



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.

February 22, 2022

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

Notice of Posting Extraordinary Income

Japan Asia Investment Co., Ltd. (JAIC) hereby announces that, a gain on sales of fixed assets (extraordinary income) of approximately 760 million yen is expected to be recorded in the consolidated financial statements for the fiscal year ending March 2022. This extraordinary profit will be recorded as a result of the sale of Mombetsu City Kodo Solar Power Plant owned by a special purpose company in which the Group invests in a silent partnership. The operator of the silent partnership has decided on this matter today. Of this extraordinary income, the amount attributable to JAIC Group is approximately 450 million yen.

The accounting standards that are applied to the financial statements based on the Previous Accounting Standards are different. Therefore, this approximately 450 million yen is expected to be recorded in the operating income item, which is the partnership interest income.

JAIC doesn't revise "result forecast consolidated under the Previous Accounting Standard" because the sale of the mega solar power plant was a prerequisite. For details, please refer to the "Financial Results for the Third Quarter of the Fiscal Year Ending March 2022 [Japanese Standards] (Consolidated)" disclosed on February 14, 2022.

JAIC discloses "result forecast consolidated under the Previous Accounting Standard" as reference information in place of the earnings forecast for the convenience of investors and shareholders.

1. Outline of the Transaction

Recently social need for clean energy are growing toward the realization of a carbon-free society and future uncertainty caused by COVID-19 are increasing. This has led many investors to interest in purchasing mega solar projects for which electricity is being sold. Therefore, JAIC plans to sell the mega solar project in the current fiscal year. This time, we have accomplished the concrete transaction ("Transaction").

Outline of mega solar projects to be sold

Name of power plant	Mombetsu City Kodo Solar Power Plant
Location	Mombetsu City, Hokkaido
Maximum output*	15.7MW

*Solar cell panel system capacity basis

2. Schedule

Date of execution	February 22, 2022
Settlement day	March 10, 2022 (scheduled date)

3. Forecast

Any forward-looking statements in this document are based upon the information currently available to JAIC at the time of writing and certain assumptions. Various factors could cause actual results to differ materially from these result forecasts. In case there is a need for timely disclosure, we will disclose promptly.

(1) Impact on consolidated financial statements

The gain on sales of fixed assets (extraordinary income) of approximately 760 million yen is expected to be recorded in the consolidated financial statements in the fiscal year ending March 2022. Of this extraordinary income, the amount attributable to JAIC Group is approximately 450 million yen.

Furthermore, the Company is expected to book 650 million yen of operating revenue and 10 million yen of profit attributable to owners of parent from electricity sales revenue of the solar power plant on the consolidated statements of income for the fiscal year ending March 31, 2022.

Due to the Transaction, in the fiscal year ending March 31, 2023 and onward, operating revenue and profit attributable to owners of parent are expected to decrease compared to the fiscal year ending March 31, 2022.

The following amounts are also expected to decrease from the Company's consolidated balance sheets as of March 31, 2022 due to the Transaction: 1) the total amount of assets including property, plant and equipment by 4,800 million yen; and 2) the total amount of liabilities including borrowings by 4,800 million yen.

(2) Impact on "result forecast consolidated under the Previous Accounting Standard"

The accounting standards that are applied to the financial statements based on the Previous Accounting Standards are different. Therefore, the approximately 450 million yen is expected to be recorded in the operating income item, which is the partnership interest income.

JAIC doesn't revise "result forecast consolidated under the Previous Accounting Standard" because this transaction was a prerequisite. For details, please refer to the "Financial Results for the Third Quarter of the Fiscal Year Ending March 2022 [Japanese Standards] (Consolidated)" disclosed on February 14, 2022.

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)