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April 30, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (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 three months (from January 1, 2025 to March 31, 2025)

(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 three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	11,024	22.3	6,977	45.0	5,931	4.6	4,030	(1.3)
March 31, 2024	9,016	130.4	4,811	258.6	5,670	529.0	4,083	583.7

Note: Comprehensive income For the three month ended Mar 31, 2025: ¥3,065 million [down 39.3%]
 For the three month ended Mar 31, 2024: ¥5,047 million [up 622.2%]

	Net profit per share	Diluted net profit per share
For the three months ended	Yen	Yen
March 31, 2025	66.59	—
March 31, 2024	67.51	—

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2025	246,626	76,023	27.9
As of Dec. 31, 2024	244,906	67,695	27.3

Reference: Shareholders' equity

As of March 31, 2025: ¥68,911 million
 As of December 31, 2024: ¥66,845 million

2. Cash dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	12.0	-	15.0	27.0
FY2025	-				
FY2025 (forecast)		43.0	-	44.0	87.0

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

3. Consolidated Forecast for FY2025 (from January 1 to December 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	20,890	39.5	11,300	83.1	10,200	22.4	6,773	18.8	111.86
Full year	36,870	18.4	18,120	49.6	15,840	36.1	10,500	30.3	173.41

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

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(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: Yes

(ii) Changes in accounting policies other than 1) above: None

(iii) Changes in accounting estimates: Yes

(iv) Restatements: None

(Note) Please refer to “2. Quarterly Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies) and (Change in accounting estimates)” on page 8 for further information on (i) and (iii).

(4) Number of shares issued (common stock)

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

As of Mar. 31, 2025	61,022,353 shares	As of Dec. 31, 2024	61,022,353 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2025	471,637 shares	As of Dec. 31, 2024	540,710 shares
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3) Average number of shares during the period

Three months ended Mar. 31, 2025	60,527,691 shares	Three months ended Mar. 31, 2024	60,481,904 shares
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(Note) On January 17, 2024, JIA 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 “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 attached quarterly consolidated financial statements by a certified public account or audit firm: Yes (Optional)

* 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 significantly due to various 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. Overview of Operating Results, etc.

(1) Overview of Operating Results for the First Quarter of FY2025

Regarding the global economy in the first quarter of the current consolidated fiscal year (Jan. 1 to Mar. 31, 2025), the economy in the U.S was healthy although consumer spending declined in some areas, and the economy in the eurozone is gently recovering. On the other hand, the Chinese economy is weak, as the effects of the governmental measures to stimulate the economy turned out to be limited. The trend of the Chinese economy can be said to be one of risk factors for the global economy.

Regarding the Japanese economy, corporate earnings are healthy, and it can be expected that capital investment will increase due to the strong willingness to invest, consumer spending will grow due to a further rise in wages, and the economy will recover gently. On the other hand, it is difficult to predict how much the U.S. trade policy will affect the Japanese economy. In addition, exchange rate volatility is forecast to be high as the central bank of each country will adjust the directions of monetary policy, so it can be said that it is necessary to pay attention to the effects of risk factors in the economy.

Under such economic circumstances, JIA Group has striven to improve our corporate value mainly for the four core businesses (Operating Lease Business, Real Estate Business, Renewable Energy 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 10,104 million yen, up 19.5% quarter on quarter. 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 38,430 million yen, up 16.5% quarter on quarter, showing good performance. On the other hand, the amount of deals structured stood at 79,294 million yen, up 44.2% quarter on quarter. The environment for structuring deals remains favorable.

The sales of the Real Estate Business stood at 68 million yen, down 8.2% quarter on quarter. 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 Renewable Energy Business stood at 42 million yen, down 0.9% quarter on quarter. This is mainly because we posted the revenues from the management of solar power plants, the rents of power generation equipment.

The sales of the Private Equity Investment Business stood at 319 million yen, up 208.0% quarter on quarter. 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 489 million yen, up 43.9% quarter on quarter. 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 first quarter of the consolidated fiscal year.

[Unit: Million yen]

	First quarter of FY2024	First quarter of FY2025	Change	Change rate (%)
Net sales	9,016	11,024	2,007	22.3
Operating profit	4,811	6,977	2,166	45.0
Ordinary profit	5,670	5,931	261	4.6
Profit attributable to owners of parent	4,083	4,030	(52)	(1.3)

(2) Overview of Consolidated Financial Position for the first quarter of FY2025

(i) Assets

Total assets increased by 1,720 million yen from the end of 2024 to 246,626 million yen at the end of the first quarter of FY2025. This was mainly due to increases in cash and deposits of 12,218 million yen, deposits paid of 7,015 million yen and short-term loans receivable of 1,223 million yen, while there were decreases in equity underwritten of 10,308 million yen, accounts receivable – other of 2,127 million yen and investment securities of 2,083 million yen.

(ii) Liabilities

Total liabilities decreased by 6,607 million yen from the end of 2024 to 170,603 million yen at the end of FY2025. This was mainly due to decreases in contract liabilities of 3,519 million yen, income taxes payable of 1,829 million yen, and long-term borrowings of 566 million yen, while there were increases in short-term loans payable of 701 million yen and current portion long-term borrowings of 687 million yen.

(iii) Net Assets

Total net assets increased by 8,327 million yen from the end of 2024 to 76,023 million yen at the end of the first quarter of FY2025. This was mainly due to increases in non-controlling interests of 6,261 million yen, retained earnings of 3,005 million yen, there was decrease in foreign currency translation adjustment of 1,224 million yen. As a result, the shareholders' equity ratio increased from 27.3% at the end of the previous fiscal year to 27.9%.

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

At this moment, the consolidated earnings forecasts remain unchanged, but if it becomes necessary to revise our earnings forecasts, JIA will promptly announce such revisions in a timely disclosure.

The forecasts are based on information available to JIA. Actual results could differ from the forecasts due to various uncertainties and changes in the future business conditions.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	End of Dec.31, 2024	End of Mar.31, 2025
[Assets]		
Current assets		
Cash and deposits	51,564	63,782
Accounts receivable-trade	8,503	8,085
Leasing receivable	9,445	8,799
Merchandise	5,757	5,632
Equity underwritten	116,883	106,574
Trust beneficiary right	129	71
Costs on uncompleted – trade	1,703	2,030
Operational investment securities	3,103	3,303
Advance payments-trade	2,290	1,499
Advances paid	5,635	5,580
Deposits paid	99	7,114
Short-term loans receivable	8,298	9,521
Accounts receivable - other	3,921	1,794
Other	4,307	3,454
Total current assets	221,643	227,245
Non-current assets		
Property, plant and equipment	1,015	972
Intangible assets	192	178
Investments and other assets		
Investment securities	10,443	8,360
Long-term loans receivable	4,809	4,413
Deferred tax assets	6,431	5,087
Other	262	260
Total Investments and other assets	21,947	18,121
Total non-current assets	23,155	19,272
Deferred assets		
Bond issuance cost	106	108
Total deferred assets	106	108
Total assets	244,906	246,626

(Millions of yen)

	End of Dec.31, 2024	End of Mar.31, 2025
[Liabilities]		
Current liabilities		
Accounts payable-trade	314	246
Accounts payable-operating	681	828
Short-term loans payable	125,644	126,346
Current portion of long-term loans payable	4,148	4,827
Current portion of long-term non-recourse loans	1,218	846
Current portion of bonds payable	6,097	6,032
Income taxes payable	2,260	430
Contract liabilities	14,741	11,221
Provision for shareholder benefit program	66	2
Provision for bonus	1,473	1,002
Other	3,851	2,915
Total current liabilities	160,498	154,700
Non-current liabilities		
Long-term borrowings	4,860	4,294
Long-term non-recourse loans	4,358	3,947
Bonds payable	4,405	4,836
Other	3,087	2,824
Total non-current liabilities	16,712	15,902
Total liabilities	177,211	170,603
[Net assets]		
Shareholders' equity		
Capital stock	16,887	16,887
Capital surplus	16,829	16,829
Retained earnings	30,841	33,847
Treasury shares	(1,471)	(1,283)
Total shareholders' equity	63,087	66,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44	141
Foreign currency translation adjustment	3,713	2,489
Total accumulated other comprehensive income	3,757	2,630
Non-controlling interests	849	7,111
Total net assets	67,695	76,023
Total liabilities and net assets	244,906	246,626

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Millions of yen)

	First quarter of FY2024 (Jan. 1 – Mar. 31, 2024)	First quarter of FY2025 (Jan. 1 – Mar. 31, 2025)
Net sales	9,016	11,024
Cost of sales	2,242	1,960
Gross profit	6,774	9,063
Selling, general and administrative expenses	1,963	2,086
Operating profit	4,811	6,977
Non-operating income		
Interest income	51	60
Gain on sales of equity underwritten	242	308
Foreign exchange gains	764	—
Share of profit of entities accounted for using equity method	565	—
Other	82	60
Total non-operating income	1,706	429
Non-operating expenses		
Interest expenses	480	504
Commission expenses	289	284
Foreign exchange losses	-	448
Share of loss of entities accounted for using equity method	-	174
Other	76	63
Total non-operating expenses	846	1,475
Ordinary profit	5,670	5,931
Extraordinary loss		
Loss on valuation of investment securities	-	74
Total extraordinary loss	-	74
Profit before income taxes	5,670	5,857
Income taxes	1,553	1,718
Profit	4,117	4,139
Profit attributable to non-controlling interests	34	108
Profit attributable to owners of parent	4,083	4,030

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

(Millions of yen)

	First quarter of FY2024 (Jan. 1 – Mar. 31, 2024)	First quarter of FY2025 (Jan. 1 – Mar. 31, 2025)
Profit	4,117	4,139
Other comprehensive income		
Valuation difference on available-for-sale securities	35	150
Foreign currency translation adjustment	894	(1,224)
Total other comprehensive income	929	(1,074)
Comprehensive income	5,047	3,065
(Breakdown)		
Comprehensive income attributable to owners of parent	5,025	2,903
Comprehensive income attributable to non-controlling interests	21	161

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in accounting policies)

[Application of “Accounting Standard for Current Income Taxes” and so on]

“Accounting Standard for Current Income Taxes” (ASBJ Statement No.27, October 28, 2022); hereinafter referred to as “the Revised Accounting Standard 2022”) and so on have been applied since the beginning of the first quarter of the fiscal year under review.

Regarding the revision to the classification for posting income taxes (taxation on other comprehensive income), we follow the transitional handling set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional handling set forth in the proviso of Paragraph 65-2 (2) of “the Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as “the Revised Guidance 2022”). Said change in the accounting policy will not produce any effects on quarterly consolidated financial statements.

Regarding the revision to the method for deferring gain or loss on sale of shares of subsidiaries among consolidated group companies in consolidated financial statements for tax affairs, the Revised Guidance 2022 have been applied since the beginning of the first quarter of the fiscal year under review. The changed accounting policy has been applied retroactively, so the quarterly consolidated financial statements for the previous consolidated fiscal year and the consolidated financial statements for the previous consolidated fiscal year indicate the figures after the retroactive application. Said change in the accounting policy will not produce any effects on the quarterly consolidated financial statements for the previous consolidated fiscal year and the consolidated financial statements for the previous consolidated fiscal year.

[Application of “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” and so On]

“Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Report on practical response No. 46; March 22, 2024) and so on have been applied since the beginning of the first quarter of the fiscal year under review. Since Section 7 of said report on practical response has been applied, the income taxes related to the global minimum tax rules were not posted in the consolidated financial statements for the first quarter of the fiscal year under review.

(Change in accounting estimates)

At the meeting of the board of directors held on March 19, 2025, JIA resolved to relocate our head office.

Regarding the building accessories that are not expected to be used after the relocation of our head office, their useful lifespans have been changed in the first quarter of the fiscal year under review so that their depreciations will be fully posted before the scheduled date of the relocation. Accordingly, operating income, ordinary income, and quarterly net income before taxes and other adjustments each decreased by 4 million yen in the first quarter of the fiscal year under review compared with the conventional method.

(Segment information, etc.)

[Segment information]

I. The first quarter of the previous consolidated fiscal year (from January 1 to March 31, 2024)

JIA Group operates the Operating Lease Business and other four businesses. The Operating Lease Business is our core business, and the significance of the other business segments is low, so it has been omitted.

II. The first quarter of the consolidated fiscal year (from January 1 to March 31, 2025)

JIA Group operates the Operating Lease Business and other four businesses. The Operating Lease Business is our core business, and the significance of the other business segments is low, so it has been omitted.

(Significant Change in Shareholders' Equity)

Not applicable.

(Going Concern Assumption)

Not applicable.

(Quarterly consolidated statement of cash flows)

The consolidated cash flow statement for the first quarter of the fiscal year under review has not been produced. The depreciation (including the amortization of intangible fixed assets, excluding goodwill) and goodwill amortization in the first quarter of the fiscal year under review are as follows.

(millions of yen)

	The first quarter of the previous consolidated fiscal year (from January 1 to March 31, 2024)	The first quarter of the consolidated fiscal year (from January 1 to March 31, 2025)
Depreciation	72	101
Amortization of goodwill	12	14