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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 on “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, 2021 (from April 1, 2020 to March 31, 2021), previously announced on May 15, 2020.

Though JAIC doesn’t disclose consolidated result forecast, JAIC expects that there will be a significant difference between revised “result forecast consolidated under the Previous Accounting Standard” and consolidated result forecast due to differences in accounting standards applied to.

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 the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)**

	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)	3,250	350	200	180	10.17
<b>Revised forecast (B)</b>	<b>3,050</b>	<b>190</b>	<b>150</b>	<b>120</b>	<b>6.78</b>
Change (B-A)	(200)	(160)	(50)	(60)	
Percentage Change(%)	(6.2)	(45.7)	(25.0)	(33.3)	
(Reference) Consolidated financial results under the Previous Accounting Standards for the fiscal year ended March 31, 2020	2,760	265	140	302	17.09

\*Note 1: 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 March 31, 2021.

\*Note 2: Please refer to 3-3 as for the significant difference between “result forecast consolidated under the Previous Accounting Standard” and actual results consolidated.

**2. Reasons for revision**

At the beginning of the current fiscal year JAIC expected capital gains from IPOs in Japan and trade sales in overseas.

During the first half of the current fiscal year, however, several investee companies have postponed their IPOs due to weak stock markets and poor business performance. On the other hand, many buyers have expressed their interests in purchasing mega solar projects those started selling electricity. So that JAIC recognized this as an opportunity and changed its plan at the beginning of the current fiscal year. JAIC decided to sell 7 mega solar projects amounting to 18.3 MW (including partial sales). JAIC focused on selling these projects and realizing the planned sales of shares in the second half of the current fiscal year to achieve the result forecast.

For mega solar projects, JAIC achieved capital gains as planned. For sales of shares, however, JAIC couldn't achieve capital gains. Sales of listed shares resulted in lower than expected because the share price of a listed company fell and the trading volume of a listed company was sluggish. Sales of unlisted shares also didn't reach the target because the procedure for selling some unlisted shares was delayed, and negotiations to sell some unlisted shares did not reach an agreement.

As a result, gains from sales of shares in the fourth quarter was lower than expected and operating revenue is expected to be 6.2% less than the previous forecast. This leads to forecasts for both operating income, ordinary income and profit attributable to owners of parent dropping from the previous forecast.

Please be noticed that 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.

### **3. Consolidated result forecast and significant difference from “Result Forecast Consolidated Under the Previous Accounting Standard”**

#### 3-1. Result forecast

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.

#### 3-2. “Result forecast consolidated under the Previous Accounting Standard”

There is a difference between current accounting standards and those applied to the “Result forecast consolidated under the 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.

On the other hand, the operational investment funds managed by the JAIC Group are excluded from the scope of consolidations in the financial statements etc., prepared in accordance with the previous accounting standards. Assets, liabilities, revenues and expenses for investment funds are 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.

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.

#### 3-3. significant difference between revised “result forecast consolidated under the Previous Accounting Standard”

“Result forecast consolidated under the Previous Accounting Standard” differs from consolidated results forecast under current accounting standard because different accounting standards applied. In the fiscal year March 2021, JAIC sold part of a mega solar project which categorized as a consolidated subsidiary. In the previous accounting standards, 107 million yen of gain on sale of the project is recorded as profits. On the other hand, gain on sale of the project is not recorded as profits but is recorded as capital surplus. In this connection, consolidated result forecast is estimated lower than the “Result forecast consolidated under the Previous Accounting Standard” mainly because of the gain on sale of the project.

(End)