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July 31, 2025

Consolidated Financial Results for the Six Months Ended June 30, 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 file interim securities report: August 1, 2025
 Scheduled date to commence dividend payments: September 1, 2025
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analyst)

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

1. Consolidated financial results for the six months (from January 1, 2025 to June 30, 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 six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Jun. 30, 2025	20,768	38.7	11,380	84.4	9,497	13.9	6,147	7.8
Jun. 30, 2024	14,975	67.5	6,171	92.8	8,335	219.1	5,701	236.0

Note: Comprehensive income For the six months ended June 30, 2025: ¥5,002 million [down 34.2%]
 For the six months ended June 30, 2024: ¥7,604 million [up 175.4%]

	Net profit per share	Diluted net profit per share
For the six months ended	Yen	Yen
Jun. 30, 2025	101.55	—
Jun. 30, 2024	94.26	—

(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 Jun. 30, 2025	239,939	77,710	29.5
As of Dec. 31, 2024	244,906	67,695	27.3

Reference: Shareholders' equity

As of June 30, 2025: ¥70,764 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	-	43.0			
FY2025 (forecast)			-	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
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 interim 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. Interim Consolidated Financial Statements and Notes (4) Notes to Interim Consolidated Financial Statements (Changes in accounting policies) and (Change in accounting estimates)” on page 10 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 Jun. 30, 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 Jun. 30, 2025	473,620 shares	As of Dec. 31, 2024	540,710 shares
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3) Average number of shares during the period

Six months ended Jun. 30, 2025	60,538,707 shares	Six months ended Jun. 30, 2024	60,481,842 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” was calculated under the assumption that the payment for the rights offering was made at the beginning of the previous fiscal year.

* Interim financial result report is not subject to audit procedures.

* 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.

JIA Plans to hold a financial result meeting for institutional investors and analyst on July 31, 2025.

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1. Overview of Operating Results, etc.

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

In the interim consolidated accounting period of this fiscal year (Jan. 1 to Jun. 30, 2025), the global economy slowed down, as real GDP growth rate turned negative in the U.S. and economic indicators for business confidence, such as PMI, were stagnant. In the eurozone, the economy recovered at the beginning of the year, but there is concern over the decline in business performance in the manufacturing industry due to the U.S. trade policy, and economic slowdown is forecast to continue for the foreseeable future. In China, retail sales grew considerably in May, but commodity prices kept declining, and the economy remains sluggish as capital investment is stagnant.

Regarding the situation of the Japanese economy, corporate earnings declined year on year in the period from January to March, but capital investment is on an upward trend, as the willingness to invest is strong. On the other hand, it is still unclear how broadly the U.S. trade policy will affect the economy, and the concern over the decline in corporate earnings may lead to stagnant wages and the sluggish recovery of consumer spending.

Under such economic circumstances, the 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 18,953 million yen, up 41.1% 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 76,957 million yen, up 25.4% year on year, showing good performance. On the other hand, the amount of deals structured stood at 217,642 million yen, up 86.5% year on year. The environment for structuring deals remains favorable.

The sales of the Real Estate Business stood at 159 million yen, up 49.2% 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 Renewable Energy Business stood at 108 million yen, down 84.1% year on year. Sales declined due to a rebound effect from the project of establishing and selling a fund for some solar power plants in the previous second quarter.

The sales of the Private Equity Investment Business stood at 372 million yen, up 256.4% year on year. Sales were posted, mainly because the investees of the fund operated by our corporate group realized an IPO and some of shares held were sold.

The sales of other businesses stood at 1,175 million yen, up 80.4% 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 first half of the consolidated fiscal year.

	First half of FY2024	First half of FY2025	Change	[Unit: Million yen] Change rate (%)
Net sales	14,975	20,768	5,793	38.7
Operating profit	6,171	11,380	5,209	84.4
Ordinary profit	8,335	9,497	1,161	13.9
Profit attributable to owners of parent	5,701	6,147	446	7.8

(2) Overview of Consolidated Financial Position for the first half of FY2025**1) Assets, liabilities, and net assets****Assets**

Total assets decreased by 4,966 million yen from the end of 2024 to 239,939 million yen at the end of the first half of FY2025. This was mainly due to decreases in equity underwritten of 8,164 million yen, cash and deposits of 2,549 million yen, advances paid of 1,951 million yen, and investment securities of 1,923 million yen, while there was increase in deposits paid of 10,299 million yen.

Liabilities

Total liabilities decreased by 14,982 million yen from the end of 2024 to 162,229 million yen at the end of the first half of FY2025. This was mainly due to decreases in short-term borrowings of 7,215 million yen, contract liabilities of 3,029 million yen, long-term non-recourse loans of 1,261 million yen, and income taxes payable of 980 million yen, while there was increase in bonds payable of 219 million yen.

Net Assets

Total net assets increased by 10,015 million yen from the end of 2024 to 77,710 million yen at the end of the first half of FY2025. This was mainly due to increases in non-controlling interests of 6,096 million yen and retained earnings of 5,122 million yen, while there was decrease in foreign currency translation adjustment of 1,531 million yen. As a result, the shareholders' equity ratio increased from 27.3% at the end of the previous fiscal year to 29.5%.

2) Cash flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the first half of FY2025 decreased by 2,549 million yen from the end of 2024 to 48,945 million yen.

The cash flow components during the first half of FY2025 and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 5,435 million yen (compared with 10,946 million yen used in the same period of 2024). Main positive factors were profit before income taxes of 9,423 million yen and decrease in equity underwritten of 8,257 million yen. Main negative factors include increase in deposits paid of 10,299 million yen and decrease in contract liability of 2,731 million yen.

Cash flows from investing activities

Net cash used in investing activities was 2,524 million yen (compared with 3,923 million yen provided in the same period of 2024). Main negative factors include payments of 5,339 million yen for loan advances and payments of 325 million yen for purchase of investment securities. Main positive factors include proceeds of 1,697 million yen from collection of loans receivable and proceeds of 1,181 million yen from sales and redemption of investment securities.

Cash flows from financing activities

Net cash used in financing activities was 4,635 million yen (compared with 20,296 million yen provided in the same period of 2024). Main negative factors include payments of 73,099 million yen for repayments of short-term borrowings and payments of 3,461 million yen for repayments of long-term borrowings. Main positive factors include proceeds of 65,883 million yen from short-term borrowings and proceeds of 5,000 million yen from share issuance to non-controlling

shareholders.

(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. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	End of Dec.31, 2024	End of June.30, 2025
[Assets]		
Current assets		
Cash and deposits	51,564	49,015
Accounts receivable-trade	8,503	7,830
Leasing receivable	9,445	8,393
Merchandise	5,757	5,417
Equity underwritten	116,883	108,718
Trust beneficiary right	129	1,048
Costs on service contracts in progress	1,703	1,771
Operational investment securities	3,103	3,382
Advance payments to suppliers	2,290	1,444
Advances paid	5,635	3,684
Deposits paid	99	10,398
Short-term loans receivable	8,298	10,933
Accounts receivable - other	3,921	4,196
Other	4,307	4,465
Total current assets	221,643	220,702
Non-current assets		
Property, plant and equipment	1,015	947
Intangible assets	192	162
Investments and other assets		
Investment securities	10,443	8,520
Long-term loans receivable	4,809	4,291
Deferred tax assets	6,431	4,694
Other	262	526
Total Investments and other assets	21,947	18,033
Total non-current assets	23,155	19,142
Deferred assets		
Bond issuance cost	106	94
Total deferred assets	106	94
Total assets	244,906	239,939

(Millions of yen)

	End of Dec.31, 2024	End of June.30, 2025
[Liabilities]		
Current liabilities		
Accounts payable-trade	314	179
Accounts payable-operating	681	730
Short-term borrowings	125,644	118,429
Current portion of long-term borrowings	4,148	4,112
Current portion of long-term non-recourse loans	1,218	1,333
Current portion of bonds payable	6,097	6,093
Income taxes payable	2,260	1,279
Contract liabilities	14,741	11,712
Provision for shareholder benefit program	66	—
Provision for bonuses	1,473	628
Other	3,851	3,383
Total current liabilities	160,498	147,882
Non-current liabilities		
Long-term borrowings	4,860	4,130
Long-term non-recourse loans	4,358	3,097
Bonds payable	4,405	4,624
Other	3,087	2,493
Total non-current liabilities	16,712	14,346
Total liabilities	177,211	162,229
[Net assets]		
Shareholders' equity		
Share capital	16,887	16,887
Capital surplus	16,829	16,829
Retained earnings	30,841	35,964
Treasury shares	(1,471)	(1,283)
Total shareholders' equity	63,087	68,398
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44	184
Foreign currency translation adjustment	3,713	2,181
Total accumulated other comprehensive income	3,757	2,365
Non-controlling interests	849	6,946
Total net assets	67,695	77,710
Total liabilities and net assets	244,906	239,939

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

(Millions of yen)

	First half of FY2024 (Jan. 1 – June. 30, 2024)	First half of FY2025 (Jan. 1 – June. 30, 2025)
Net sales	14,975	20,768
Cost of sales	4,914	4,751
Gross profit	10,060	16,017
Selling, general and administrative expenses	3,889	4,636
Operating profit	6,171	11,380
Non-operating income		
Interest income	102	142
Gain on sales of equity underwritten	428	630
Foreign exchange gains	2,229	—
Share of profit of entities accounted for using equity method	837	—
Other	193	127
Total non-operating income	3,790	900
Non-operating expenses		
Interest expenses	1,004	1,007
Commission expenses	466	444
Foreign exchange losses	—	1,023
Share of loss of entities accounted for using equity method	—	221
Other	156	85
Total non-operating expenses	1,626	2,782
Ordinary profit	8,335	9,497
Extraordinary loss		
Loss on valuation of investment securities	—	74
Total extraordinary loss	—	74
Profit before income taxes	8,335	9,423
Income taxes	2,695	3,106
Profit	5,640	6,316
Profit attributable to non-controlling interests	(61)	168
Profit attributable to owners of parent	5,701	6,147

(Interim Consolidated Statement of Comprehensive Income)
(For the Six-month Period)

(Millions of yen)

	First half of FY2024 (Jan. 1 – June. 30, 2024)	First half of FY2025 (Jan. 1 – June. 30, 2025)
Profit	5,640	6,316
Other comprehensive income		
Valuation difference on available-for-sale securities	159	217
Foreign currency translation adjustment	1,804	(1,531)
Total other comprehensive income	1,964	(1,314)
Comprehensive income	7,604	5,002
(Breakdown)		
Comprehensive income attributable to owners of parent	7,638	4,755
Comprehensive income attributable to non-controlling interests	(34)	246

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	First half of FY2024 (Jan. 1 – June. 30, 2024)	First half of FY2025 (Jan. 1 – June. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	8,335	9,423
Depreciation	107	227
Amortization of goodwill	26	28
Foreign exchange losses (gains)	(199)	184
Gain on sales of equity underwritten	(428)	(630)
Loss (gain) on valuation of investment securities	-	74
Share of loss (profit) of entities accounted for using equity method	(837)	221
Interest and dividend income	(221)	(256)
Interest expenses	1,004	1,007
Decrease (increase) in trade receivables	(11,830)	1,677
Decrease (increase) in inventories	(7,701)	(1,064)
Decrease (increase) in advance payments to suppliers	5,283	845
Increase (decrease) in trade payables	(33)	(67)
Decrease (increase) in equity underwritten	(2,036)	8,257
Decrease (increase) in advances paid	(2,025)	1,949
Decrease (increase) in deposits paid	-	(10,299)
Increase (decrease) in contract liability	708	(2,731)
Decrease (increase) in consumption taxes receivable/payable	(661)	53
Others	2,579	(1,613)
Subtotal	(7,930)	7,289
Interest and dividend received	526	1,070
Interest paid	(915)	(667)
Income taxes paid	(2,626)	(2,256)
Net cash provided by (used in) operating activities	(10,946)	5,435
Cash flows from investing activities		
Purchase of property, plant and equipment	(693)	(60)
Purchase of investment securities	(3,265)	(325)
Proceeds from sales and redemption of investment securities	5,647	1,181
Loan advances	(1,894)	(5,339)
Collection of loans receivable	3,988	1,697
Others	141	322
Net cash provided by (used in) investing activities	3,923	(2,524)
Cash flows from financing activities		
Proceeds from short-term borrowings	54,971	65,883
Repayments of short-term borrowings	(58,663)	(73,099)
Proceeds from long-term borrowings	17,593	1,650
Repayments of long-term borrowings	(3,821)	(3,461)
Proceeds from issuance of bonds	2,200	1,450
Redemption of bonds	(1,852)	(1,233)
Proceeds from exercise of share options	10,342	-
Proceeds from share issuance to non-controlling shareholders	-	5,000
Dividends paid	(484)	(907)
Other, net	11	82
Net cash provided by (used in) financing activities	20,296	(4,635)
Effect of exchange rate change on cash and cash equivalents	1,285	(825)
Net increase (decrease) in cash and cash equivalents	14,557	(2,549)
Cash and cash equivalents at beginning of period	28,186	51,494
Cash and cash equivalents at end of period	42,744	48,945

(4) Notes to Interim 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 half 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 interim 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 half of the fiscal year under review. The changed accounting policy has been applied retroactively, so the interim 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 interim 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 half 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 half 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 half 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 interim net income before taxes and other adjustments each decreased by 18 million yen in the first half of the fiscal year under review compared with the conventional method.

(Segment information, etc.)

[Segment information]

I. The first half of the previous consolidated fiscal year (from January 1 to June 30, 2024)

The 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 half of the consolidated fiscal year (from January 1 to June 30, 2025)

The 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.