



This document has been translated from Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. JAIC assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

August 14, 2020

Company name: Japan Asia Investment Co., Ltd. (JAIC)
Listed on: Tokyo Stock Exchange Section 1 (Stock code: 8518)
Representative: Tetsuro Shimomura, President and CEO
Contact: Kenji Kishimoto, Executive Officer
Tel: +81-3-3259-8518

Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for First Half of the FY March 2021

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 first half of the fiscal year ending March 31, 2021 (from April 1, 2020 to September 30, 2020), previously announced on May 15, 2020.

Please be advised that there are no revisions on full-year “result forecast consolidated under the Previous Accounting Standard” for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021).

The “result forecast consolidated under the Previous Accounting Standard” is based upon the information currently available to JAIC and certain assumptions. Various factors could cause actual results to differ from this result forecasts.

1. Revision on the “result forecast consolidated under the Previous Accounting Standard” for first half of the fiscal year ending March 31, 2021 (from April 1, 2020 to September 30, 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) (Yen)
Previous forecast (A)	850	(120)	(190)	(210)	(11.86)
Revised forecast (B)	670	(390)	(420)	(440)	(24.85)
Change (B-A)	(180)	(270)	(230)	(230)	
Percentage Change(%)	(21.2)	—	—	—	
(Reference) Consolidated financial results under the Previous Accounting Standards for first half of the fiscal year ended March 31, 2020	691	(421)	(483)	(481)	(27.22)

*Note: Consolidated 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 June 30, 2020.

2. Reasons for revision

Operating revenue is expected to be 21.2% less than the previous forecast. The main reason is that some sales of shares that were expected in the first half were delayed to the second half. Operating income is expected to be 270 million yen less than the previous forecast. This reflects the drop in operating revenue and a loss from a third-party fund incurring in the first quarter. We had expected the loss to be incurred in the second half at a less amount. This has led to forecasts for both ordinary income and profit attributable to owners of parent dropping by 230 million yen from the previous forecast.

3. Full-year “result forecast consolidated under the Previous Accounting Standard” for fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

There are no revisions on full-year “result forecast consolidated under the Previous Accounting Standard” for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021). Although the loss from a third-party fund that was incurred in the first quarter was larger than had been expected, we expect to compensate for it with an increase in gain on sales of shares in the second half.

(Reference)

	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) (Yen)
Result forecast for FY Mar 2021 (No revision)	3,250	350	200	180	10.17

*Note: 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 June 30, 2020.

For details, please refer to “2. Outlook for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)” on page 21 in “Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese Standards] (Summary of Japanese announcement)” disclosed on May 15, 2020.

These “forecasts under the previous accounting standards” are based on information currently available to the Company and certain assumptions. Various factors could cause actual results to differ from this result forecasts.

4. “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)