year to less than two years** 100 or more and less than 2,000 shares → QUO Card worth ¥3,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000 2,000 shares or more → QUO Card worth ¥5,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000 **Period of two years or more** 100 or more and less than 2,000 shares → QUO Card worth ¥5,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000 2,000 shares or more → QUO Card worth ¥10,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000
(5) Definition of continuous ownership period	A continuous ownership period is the time during which an investor holds JIA stock without any interruption. This is defined as the length of time JIA stock is held continuously starting on the day an investor is recorded in the shareholder register and ending on the record date (December 31,2020).

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6. References

Topics

◆ Boeing 737 MAX8 Cancellation of purchase contract

- ✓ In August 2017, the JIA Group entered into a purchase agreement to receive 10 Boeing 737 MAX8 from mid-2021 to the end of 2022.
- ✓ Considering that the situation of the B737 has changed significantly since 2019, as a result of repeated discussions with Boeing, we reviewed the business plan and canceled the purchase contract.

（References）Japanese only

August 17, 2017
「ボーイング737MAX8 航空機 10機購入契約に関するお知らせ」
https://ssl4.eir-parts.net/doc/7172/tdnet/1509631/00.pdf

February 14, 2020
「ボーイング 737MAX8 航空機 10 機購入契約解消に関するお知らせ」
https://ssl4.eir-parts.net/doc/7172/tdnet/1797887/00.pdf

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- Industry trends and analysis, business outlooks, strategies, and other forward looking statements in this presentation are based on information available to the management of JIA when this presentation was prepared. The operating environment in the future could differ significantly from the current environment for a variety of reasons. As a result, next-stage strategies, results of operations and other items could differ from the information in this presentation.

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We may reply to you in writing, and it may take some time to respond to your inquiries. Please note that we will respond on or after the following business day if your inquiries are received on weekends, holidays, or the year-end and New Year holidays.

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