



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.

November 12, 2021

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: +81-3-3221-8518

Differences between the “Result Forecast Consolidated under the Previous Accounting Standard” and the Results for the First Half of the Fiscal Year Mar. 2022

Japan Asia Investment Co., Ltd. (JAIC) hereby announces differences between the “Result Forecast Consolidated under the Previous Accounting Standard” for the first half of the fiscal year Mar. 2022 (from April 1, 2021 to September 30, 2021) that the company released on May 14, 2021 and the actual results disclosed today.

1. Differences between the “result forecast consolidated under the Previous Accounting Standard” and the results for the First Half of the Fiscal Year Mar. 2022 (from April 1, 2021 to September 30, 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 (Yen)
Previous forecast (A)	700	(220)	(250)	(250)	(14.12)
Actual results (B)	381	(496)	(538)	(643)	(36.36)
Change (B-A)	(319)	(276)	(288)	(393)	
Percentage change(%)	(45.6)	-	-	-	
(Reference) Consolidated financial results under the Previous Accounting Standards for the First Half of the FY Mar. 2021	541	(316)	(335)	(336)	(18.99)

2. Reasons for differences

Consolidated operating revenue fell down 45.6% from the previous forecast. The expected sale of unlisted shares was delayed from the next fiscal year onward. Along with this, consolidated operating income and consolidated ordinary income were below the previous

forecasts. Additionally, extraordinary losses from the fund operated by the third party was incurred outside the forecast. As a result, profit attributable to owners of parent fell below the previous forecast.

3. “Result Forecast Consolidated under the Previous Accounting Standard” for full-year FY Mar. 2022

“Result Forecast Consolidated under the Previous Accounting Standard” for full-year FY Mar. 2022 remain unchanged from the previous announcement on May 14, 2021.

In the second half, capital gains are expected to increase due to IPOs of domestic investees that are not expected at the beginning of the term. The sale of projects such as mega solar is also expected as planned at the beginning of the term. As a result, the downside from the plan in the first half is expected to be offset by the upside in the second half.

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. The achievement is not promised. Various factors could cause actual results to differ from this result forecasts.

4. Result forecast and “ Result Forecast Consolidated Under the Previous Accounting Standard”

4-1. 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.

4-2. “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.

(End)