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October 31, 2024

# Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Japanese GAAP)


Company name: Japan Investment Adviser Co., Ltd.
Listing: Tokyo Stock Exchange, Prime Market
Securities code: 7172
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

## 1. Consolidated financial results for the nine months (from January 1, 2024 to September 30, 2024)

### (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 | |
|---|---|---|---|---|---|---|---|---|
| For the nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2024 | 21,117 | 42.4 | 8,947 | 150.9 | 4,889 | 55.5 | 3,220 | 44.3 |
| September 30, 2023 | 14,833 | (4.3) | 3,556 | 100.8 | 3,143 | (59.0) | 2,231 | (61.4) |

Note: Comprehensive income For the nine months ended September 30, 2024: ¥3,423 million [down 4.9%]
For the nine months ended September 30, 2023: ¥3,601 million [down 51.3%]

| | Net profit per share | Diluted net profit per share |
|---|---|---|
| For the nine months ended | Yen | Yen |
| September 30, 2024 | 53.25 | ― |
| September 30, 2023 | 36.91 | ― |

(Note1) Diluted net profit per share is not shown because there are no residual securities with dilutive effects.

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Net profit per share were calculated under the assumption that the payment for said rights offering was made at the beginning of the previous fiscal year.

### (2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of Sep. 30, 2024 | 230,193 | 61,572 | 26.4 |
| As of Dec. 31, 2023 | 211,750 | 48,811 | 22.6 |

Reference: Shareholders' equity
As of September 30, 2024: ¥60,717 million
As of December 31, 2023: ¥47,861 million

## 2. Cash dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2023 | - | 16.0 | - | 16.0 | 32.0 |
| FY2024 | - | 12.0 | - | | |
| FY2024 (forecast) | | | | 12.0 | 24.0 |

(Note1) Revisions to the forecast of cash dividends most recently announced: None

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Regarding dividends for the fiscal year ending December 2023, the actual dividend amount before the issuance of new shares is stated.

## 3. Consolidated Forecast for FY2024 (from January 1 to December 31, 2024)

(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 |
| Full year | 28,900 | 32.5 | 12,000 | 118.5 | 10,000 | 172.6 | 6,500 | 175.4 | 107.47 |

(Note1) Revisions to the most recently announced consolidated forecast: Yes

(Note2) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. Net profit per share were calculated under the assumption that the payment for said rights offering was made at the beginning of the previous fiscal year.

*** 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: None
(ii) Changes in accounting policies other than 1) above: None
(iii) Changes in accounting estimates: None
(iv) Restatements: None

(4) Number of shares issued (common stock)

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

| | | | |
|---|---|---|---|
| As of Sep. 30, 2024 | 61,022,353 shares | As of Dec. 31, 2023 | 61,022,353 shares |

2) Number of treasury shares at the end of the period

| | | | |
|---|---|---|---|
| As of Sep. 30, 2024 | 540,682 shares | As of Dec. 31, 2023 | 540,447 shares |

3) Average number of shares during the period

| | | | |
|---|---|---|---|
| Nine months ended Sep. 30, 2024 | 60,481,789 shares | Nine months ended Sep. 30, 2023 | 60,437,427 shares |

(Note) On January 17, 2024, our company allocated share acquisition rights to shareholders based on commitment-type rights offering, and issued new shares through the exercise of said share acquisition rights. The "Number of shares issued at the end of the period," the "Number of treasury shares at the end of the period," and the "Average number of shares during the period" were calculated under the assumption that the payment for the rights offering was made at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statement by certified public accountants or an audit firm: Yes (voluntary)

* 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 (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Consolidated Results of Operations

Regarding the global economy in the cumulative third quarter of the current fiscal year (January 1, 2024 to September 30, 2024), the European and U.S. economies were healthy as consumer spending was firm while the rate of inflation declined, and the domestic demand in China remained sluggish. The economic stimulation measures led by the Chinese government are expected to produce some economic effects, but the global economy may decline according to the Chinese economy.
Regarding the Japanese economy, the employment and income environments improved, companies actively invest in equipment, and demand from foreign visitors to Japan is strong. Accordingly, the Japanese economy is expected to recover gently, but there is a possibility that exchange rates will remain highly volatile due to the difference in direction of financial policy between Japan and the U.S. or Europe, so we need to pay attention to them.

Under such economic circumstances, JIA Group has striven to improve our corporate value mainly for the four core businesses (Operating Lease Business, Renewable Energy Business, Real Estate Business, and Private Equity Investment Business), under the management philosophy of "Always be a company contributing to society by offering financial services."

The sales of the Operating Lease Business stood at 18,944 million yen, up 38.8% year on year. The demand from investors for Japanese operating lease investment (JOL/JOLCO) products is healthy, and we have secured the amount of product inventories for meeting the demand. Therefore, equity sales were 84,423 million yen, up 70.4% year on year, showing good performance. On the other hand, the amount of deals structured stood at 184,940 million yen, up 11.4% year on year. The environment for structuring deals remains favorable, and the balance of equities underwritten exceeds that at the end of the previous fiscal year.
The sales of the Renewable Energy Business stood at 851 million yen, up 122.9% year on year. This is mainly because we posted the revenues from the management of solar power plants, the rents of power generation equipment, and the sales from an investment fund established for part of solar power plants owned by our company.
The sales of the Real Estate Business stood at 219 million yen, up 468.8% year on year. This is mainly because we posted revenues from the sale of trust beneficiary rights for real estate fractional ownership investment products.
The sales of the Private Equity Investment Business stood at 104 million yen, up 275.4% year on year. We posted revenues from the sale of some shares of the post-IPO companies in which the JIA Group's fund invested.
The sales of other businesses stood at 997 million yen, up 35.7% year on year. We posted revenues from commissions for comprehensive financial solution services of the securities business of a subsidiary of the JIA Group and so on.

The following table presents the operating results of the JIA Group for the third quarter of the consolidated fiscal year.

The table below shows the operating results of JIA group for the cumulative third quarter of the consolidated fiscal year.

[Unit: Million yen]

| | Nine Months FY2023 | Nine Months FY2024 | Change | Change rate (%) |
|---|---|---|---|---|
| Net sales | 14,833 | 21,117 | 6,283 | 42.4 |
| Operating profit | 3,556 | 8,947 | 5,380 | 150.9 |
| Ordinary profit | 3,143 | 4,889 | 1,746 | 55.5 |
| Profit attributable to owners of parent | 2,231 | 3,220 | 989 | 44.3 |

**(2) Explanation of Consolidated Financial Position**

1) Assets, liabilities and net assets

Assets

Total assets increased by 18,442 million yen from the end of 2023 to 230,193 million yen at the end of the third quarter of FY2024. This was mainly due to increases in equity underwritten of 15,483 million yen, cash and deposits of 15,186 million yen, and leasing receivable of 8,400 million yen, while there were decreases in merchandise of 9,323 million yen and advance payments-trade of 8,237 million yen.

Liabilities

Total liabilities increased by 5,681 million yen from the end of 2023 to 168,621 million yen at the third quarter of FY2024.This was mainly due to increases in long-term no-recourse loans of 4,158 million yen, current portion bonds payable of 3,402 million yen, and short-term loans payable of 1,787 million yen, while there were decreases in bonds payable of 3,697 million yen.

Net Assets

Total net assets increased by 12,760 million yen from the end of 2023 to 61,572 million yen at the third quarter of FY2024. This was mainly due to increases in capital stock of 5,171 million yen, capital surplus of 5,171 million yen, and the recording of profit attributable to owners of parent of 3,220 million yen. As a result, the shareholders' equity ratio increased from 22.6% at the end of the previous fiscal year to 26.4%.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

For the consolidated earnings forecast for the fiscal year ending December, 2024, please refer to the "Notice of Revisions of Consolidated Financial Forecasts" announced on October 31, 2024 (today).
Forecasts are based on information currently available to JIA. Actual performance could differ from these forecasts for a number of uncertainties and changes in the business environment.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

| | End of Dec. 31, 2023 | End of Sep. 30, 2024 |
|---|---|---|
| **[Assets]** | | |
| **Current assets** | | |
| Cash and deposits | 28,256 | 43,443 |
| Accounts receivable-trade | 6,809 | 7,281 |
| Leasing receivable | - | 8,400 |
| Merchandise | 15,653 | 6,330 |
| Equity underwritten | 94,266 | 109,750 |
| Trust beneficiary right | 1,035 | 373 |
| Costs on uncompleted – trade | 2,078 | 1,081 |
| Advance payments-trade | 8,249 | 11 |
| Advances paid | 7,115 | 8,269 |
| Short-term loans receivable | 7,048 | 5,941 |
| Accounts receivable - other | 2,004 | 3,011 |
| Operational investment securities | 2,676 | 2,897 |
| Other | 1,927 | 3,571 |
| Total current assets | 177,122 | 200,365 |
| **Non-current assets** | | |
| Property, plant and equipment | 437 | 960 |
| Intangible assets | 203 | 208 |
| Investments and other assets | | |
| Investment securities | 18,853 | 17,616 |
| Long-term loans receivable | 9,033 | 4,405 |
| Deferred tax assets | 5,712 | 6,279 |
| Other | 261 | 259 |
| Total Investments and other assets | 33,861 | 28,560 |
| Total non-current assets | 34,502 | 29,729 |
| **Deferred assets** | | |
| Bond issuance cost | 125 | 98 |
| Total deferred assets | 125 | 98 |
| Total assets | 211,750 | 230,193 |

(Millions of yen)

| | End of Dec. 31, 2023 | End of Sep. 30, 2024 |
|---|---|---|
| **[Liabilities]** | | |
| **Current liabilities** | | |
| Accounts payable-trade | 227 | 264 |
| Accounts payable-operating | 544 | 389 |
| Short-term loans payable | 119,438 | 121,225 |
| Current portion of long-term loans payable | 5,257 | 4,149 |
| Current portion of long-term non-recourse loans | - | 874 |
| Current portion of bonds payable | 2,904 | 6,306 |
| Income taxes payable | 2,390 | 1,599 |
| Contract liabilities | 15,629 | 15,303 |
| Provision for shareholder benefit program | 82 | - |
| Provision for bonus | 454 | 974 |
| Other | 2,433 | 3,536 |
| Total current liabilities | 149,361 | 154,623 |
| Non-current liabilities | | |
| Long-term borrowings | 5,697 | 5,146 |
| Long-term non-recourse loans | - | 4,158 |
| Bonds payable | 6,182 | 2,484 |
| Other | 1,697 | 2,207 |
| Total non-current liabilities | 13,577 | 13,997 |
| Total liabilities | 162,939 | 168,621 |
| **[Net assets]** | | |
| Shareholders' equity | | |
| Capital stock | 11,716 | 16,887 |
| Capital surplus | 11,658 | 16,829 |
| Retained earnings | 23,795 | 26,006 |
| Treasury shares | (1,470) | (1,471) |
| Total shareholders' equity | 45,698 | 58,252 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (40) | 163 |
| Foreign currency translation adjustment | 2,203 | 2,300 |
| Total accumulated other comprehensive income | 2,162 | 2,464 |
| Non-controlling interests | 950 | 855 |
| Total net assets | 48,811 | 61,572 |
| Total liabilities and net assets | 211,750 | 230,193 |

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

### (Quarterly Consolidated Statement of Income)
### (For the Nine-month Period)

(Millions of yen)

| | First nine months of FY2023 (Jan. 1 – Sep. 30, 2023) | First nine months of FY2024 (Jan. 1 – Sep. 30, 2024) |
|---|---|---|
| Net sales | 14,833 | 21,117 |
| Cost of sales | 6,247 | 6,429 |
| Gross profit | 8,585 | 14,688 |
| Selling, general and administrative expenses | 5,019 | 5,741 |
| Operating profit | 3,566 | 8,947 |
| Non-operating income | | |
| Interest income | 719 | 154 |
| Gain on sales of equity underwritten | 248 | 567 |
| Foreign exchange gains | 245 | - |
| Equity in gains of affiliates | 732 | 703 |
| Other | 238 | 261 |
| Total non-operating income | 2,184 | 1,687 |
| Non-operating expenses | | |
| Interest expenses | 1,558 | 1,424 |
| Commission expenses | 998 | 1,233 |
| Foreign exchange losses | - | 2,896 |
| Other | 50 | 189 |
| Total non-operating expenses | 2,607 | 5,774 |
| Ordinary profit | 3,143 | 4,889 |
| Profit before income taxes | 3,143 | 4,889 |
| Income taxes | 919 | 1,734 |
| Profit | 2,224 | 3,155 |
| Profit attributable to non-controlling interests | (7) | (64) |
| Profit attributable to owners of parent | 2,231 | 3,220 |

**Quarterly Consolidated Statement of Comprehensive Income)**
**(For the Nine-month Period)**

(Millions of yen)

| | First nine months of FY2023 (Jan. 1 – Sep. 30, 2023) | First nine months of FY2024 (Jan. 1 – Sep. 30, 2024) |
|---|---|---|
| Profit | 2,224 | 3,155 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 42 | 170 |
| Foreign currency translation adjustment | 1,334 | 97 |
| Total other comprehensive income | 1,377 | 267 |
| Comprehensive income | 3,601 | 3,423 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 3,608 | 3,495 |
| Comprehensive income attributable to non-controlling interests | (7) | (71) |

**(3) Notes to Quarterly Consolidated Financial Statements**

(Notes to segment information, etc.)

【Segment information】

I. The cumulative third quarter of the previous consolidated accounting period
(from January 1 to September 30, 2023)

JIA group operates the Operating Lease Business and other four businesses. The Operating Lease Business is our core business, and the importance of other business segments is low, so their descriptions are omitted.

II. The cumulative third quarter of the consolidated accounting period under review
(from January 1 to September 30, 2024)

1. JIA group operates the Operating Lease Business and other four businesses. The Operating Lease Business is our core business, and the importance of other business segments is low, so their descriptions are omitted.

2. Items regarding changes in reporting segments, etc.

(Changes in reporting segments)

Our business used to be classified into the "Financial Solution Business" and the "Media Business," but from the cumulative third quarter of the consolidated accounting period under review, our business has been classified into the "Operating Lease Business," the "Renewable Energy Business," the "Real Estate Business," the "Private Equity Investment Business," and "Other Business," while considering medium-term importance. The segment information in the cumulative third quarter of the previous consolidated accounting period is disclosed based on the new classification method.

(Notes on significant changes in the amount of shareholders' equity)

In the cumulative third quarter of the consolidated accounting period under review, capital stock and capital surplus both increased 5,171 million yen through the exercise of a part of commitment-type rights offerings, etc., so capital stock stood at 16,887 million yen and capital surplus stood at 16,829 million yen as of the end of the third quarter.

(Notes on going concern assumption)

Not applicable.

(Notes to quarterly consolidated cash flow statements)

We have not produced a quarterly consolidated cash flow statement for the cumulative third quarter of the consolidated accounting period under review. The depreciation and amortization (excluding goodwill amortization) and goodwill amortization in the cumulative third quarter are as tabulated below.

| | Cumulative third quarter of the previous consolidated accounting period (from January 1 to September 30, 2023) | Cumulative third quarter of the consolidated accounting period under review (from January 1 to September 30, 2024) |
|---|---|---|
| Depreciation and amortization | 248 million yen | 264 million yen |
| Goodwill amortization | 63 million yen | 40 million yen |