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Company name: Japan Asia Investment Co., Ltd. (JAIC)
Listed on: Tokyo Stock Exchange Section 1 (Stock code: 8518)
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Notice of Revision to “Result Forecast Consolidated Under the Previous Accounting Standard”

Japan Asia Investment Co., Ltd. (JAIC) hereby announces that, based on the recent business performance etc., JAIC has revised its “result forecast consolidated under the Previous Accounting Standard” for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020), previously announced on February 14, 2020.

The “result forecast consolidated under the Previous Accounting Standard” is based upon the information currently available to JAIC and certain assumptions. Therefore, the actual performance may differ from the stated figures due to various factors in the process of aggregating the results for account closing procedures.

1. Revision to the “result forecast consolidated under the Previous Accounting Standard”

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

	Consolidated operating revenue (Millions of yen)	Consolidated operating income (Millions of yen)	Consolidated ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Consolidated net income per share (Note 1) (Yen)
Previous forecast (A)	2,600	70	(60)	100	5.65
Revised forecast (B)	2,760	265	140	300	16.95
Change (B-A)	160	195	200	200	
Percentage Change(%)	6.2	278.5	–	200.0	
(Reference) Consolidated financial results under the Previous Accounting Standards for the fiscal year ended March 31, 2019	2,475	177	83	578	32.67

Note 1: Net income per share in above chart is calculated based on the number of shares issued and outstanding excluding the number of shares of treasury stock as at December 31, 2019.

2. Reasons for revision

Operating revenue is expected to be 6.2% more than the previous forecast since several mega solar projects are likely to see greater revenue from electricity sales compared to the previously announced forecast. With regard to costs, the expenses expected to be incurred at the completion of mega solar projects those were expected to be completed during the period were not incurred since the completion of the projects was pushed back to the next period. In addition, investment write-offs and allowance for possible investment losses are expected to be less than expected at the time of the previous announcement. As a result, operating income is expected to be 278.5% more than the previous forecast. Accordingly, ordinary income and profit attributable to owners of parent are also expected to increase from the previous forecast figures.

These “forecasts under the previous accounting standards” are based on information currently available to the Company and certain assumptions. Therefore, the actual performance may differ from the stated figures due to various factors in the process of aggregating the results for account closing procedures.

3. “Result Forecast Consolidated Under the Previous Accounting Standard”

The private equity investment business conducted by the JAIC Group is significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment in recent years. Therefore JAIC doesn’t disclose the results forecast. For the convenience of investors and shareholders, however, JAIC discloses “result forecast consolidated under the Previous Accounting Standard” even though it doesn’t have enough rationality.

(Note) Previous Accounting Standard

As of Fiscal year ended March 31, 2007 the JAIC Group has adopted “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan Practical Issues Task Force No. 20 issued on September 8, 2006), and consolidated financial statements, etc., are being prepared with the inclusion in the consolidation of some of the operational investment funds managed by the JAIC Group.

Nevertheless, to enable investors and shareholders to have an accurate understanding of the JAIC Group’s business results and financial position, JAIC considers it essential also to disclose financial statements, etc., prepared in accordance with the previous accounting standards. Therefore, for reference purposes, JAIC will continue to disclose financial statements, etc., in accordance with the previous accounting standards.

In those financial statements etc., prepared in accordance with the previous accounting standards, assets, liabilities, revenues and expenses for investment funds were reported based on the investment portion by JAIC and its subsidiaries and by excluding the portion held by external investors. In addition, company-type funds are excluded from the scope of consolidations in those financial statements.

(End)