



**Consolidated Financial Results for the Third Quarter of the
Fiscal Year Ending December 31, 2020 (FY2020)
(Nine Months Ended September 30, 2020)**

[Japanese GAAP]

October 30, 2020

Company name: Japan Investment Adviser Co., Ltd. Listed Exchange: Tokyo Stock Exchange, First Section
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Scheduled date of filing of Quarterly Report: November 6, 2020
Scheduled date of dividend payment: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (January 1 to September 30, 2020) of FY2020

(1) Consolidated results of operations (cumulative) (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 30, 2020	14,114	60.6	5,537	39.1	4,613	71.3	3,080	87.6
Nine months ended Sep. 30, 2019	8,788	(17.6)	3,980	(38.0)	2,692	(49.9)	1,642	(49.7)

Note: Comprehensive income Nine months ended Sep. 30, 2020: 2,988 million yen (up 50.7%)
 Nine months ended Sep. 30, 2019: 1,983 million yen (down 43.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 30, 2020	103.03	102.24
Nine months ended Sep. 30, 2019	55.25	54.05

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2020	110,174	38,419	34.7	1,277.27
As of Dec. 31, 2019	158,879	36,256	22.7	1,208.99

Reference: Owners' equity As of Sep. 30, 2020: 38,228 million yen As of Dec. 31, 2020: 36,126 million yen

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	-	9.5	-	12.5	22.0
FY2020	-	16.0	-	-	-
FY2020 (forecast)	-	-	-	16.0	32.0

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for FY2020 (January 1 to December 31, 2020)

(Percentages represent year-on-year changes)

(Percentages represent year-on-year changes)									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	18,500	11.1	7,700	(6.0)	6,300	(12.3)	3,900	(14.4)	130.51

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the nine months ended Sep. 30, 2020 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) 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, 2020	30,470,000 shares	As of Dec. 31, 2019	30,422,000 shares
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2) Number of treasury shares at the end of the period

As of Sep 30, 2020	540,392 shares	As of Dec. 31, 2019	540,281 shares
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3) Average number of shares during the period (cumulative)

Nine months ended Sep 30, 2020	29,897,964 shares	Nine months ended Sep 30, 2019	29,724,539 shares
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* The current quarterly financial results are not subject to quarterly review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

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 “(3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 4 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

The Japan Investment Adviser (JIA) Group has two reportable segments: the financial solutions business, which includes primarily the operating lease business, and the media-related business. Only information about the financial solutions business is presented because of the negligible importance of the other business.

(1) Explanation of Consolidated Results of Operations

As for the situation of the global economy in the consolidated cumulative third quarter of the current term (Jan. 1 to Sep. 30, 2020), corporate earnings plummeted and consumer spending shrank due to the global spread of COVID-19. The restrictions on entry to each country and activities for preventing the spread of infection were continued, making the business environment of especially the airline industry severe. Amid the spread of COVID-19, each country is seeking methods for raising the levels of social and economic activities while implementing measures for curbing the spread of infection. The Japanese economy is also seeing the worsening of the employment and income environments even after the lifting of the state of emergency, and the recovery of consumer spending and corporate earnings is still uncertain.

In this economic situation, the JIA Group has strived to enhance its corporate value, while focusing on its 3 core businesses (the operating lease business, the renewable energy business, and the aircraft parts-out & conversion business), under the ethos: “Always be a company contributing to society by offering financial services.”

The sales of the operating lease business were 13,338 million yen, up 70.5% year on year. The sales of equities underwritten amounted to 64,470 million yen, up 4.9% year on year, although investors’ sentiment became cautious. As for the development of deals, the amount of transactions made was 72,852 million yen, down 76.6% year on year, amid the turmoil of the overall airline industry caused by the spread of COVID-19.

The sales of the renewable energy business were 325 million yen, up 30.2% year on year. This is primarily derived from solar plant management fees and power sales revenues. The JIA Group has started commercial operation in a new solar photovoltaic power plant and our existing solar photovoltaic power stations fund have been redeemed. However, the JIA Group put off the development and sale of a new fund for the solar photovoltaic power generation project, and decided to keep owning the plant by itself, until it becomes possible to predict the subsiding of COVID-19.

The sales of the aircraft parts-out & conversion business during the same period were 34 million yen, up 628.9% year on year. The company strived to increase transactions in the parts-out business, which manages parts of dismantled aircraft and sells them to companies for maintenance, lease, and airlines, and the conversion business, which converts passenger airplanes into cargo aircraft.

The following table shows the changes and change rates between the current second quarter consolidated fiscal year 2020 and the previous third quarter consolidated fiscal year.

[Unit: Millions of yen]

	Third Quarter of the Fiscal Year Ending December 31, 2019 (FY2019)	Third Quarter of the Fiscal Year Ending December 31, 2020 (FY2020)	Change	Change rate (%)
Net sales	8,788	14,114	5,325	60.6
Operating profit	3,980	5,537	1,557	39.1
Ordinary profit	2,692	4,613	1,920	71.3
Profit attributable to owners of parent	1,642	3,080	1,438	87.6

(2) Explanation of Consolidated Financial Position

Assets, liabilities and net assets

Assets

Total assets decreased 48,705 million yen from the end of 2019 to 110,174 million yen at the end of the third quarter of 2020. This was mainly due to decreases in equity underwritten of 49,871 million yen, cash and deposits of 11,546 million yen, costs on uncompleted services of 3,972 million yen and accounts receivable-trade of 1,073 million yen, while there were increases in advance payments-trade of 8,590 million yen, advance paid of 8,314 and merchandise of 1,969 million yen.

Liabilities

Total liabilities decreased 50,867 million yen from the end of 2019 to 71,755 million yen at the end of the third quarter of 2020. This was mainly due to decreases in short-term loans payable of 37,611 million yen, unearned revenue of 8,770 million yen, income taxes payable of 2,254 million yen and long-term loans payable of 1,745 million yen, while there was an increase in bonds payable of 309 million yen.

Net Assets

Total net assets increased 2,162 million yen from the end of 2019 to 38,419 million yen. This was mainly due to booking of profit attributable to owners of parent of 3,080 million yen in the third quarter of 2020.

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

There is no change in the consolidated forecast that was released on September 29, 2020.

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.

(4) Risks in business, etc. due to COVID-19.

If the pandemic of COVID-19 lingers, opportunities to develop deals may decrease due to the worsening of business performance of lessees, including airline companies, and the changes in the terms and conditions of lending by financial institutions; investors, mainly small and medium-sized enterprises, may lose the willingness to invest; and the value of assets owned for the operating lease business may degrade.

In addition, if an employee of JIA Group is infected with the novel coronavirus, the infection spreads through the contact among employees, etc., and our offices are temporarily closed or some of our businesses are temporarily stopped, the business operation of JIA Group may be affected.

In order to cope with these risks, JIA Group has taken appropriate measures swiftly, while making efforts to exchange information with relevant parties for the operating lease business. Furthermore, in order to secure the safety and peace of mind of clients, business partners, executives, and employees, we are going to implement measures suited for new lifestyles (e.g. promotion of social distancing, wearing of face masks, and health management) as much as possible.

If sales decline, value of owned assets degrade, or our business operation is affected due to the above factors despite our countermeasures, the financial standing and business performance of JIA Group may suffer adverse effects.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY2019 (As of Dec. 31, 2019)	Third Quarter of FY20 (As of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	36,239	24,693
Accounts receivable-trade	6,661	5,588
Merchandise	2,637	4,607
Equity underwritten	82,372	32,501
Costs on uncompleted services	4,580	607
Advance payments-trade	5,263	13,853
Advances paid	6,898	15,212
Short-term loans receivable	1,244	1,459
Deposits paid	503	-
Operational investment securities	1,561	1,722
Other	3,202	3,455
Total current assets	151,167	103,701
Non-current assets		
Property, plant and equipment	109	244
Intangible assets	114	121
Investments and other assets	7,407	6,016
Total non-current assets	7,632	6,381
Deferred assets		
Bond issuance cost	80	91
Total deferred assets	80	91
Total assets	158,879	110,174
Liabilities		
Current liabilities		
Accounts payable-trade	39	20
Accounts payable-operating	677	69
Short-term loans payable	95,813	58,201
Current portion of long-term loans payable	2,266	1,824
Current portion of bonds	972	1,142
Accounts payable-other	132	156
Unearned revenue	13,574	4,803
Income taxes payable	2,335	80
Provision for bonus	-	118
Other	786	394
Total current liabilities	116,598	66,811
Non-current liabilities		
Bonds payable	2,316	2,455
Long-term loans payable	3,671	2,368
Other	37	120
Total non-current liabilities	6,025	4,943
Total liabilities	122,623	71,755
Net assets		
Shareholders' equity		
Capital stock	11,658	11,661
Capital surplus	11,593	11,596
Retained earnings	14,154	16,382
Treasury shares	(1,470)	(1,470)
Total shareholders' equity	35,935	38,169
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	215	139
Foreign currency translation adjustment	(23)	(80)
Total accumulated other comprehensive income	191	58
Subscription rights to shares	16	16
Non-controlling interests	114	174
Total net assets	36,256	38,419
Total liabilities and net assets	158,879	110,174

(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 FY2019 (Jan. 1 – Sep. 30, 2019)	First nine months of FY2020 (Jan. 1 – Sep. 30, 2020)
Net sales	8,788	14,114
Cost of sales	2,396	5,740
Gross profit	6,391	8,374
Selling, general and administrative expenses	2,411	2,836
Operating profit	3,980	5,537
Non-operating income		
Interest income	148	135
Gain on sales of equity underwritten	402	464
Commission fee	37	148
Other	84	128
Total non-operating income	673	876
Non-operating expenses		
Interest expenses	572	543
Commission fee	832	865
Foreign exchange losses	404	169
Share of loss of entities accounted for using equity method	134	187
Other	15	34
Total non-operating expenses	1,960	1,801
Ordinary profit	2,692	4,613
Profit before income taxes	2,692	4,613
Income taxes	977	1,491
Profit	1,715	3,121
Profit attributable to non-controlling interests	73	40
Profit attributable to owners of parent	1,642	3,080

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

(Millions of yen)

	First nine months of FY2019 (Jan. 1 – Sep. 30, 2019)	First nine months of FY2020 (Jan. 1 – Sep. 30, 2020)
Profit	1,715	3,121
Other comprehensive income		
Valuation difference on available-for-sale securities	315	(75)
Foreign currency translation adjustment	(47)	(57)
Total other comprehensive income	268	(132)
Comprehensive income	1,983	2,988
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,910	2,947
Comprehensive income attributable to non-controlling interests	73	40

(3) Notes to Quarterly Consolidated Financial Statements
(Going Concern Assumption)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.