



Japan Investment Adviser Co., Ltd.

(Stock Code: 7172)

Financial Results for the Third Quarter of FY2020

October 30, 2020



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



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Notice Concerning Change of Stock Market Listing to First Section of Tokyo Stock Exchange (TSE).

On October 8, 2020,

the Company changed its market

from TSE Mothers to First Section of TSE.

We would like to express our sincere gratitude for the support of our stakeholders.

We will strive to improve our corporate value with a renewed spirit.

Thank you for your continued support.





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.

Corporate Information

As of October 30, 2020

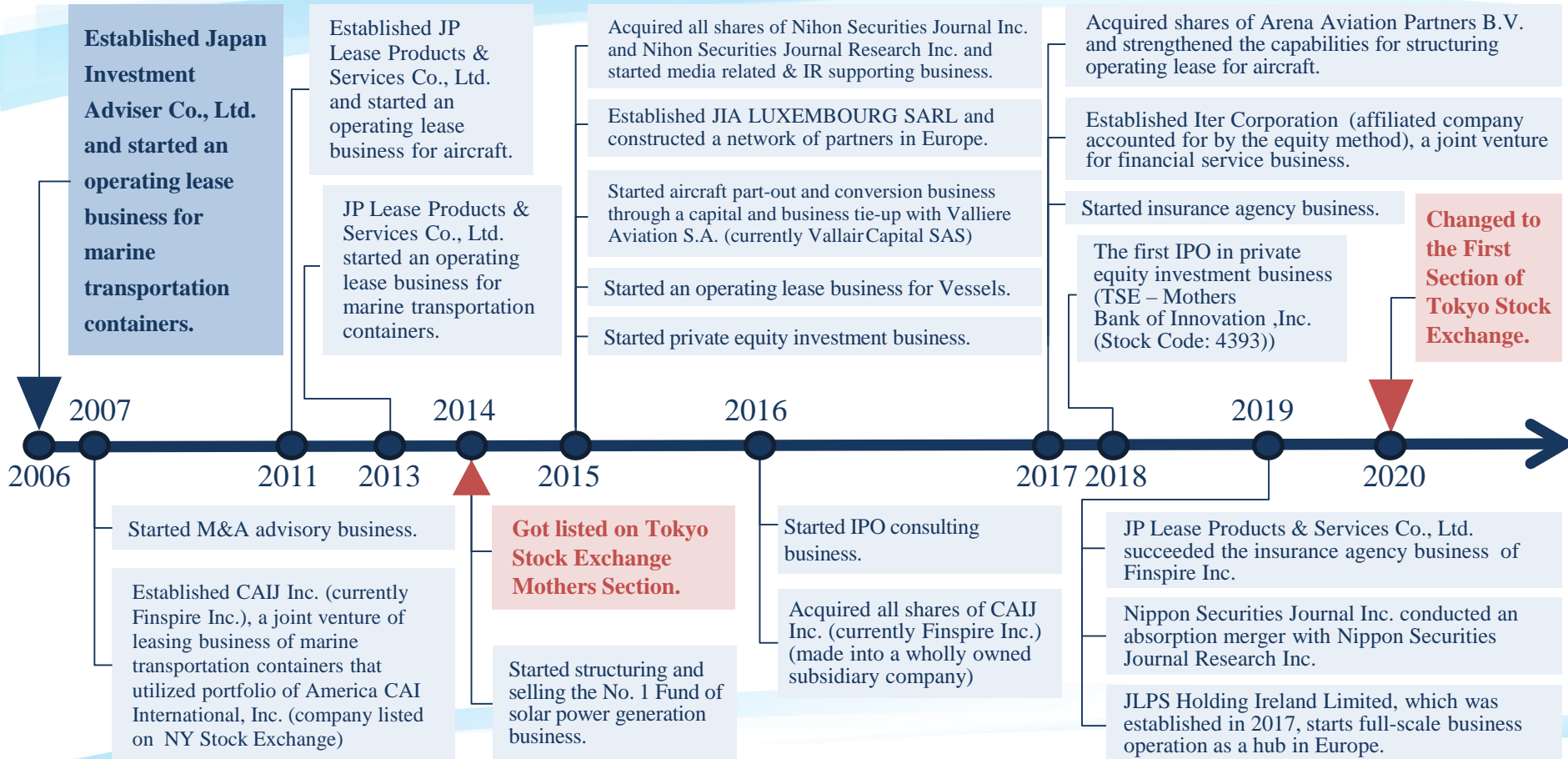
Company Name	Japan Investment Adviser Co., Ltd.	
Headquarters	Kasumigaseki Common Gate West Tower, 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo	
Representative	Naoto Shiraiwa, President and CEO	
Established	September 2006 (Fiscal Year-end: December 31)	
Business Activities	Financial solutions business, Media-related business	
Paid-in Capital	¥11,661 million	
Listed Exchange	Tokyo Stock Exchange – First section (Stock Code: 7172)	
Employees	Non-consolidated: 138; Consolidated: 184	
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 66 banks	
Major Shareholders	Top shareholders (55.7% shares, excluding treasury stock) as of June 30, 2020 Naoto Shiraiwa (23.0%) KODO Holdings Co., Ltd. (21.4%) Japan Trustee Services Bank, Ltd. (Trust account) (10.1%) Government of Norway (1.2%)	
Auditor	Grant Thornton Taiyo LLC	

Group Companies

As of October 30, 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
	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 (10 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 (3 companies)				

Business History



Our Businesses

Financial Solutions Business

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



Japan Investment Advisor Co., Ltd.
JP Lease Products & Services Co., Ltd.

Aircraft Part-Out & Conversion Business



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

-Our group supports various business with financial technology-

M&A Advisory Business



IPO Consulting Business



Human Resource Business



Wealth Management Business



Japan Investment Adviser Co., Ltd.

Insurance Agency Business



JP Lease
Products &
Services Co., Ltd.

Fintech Business



Iter Corporation

Private Equity Investment Business



JPE No.1 Co., Ltd.

JPE No.2 Co., Ltd.

AI Business



Health Tech Business



Temporary staffing, employee benefits Business



After-School Day Service Business



Real Estate Investment Business



Agri Business



Media-related Business

Media-related & IR Support Business



Nihon Securities Journal Inc.

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



2. Business Overview

For the Nine Months of FY2020

Highlights For the Nine Months of FY2020

Double-digit y/y growth of sales and profit (earning record-high sales) .

- ◆ The progress rate of net profit to the estimate revised on Sep. 29 is 79.0%.
- ◆ Due to the coronavirus pandemic, the environment for developing and selling portfolios remains harsh.
- ◆ As a countermeasure, we realigned the timing for sales of portfolios over the fiscal year.

(Millions of yen)	Nine months ended Jun. 30, 2019	Nine months ended Jun. 30, 2020	YoY change (%)	YoY change	Revision forecast (Sep. 29, 2020)	
					Fiscal Year	Progress rate
Net sales	8,788	14,114	60.6%	5,325	18,500	76.3%
Operating profit	3,980	5,537	39.1%	1,557	7,700	71.9%
Ordinary profit	2,692	4,613	71.3%	1,920	6,300	73.2%
Profit attributable to owners of parent	1,642	3,080	87.6%	1,438	3,900	79.0%
Total amount of equity sales	61,690	64,740	4.9%	3,048	82,800	78.2%

- 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.”
- Note3: The forecast of FY 2020 was revised on September 29, 2020.

Highlights For the Third Quarter of FY2020

Significant y/y growth of sales and profit.

- ◆ Equity sales in the operating lease business declined, but we secured increases in sales and profit, due to high profitability of portfolio.

(Millions of yen)	Third Quarter of FY2019	Third Quarter of FY2020	Y o Y Change (%)	Y o Y Change	2 nd half forecast (announced Sep. 29)	
					2 nd half	Progress rate
Net sales	2,742	3,569	30.2%	827	7,955	44.9%
Operating profit	832	1,101	32.2%	268	3,263	33.7%
Ordinary profit	(2)	633	-	635	2,320	27.3%
Profit attributable to owners of parent	(122)	368	-	491	1,187	31.0%
Total amount of equity sales	19,230	11,665	(39.3%)	(7,565)	29,726	39.2%

- 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
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Business Segment Summary For the Nine Months of FY2020

Amid the harsh business environment, the operating lease business keeps propelling our business.

- ◆ Operating lease business accounts for 94.5% of total sales.
- ◆ As our company owns the solar power fund whose shares were redeemed, the income from sale of electricity contributed as stable revenues.

Business units (Millions of yen)		Nine months ended Sep. 30, 2019	Nine months ended Sep. 30, 2020	YoY change (%)	YoY change
Operating Lease Business		7,822	13,338	70.5%	5,515
Renewable Energy Business		249	325	30.2%	75
Aircraft Part-Out & Conversion Business		4	34	628.9%	29
Other Businesses	Insurance Business	504	263	(47.8%)	(241)
	M&A Advisory Business				
	Private Equity Investment Business				
	IPO Consulting Business and others				
Media-related & IR Support Business		206	152	(26.0%)	(53)
Total		8,788	14,114	60.6%	5,325

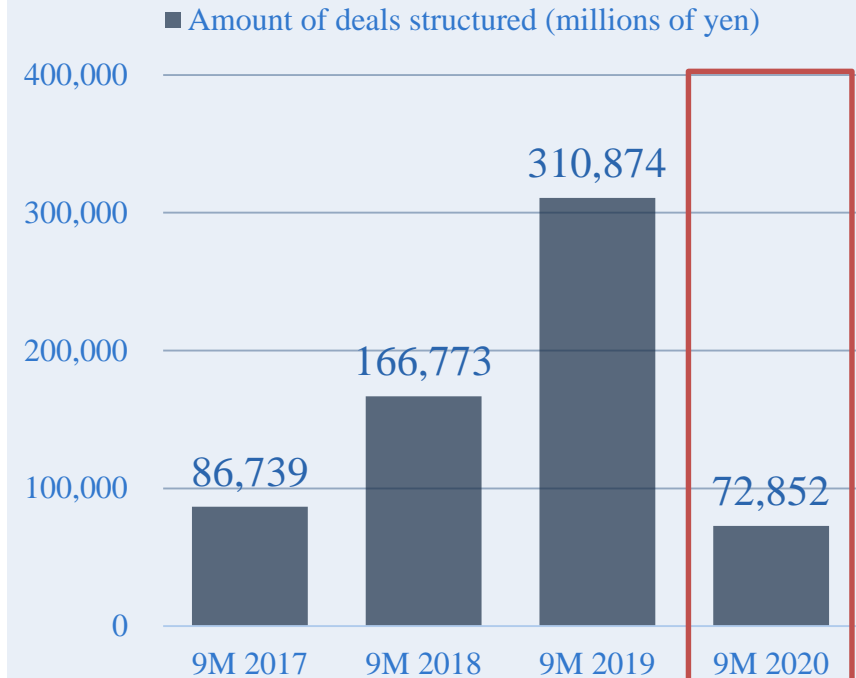
• Note: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

Deals Structured (Operating Lease Business, Renewable Energy Business)

Amount and Number of Deals Structured

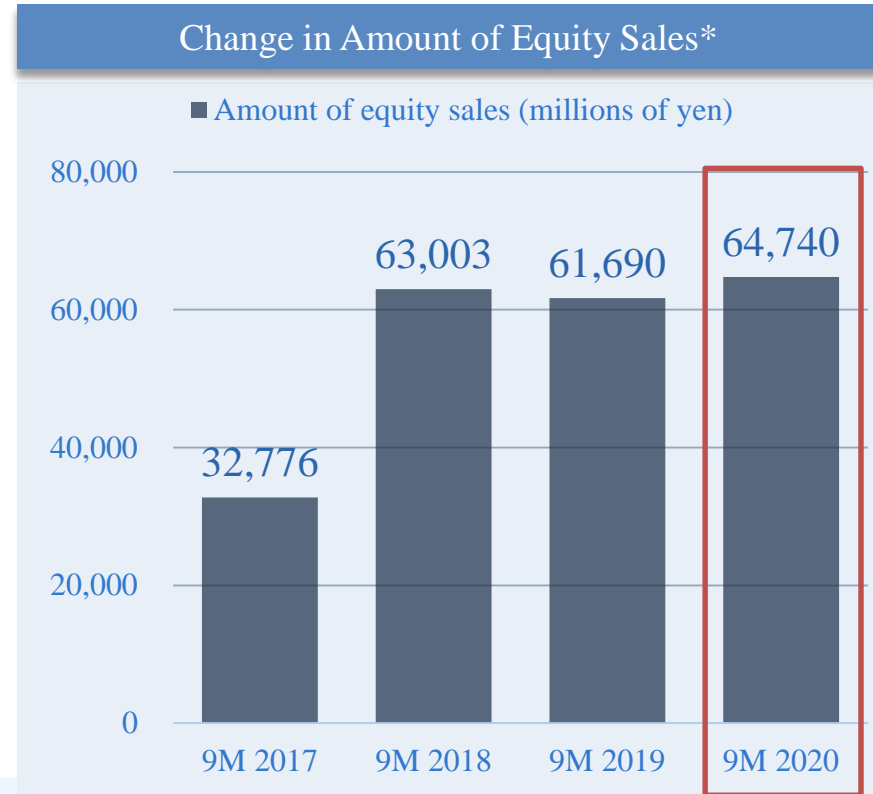
(Millions of yen)	Nine months ended Sep. 30, 2019	Nine months ended Sep. 30, 2020
Aircraft	280,496 (40 deals)	72,852 (7 deals)
Vessel	0 (0 deal)	0 (0 deal)
Container box	29,716 (6 deals)	0 (0 deal)
Solar photovoltaic generation	661 (1 deal)	0 (0 deal)
Total	310,874 (47 deals)	72,852 (7 deals)

Change in Amount of Deals Structured



Equity Sales (Operating Lease Business, Renewable Energy Business)

Amount of Equity Sales*		
(Millions of yen)	Nine months ended Sep. 30, 2019	Nine months ended Sep. 30, 2020
Aircraft	57,287	54,839
Vessel	0	0
Container box	4,153	9,900
Solar photovoltaic generation	250	0
Total	61,690	64,740



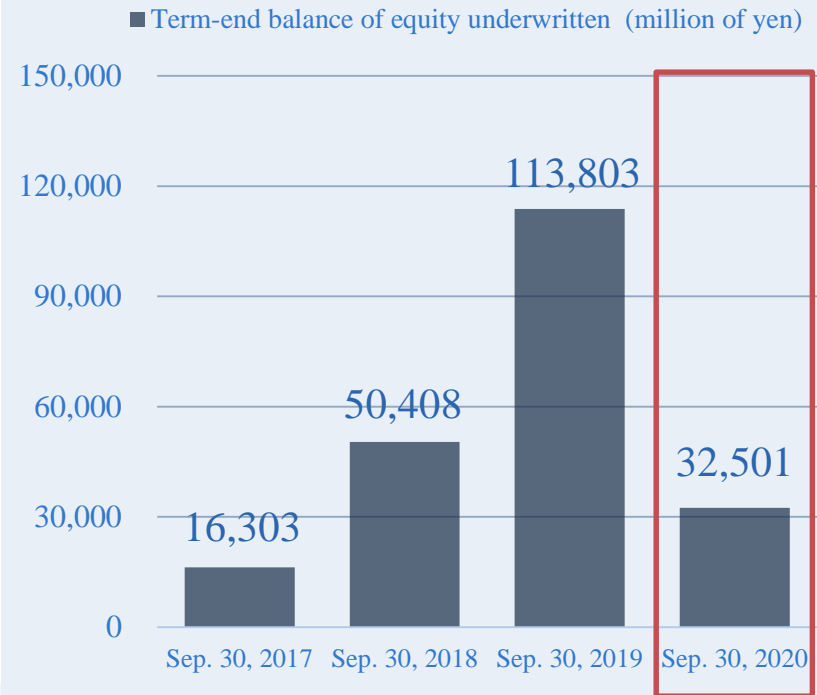
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- Note2: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”

Balance of Equity underwritten as of Sep. 30, 2020

Balance and Number of Equity underwritten*
as of Sep. 30, 2019 and Sep. 30, 2020

(Millions of yen)	2019 Sep. 30	2020 Sep. 30
Aircraft	99,797 (37 deals)	32,501 (11 deals)
Vessel	0 (0 deal)	0 (0 deal))
Container box	14,066 (4 deal)	0 (0 deals))
Total	113,803 (41 deals)	32,501 (11 deals)

Change in Balance of Equity underwritten*

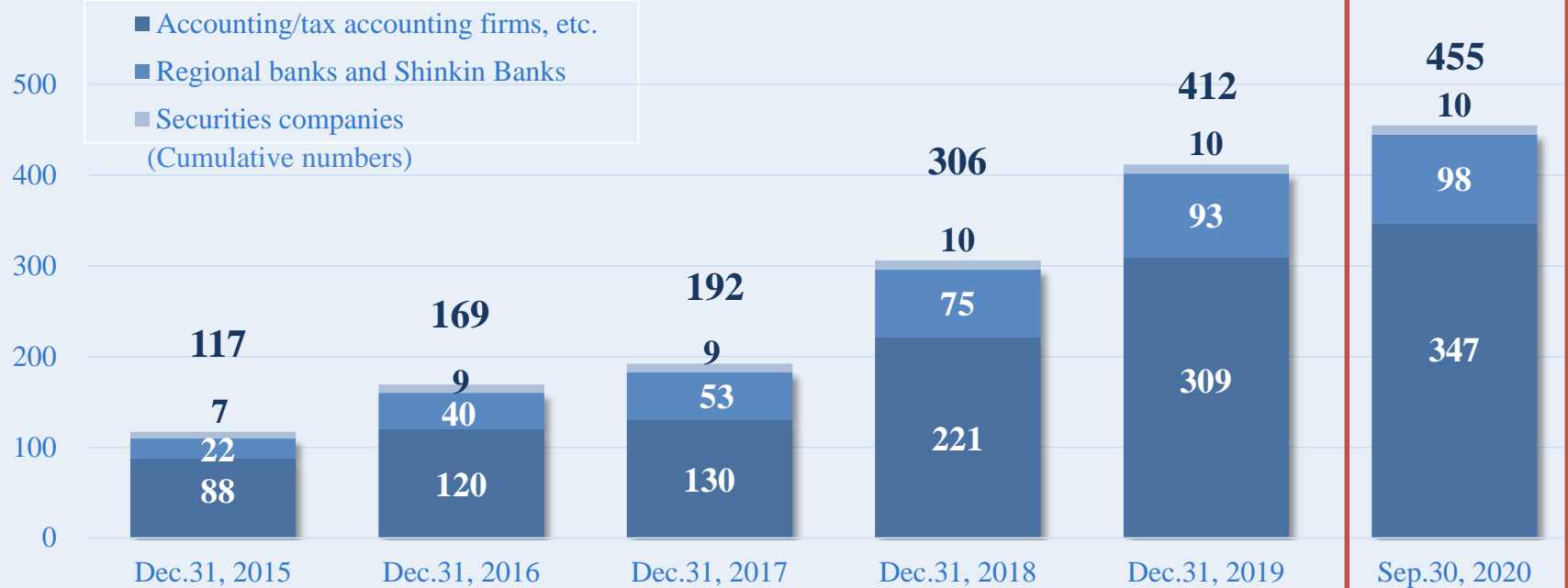


• Note* : Falls under the item “Merchandise Investments” of Balance Sheet

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 Third quarter of 2020 (3 months), business matching contracts were executed with 16 accounting/tax accounting firms, 2 regional bank/shinkin banks.
- ✓ At the end of Sep. 2020, there were matching agreements with 347 accounting/tax accounting firms, 98 regional bank/ shinkin banks, 10 securities companies, a total of 455 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.



3. Financial Results

For the Nine Months of FY2020

Income Statement Summary For the Nine Months of FY2020

(Millions of yen)	Nine months ended Sep. 30, 2019 *5	Nine months ended Sep. 30, 2020	YoY change (%)	YoY change
Net sales	8,788	14,114	60.6%	5,325
Cost of sales	2,396	5,740	139.5%	3,343
Gross profit *1	6,391	8,374	31.0%	1,982
SG&A expenses *2	2,411	2,836	17.6%	424
Operating profit	3,980	5,537	39.1%	1,557
Non-operating income *3	673	876	30.2%	203
Non-operating expenses *4	1,960	1,801	(8.1%)	(159)
Ordinary profit	2,692	4,613	71.3%	1,920
Profit attributable to owners of parent	1,642	3,080	87.6%	1,438

*1. Gross profit

Gross profit margin decreased 13.4% to 59.3%.

*2. SG&A expenses

SG&A expenses ratio decreased 7.3% to 20.1%.

→ In the first and third quarters, some deals had different cost structures from conventional ones, so both sales and cost of sales augmented. As a result, y/y changes in gross profit margin and SG&A ratio increased.

*3. Non-operating income

An increase of ¥ 203 million
increases of ¥ 111 million in commission fee.

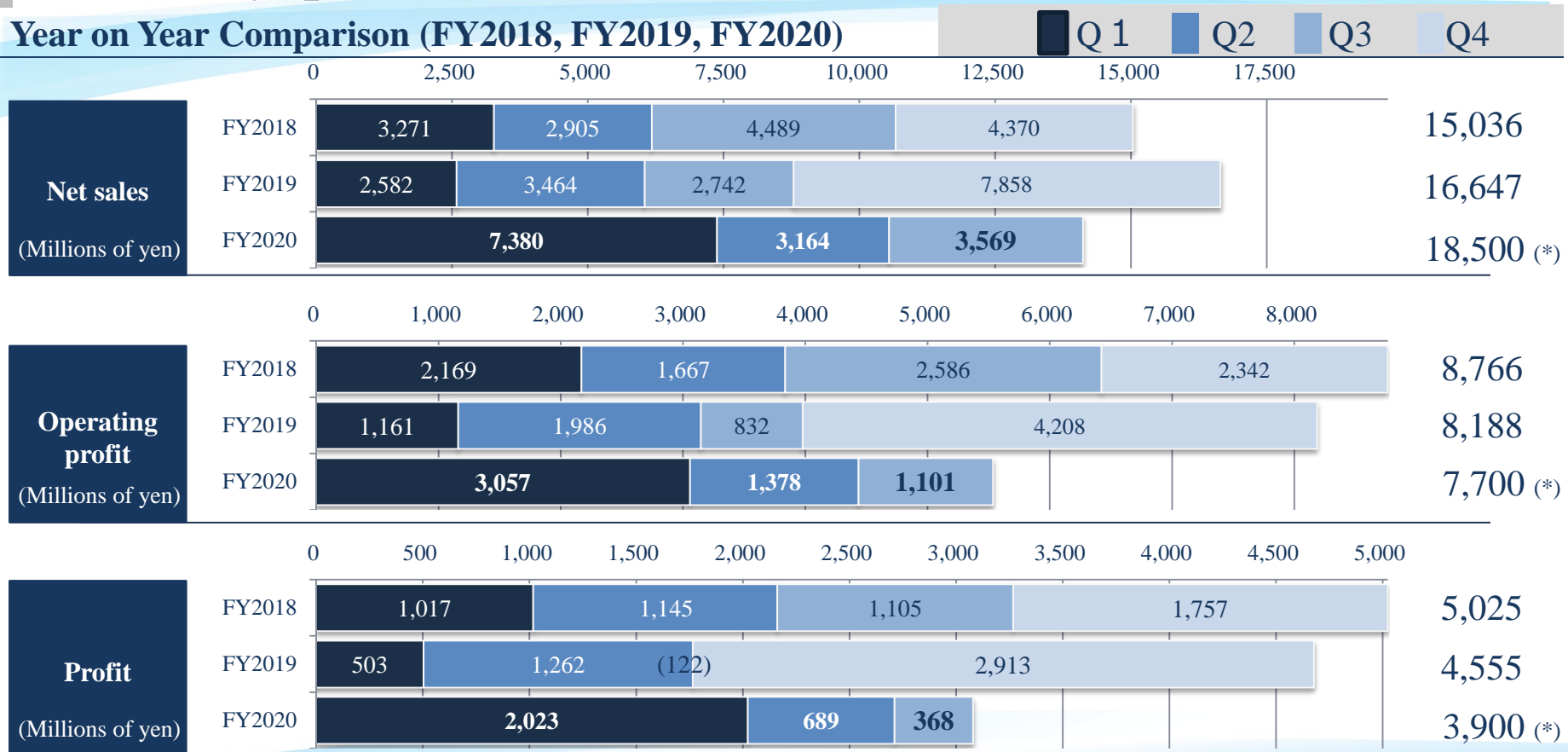
*4. Non-operating expenses

An decrease of ¥ 159 million
decreases of ¥ 29 million in interest expenses
increases of ¥ 32 million in commission fees
¥ 169 million in FX losses
(FX losses in previous year ¥404 million.)

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

Trends by quarter

Year on Year Comparison (FY2018, FY2019, FY2020)



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

• Note2: The forecast of FY 2020 was revised on September 29, 2020.

Balance Sheets as of Sep. 30, 2020 (1)

(Millions of yen)	Sep. 30, 2019 (1)	Dec. 31, 2019 (2)	Sep. 30, 2020 (3)	YoY change (3) – (1)	Vs. Dec. 31, 2019 (3) – (2)
Cash and deposits	25,532	36,239	24,693	(838)	(11,546)
Accounts receivable - trade	6,428	6,661	5,588	(840)	(1,073)
*1 Merchandise	1,676	2,637	4,607	2,931	1,969
*2 Equity underwritten	113,803	82,372	32,501	(81,302)	(49,871)
Costs on uncompleted services	5,766	4,580	607	(5,158)	(3,972)
*3 Advance payments - trade	5,202	5,263	13,853	8,651	8,590
*4 Advances paid	6,619	6,898	15,212	8,592	8,314
Other	4,755	6,513	6,636	1,881	123
Current assets	169,784	151,167	103,701	(66,083)	(47,465)
Property, plant and equipment	1,090	109	244	(846)	134
Intangible assets	72	114	121	48	6
Investments and other assets	8,625	7,407	6,016	(2,609)	(1,391)
Non-current assets	9,788	7,632	6,381	(3,406)	(1,250)
Deferred assets	80	80	91	10	10
Total assets	179,653	158,879	110,174	(69,479)	(48,705)

*1. Merchandise

Mainly the inventory for the parts-out & conversion business and for the solar power generation funds after the exercise of purchase.

*2. Equity underwritten

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

*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

Mainly temporary advances paid before sale to investors for the operating lease business and for the renewable energy business.

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

Balance Sheets as of Sep. 30, 2020 (2)

(Millions of yen)	Sep. 30, 2019 (1)	Dec. 31, 2019 (2)	Sep. 30, 2020 (3)	YoY change (3) – (1)	Vs. Dec. 31, 2019 (3) – (2)
Accounts payable - trade	23	39	20	(3)	(19)
*1 Short-term loans payable	117,441	99,052	61,168	(56,273)	(37,883)
*2 Unearned revenue	18,755	13,574	4,803	(13,952)	(8,770)
Income taxes payable	2,511	2,335	80	(2,431)	(2,254)
Other	704	1,596	739	(34)	(857)
Current liabilities	139,436	116,598	66,811	(72,625)	(49,786)
Non-current liabilities	6,721	6,025	4,943	(1,778)	(1,081)
Total liabilities	146,158	122,623	71,755	(74,403)	(50,867)
Capital stock	11,649	11,658	11,661	11	3
Capital surplus	11,591	11,593	11,596	4	3
*3 Retained earnings	11,246	14,154	16,382	5,136	2,228
Treasury shares	(1,470)	(1,470)	(1,470)	0	0
Shareholders' equity	33,016	35,935	38,169	5,152	2,233
Other	478	321	249	(228)	(71)
Total net assets	33,495	36,256	38,419	4,923	+2,162

*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 3rd quarter of FY 2020	34.7 %
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.”



4. FY2020 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 Outlook for Earnings Forecasts in FY2020 and FY2021

1. Outlook for the Operating Lease Business

◆ Effects of decrease of flights and utilization rate caused by the novel coronavirus

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

(Cited from the financial results announcement for FY2019)

- (Current status 1) 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.
- (Current status 2) The portfolios to be created in the future will be determined while carefully considering the impacts of the COVID-19 on the lessees.
- (Current status 3) 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..
- (Current status 4) We will prepare a contingency plan with monitoring the future performance and financial position of the lessees.

Measures for the next term plan for dealing with the above current statuses

(The situation as of 1Q and 2Q for FY2020 still ongoing)

- We are carefully negotiating for deals that would satisfy the needs of investors while examining airline companies and the content as investment products.
- To work on the operating lease other than conventional passenger planes, such as cargo airplane, and the conversion from passenger planes to cargo airplane.
- To work on developing the project scheme with the structure that is not dependent on the conventional framework.
- 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. (still ongoing)

2. Outlook for the Renewable Energy Business

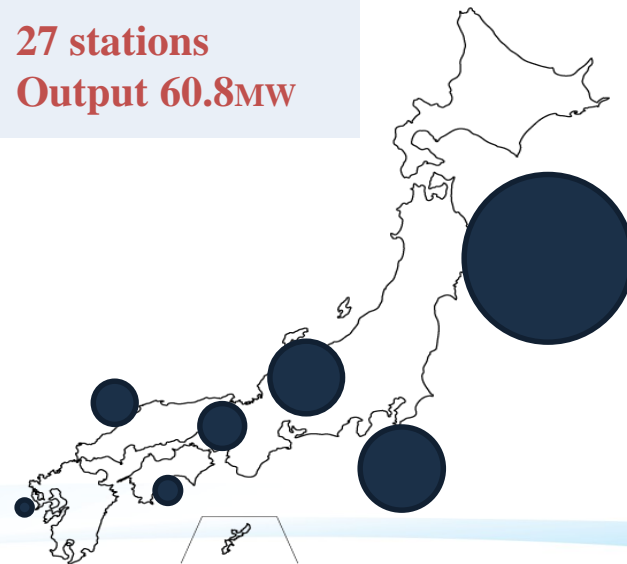
◆ Putting off the development and sale of a new fund for the solar power generation project, and kept owning the plant

- ✓ We will earn stable revenues by selling electricity, until it becomes possible to foresee the subsiding of COVID-19.
- ✓ From the next fiscal year, we will develop and sell funds at appropriate timings.
 - Minamiaizu Solar Power Plant, which is the JIA Group's first extra-high voltage project (15MW), started commercial operation at the end of August.
 - By the end of this term, the second extra-high voltage project (15MW) is to be launched.

Operational status of solar power stations at the end of Sep. 2020

Region	At the end of Dec. 2019		At the end of Sep. 2020	
	Output	Number	Output	Number
Kanto	11.0MW	7	11.0MW	7
Tohoku	7.2MW	4	22.2MW	5
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	60.8MW	27

27 stations
Output 60.8MW



3. Earnings Forecast for FY2020

The earnings forecast was revised on September 29.

- ◆ In the 4th quarter (Oct. to Dec.), we will focus on measures for coping with the risks in the coronavirus pandemic.
- ◆ Accordingly, sales and profit in the 4th quarter are estimated to decline, although demand is highest in the 4th quarter under normal circumstances.

(Millions of yen)	Forth Quarter 2019FY (result)	Forth Quarter 2019FY (forecast)	Y on Y (forecast)		FY 2020 revised (Sep. 29)	
			Changes (%)	Change	Forecast	Y on Y
Net sales	7,858	4,385	(44.2%)	(3,473)	18,500	+11.1%
Operating profit	4,208	2,162	(48.6%)	(2,046)	7,700	(6.0%)
Ordinary profit	4,491	1,686	(62.4%)	(2,804)	6,300	(12.3%)
Profit attributable to owners of parent	2,913	819	(71.9%)	(2,094)	3,900	(14.4%)
Total amount of equity sales	42,490	18,060	(57.5%)	(24,429)	82,800	(20.5%)

- 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
- Note: The forecast of FY 2020 was revised on September 29, 2020.

3. Risk factors related to Earnings Forecasts in FY2020/21

◆ Business risk factors when the pandemic of COVID-19 lingers

Risks on supply-side

- ✓ Due to deterioration in performance of lessees, including airline companies ...Risks to decrease opportunities to make deals
- ✓ Due to the deterioration of financing environment ...Risks to decrease opportunities to make deals
(changes in financing terms offered by financial institution)

Risks on demand-side

- ✓ Due to deterioration in performance of investors (SMEs nationwide) ...Risks to lose the willingness to invest

Risks on portfolio assets

- ✓ Related to the operating lease business ...Risks to degrade the value of assets owned

Risks on business operation

- ✓ Through the spread of the virus inside our company ... Risk to hinder smooth business continuity

▶ Our corporate group will take appropriate measures for controlling the above risks, but the business performance of our corporate group may largely differ from the projections due to prolonged spread of COVID-19.



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 FY2020 is estimated to be ¥32, an increase of ¥10 from the previous year.
 - The earnings forecast for the term ending Dec. 2020 was revised, the initially estimated dividend is unchanged.
- Due to various factors, actual results and dividend amounts may differ from forecasts.

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		¥ 16.00 (Result)	¥ 16.00 (Forecast)	¥ 32.00 (Forecast)

* Note: JIA conducted a 2-for-1 common stock split on September 1, 2017.

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 ^{*2} (forecast)
Payout ratio	8.5%	14.4%	24.5%
Equity ratio	30.0%	22.7%	—
ROA	8.4%	5.4%	—
Profit to sales	33.4%	27.4%	21.1%
Increase in profit	+84.3%	(9.3%)	(14.4%)
ROE	21.7%	13.4%	—

- Note1: In fiscal 2019, the sales posting standard was changed from “the sold-out one” to “the sales one.”.
- Note2: The forecast of FY 2020 was revised on Sep. 29, 2020.

Shareholder Incentives

◆ Descriptions of shareholder incentives in 2020

- ✓ 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	<p>The number of shares (QUO Card + subscription ticket of Nihon Securities Journal (Digital Version))</p> <p><u>Period of less than one year</u></p> <p>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</p> <p>2,000 shares or more → QUO Card worth ¥3,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000</p> <p><u>Period of one year to less than two years</u></p> <p>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</p> <p>2,000 shares or more → QUO Card worth ¥5,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000</p> <p><u>Period of two years or more</u></p> <p>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</p> <p>2,000 shares or more → QUO Card worth ¥10,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000</p>	
(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).	



6. References

Topics

◆ 6 companies from different industries launch BIRD INITIATIVE through Co-creative R&D

BIRD aims to create 6 new businesses by 2025 through carve-outs.

BIRD INITIATIVE features

✓ Business Style

- A new framework called "Co-creative R&D" in which issues and technologies are brought together from industry, government and academia.
- Discover "seeds" that can be commercialized in collaboration with research institutions in applied research and development

✓ Business Domains

- R&D of digital technology (advanced AI technology), prototype development services, consulting services, investment business.

(References) Japanese only 『共同出資会社設立のお知らせ』

<https://ssl4.eir-parts.net/doc/7172/tdnet/1881795/00.pdf>



| Company Overview |

Company Name : BIRD INITIATIVE, Inc.

Investors (Ex JIA) : NEC Corporation, OBAYASHI CORPORATION, Japan Industrial Partner, ITOCHU Techno-Solutions Corporation, UTokyo Innovation Platform Co., Ltd.



Disclaimer

- 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.

■ IR Contact

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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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Personal information (names, addresses, phone numbers and e-mail addresses) about clients that is sent to the IR e-mail address will be used only to respond to questions or other inquiries or to send materials requested. This information will not be used for any other purposes.