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Notice of Revisions of Consolidated Financial Forecasts

Japan Investment Adviser Co., Ltd. ("JIA Group") announced that we have revised the full-year consolidated earnings forecast for the fiscal year ending December 2024 (Jan. 1 to Dec. 31, 2024), which was announced on July 17, 2024, as described below.

1. Revision of Consolidated Earnings Forecasts

Revision of consolidated earnings forecasts for the fiscal year ending December 31, 2024
(January 1, 2024 to December 31, 2024)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Last forecast (A)	28,900	10,500	10,900	7,100	117.39
Revised forecast (B)	**28,900**	**12,000**	**10,000**	**6,500**	**107.47**
Amount of change (B－A)	0	1,500	(900)	(600)	
Percentage change (%)	0.0%	14.3%	(8.3%)	(8.5%)	
(For reference) Consolidated earnings results for FY2022	21,818	5,492	3,668	2,359	78.12

2. Reasons for the Revision of Consolidated Earnings Forecasts

In the cumulative third quarter of the consolidated accounting period under review, the Operating Lease Business, which is our core business, was healthy, and operating income exceeded the forecast, but due to the rapid yen appreciation from August, we posted a significant non-operating exchange loss.
Accordingly, annual operating income is expected to exceed the forecast, while ordinary income and net income are projected to fall below the forecasts. The details are as described below.

【Major factors in the revision to the earnings forecast】

(1) Upward revision to the forecast operating income due to the favorable trend of the Operating Lease Business

(2) Downward revision to ordinary income and net income, considering the non-operating exchange loss due to the rapid yen appreciation in the third quarter (Assuming an exchange rate of 153yen per USD at the end of the fiscal year)

(1) Upward revision to the forecast operating income due to the favorable trend of the Operating Lease Business

[Viewpoint of the sales]

- In the cumulative third quarter of the consolidated accounting period under review, the equity sales of the Operating Lease Business were 84,423 million yen, hitting a record high. The equity sales in the period from July to September increased by 7,056 million yen year on year, showing a y/y increase for the 8th consecutive quarter.
- Thanks to this favorable trend of sales, the profitability of individual products improved.
- The trading of leasable aircraft exceeded the forecast.

➢ **Mainly due to above factors, annual operating income is expected to exceed the forecast.**

[Viewpoint of the deal structured]

- The creation of new financial instruments is progressing steadily. Accordingly, the year-end balance of equity underwritten funds is projected to be 123 billion yen, hitting a record high.

➢ **Therefore, we are expected to secure equity sales of 130 billion yen in 2025, in accordance with the medium-term management plan.**

---------- (Reference) Trends in related indicators ----------

A) 【Trends in equity sales】

Million Yen	Term	FY2020	FY2021	FY2022	FY2023	FY2024
Equity Sales	From Jan. to Sep.	64,740	39,914	38,999	↗ 49,550	↗ 84,423
	Fiscal Year	79,301	49,475	↗ 50,188	↗ 77,331	↗ (estimate) **115,000**

B) 【Trend in Deals Structured】

Million Yen	Term	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of Deals Structured	From Jan. to Sep.	72,852	59,326	↗ 131,525	↗ 165, 978	↗ 184,940
	Fiscal Year	95,064	↗ 104,821	↗ 192,090	↗ 259,702	↗ (estimate) **288,761**

C) 【Trend in Equity Underwritten】

Million Yen	Term	FY2020	FY2021	FY2022	FY2023	FY2024
Balance of Equity underwritten	From Jan. to Sep.	32,501	7,672	↗ 32,649	↗ 83,612	↗ 109,750
	Fiscal Year	28,431	18,871	↗ 46,587	↗ 94,266	↗ (estimate) **123,700** (*)

(*) Separately, there are 20,779 million yen of aircraft pooled with Bleriot, an Airbus Group company.

(2) Downward revision to ordinary income and net income, considering the non-operating exchange loss due to the rapid yen appreciation in the third quarter

(Assumptions for the plan for the second half)

- For the revised earnings forecast announced on July 17, 2024, it was assumed that the exchange rate would gradually become 1 dollar = 155 yen by the end of the fiscal year.

(Results in the third quarter)

- The exchange rate between the dollar and the yen was 1 dollar = 161.07 yen as of the end of June, and 1 dollar = 142.78 yen as of the end of September, indicating that the yen was appreciated by 18.29 yen in 3 months.
- Since the yen was appreciated rapidly when the exposure of foreign-currency-denominated assets augmented temporarily, non-operating exchange loss increased significantly to 5,126 million yen.

(Outlook for the fourth quarter)

- The conversion from foreign-currency-denominated assets into yen-denominated ones has progressed in October, so the non-operating exchange gain in October is expected to be around 2,300 million yen. In addition, the exposure of foreign-currency-denominated assets is expected to be stable, being around 80 million dollar, as there are no longer factors in an temporary increase.

---------- (Reference) Trends in related indicators ----------

A) 【Dollar/Yen exchange rate at the end of the period】

Period		1st Half	3rd Quarter	4th Quarter	
		Jun. 30, 2024	Sep. 30, 2024	Oct. 31, 2024	Dec. 31, 2024
Dollar-yen exchange rate at the end of the period	Plan ------- Issued Sep. 17	1USD=161.07yen	It was forecast that the yen would gently get stronger as the end of the fiscal year draws closer.		1USD=155.00yen
	Actual	1USD=161.07yen	(Actual) 1USD=142.73yen	(estimate) 1USD=152.00yen	(estimate) **1USD=153.00yen**

B) 【Foreign Currency Asset Exposure】

Period		1st Half	3rd Quarter	4th Quarter	
		Jun. 30, 2024	Sep. 30, 2024	Oct. 31, 2024	Dec. 31, 2024
Foreign Currency Assets Exposure Balance	Plan ------- Issued Sep. 17	About 170 Million USD	The exposure of foreign-currency-denominated assets was projected to fluctuate randomly due to the settlement of foreign currency receivables or payables, Japanese-yen exchange, etc.		About 80 Million USD
	Actual	About 170 Million USD	(Actual) About 260 Million USD	(estimate) About 160 Million USD	(estimate) **About 80** Million USD

The yen was appreciated rapidly in when the exposure of foreign-currency-denominated assets augmented temporarily.

The exposure of foreign-currency-denominated assets decreased by 100 million dollars.

C) 【Non-operating foreign exchange gains (losses)】

Period		Jan.-Jun.	Jul.-Sep.	Oct.-Dec.	
		Jun. 30, 2024	Sep. 30, 2024	Oct. 31, 2024	Nov.1 – Dec. 31, 2024
Non-operating Foreign exchange gains (losses)	Plan ------- Issued Sep. 17	2, 229 Million Yen	Non-operating exchange loss was forecast to fluctuate randomly due to the settlement of foreign currency receivables or payables, Japanese-yen exchange, etc. (500) Million Yen		
	Actual	2,229 Million Yen	(Actual) (5,126) Millon Yen	Estimate at 153 yen to the dollar 2,300 Million Yen	Estimate at 153 yen to the dollar **0** **Million Yen**

3. Dividend Forecasts

JIA Group does not plan to change the amount of dividend per share (year-end of FY2024) as a result of this revision of the earnings forecasts.

(Note) Cautionary Statement concerning Earnings Forecasts

The forecasts above are based on information currently available. Actual performance may differ from the forecasts due to various factors.

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