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Listed on: Tokyo Stock Exchange Standard Market (Stock code: 8518)
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Notice of Revision on “Result Forecast Consolidated under the Previous Accounting Standard” for First Half of the FY March 2023

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, 2023 (from April 1, 2022 to September 30, 2022), previously announced on May 13, 2022.

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, 2023 (from April 1, 2022 to March 31, 2023).

The “result forecast consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document are based upon the information currently available to JAIC at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

1. Revision on the “result forecast consolidated under the Previous Accounting Standard” for first half of the fiscal year ending March 31, 2023 (from April 1, 2022 to September 30, 2022)

	Operating revenue (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Quarterly net income attributable to owners of the parent (Millions of yen)	Quarterly net income per share (*Note) (Yen)
Previous forecast (A)	1,950	780	730	600	33.89
Revised forecast (B)	1,330	50	0	(10)	(0.56)
Change (B-A)	(620)	(730)	(730)	(610)	
Percentage Change (%)	(31.8)	(93.6)	(100.0)	(101.7)	
(Reference) Actual results under the Previous Accounting Standards for first half of FY Mar. 2022	381	(496)	(538)	(643)	(36.36)

*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, 2022.

2. Reasons for revision

Expected sales of shares from IPO has been delayed from the second quarter to the third quarter. A project sold its asset in the first quarter, however, the expected profit from the project has been delayed from the second quarter to the third quarter.

As a result, operating revenue is expected to be 31.8% less than the previous forecast. This leads to forecasts for operating income, ordinary income, and quarterly net income attributable to owners of the parent dropping from the previous forecast.

3. Full-year “result forecast consolidated under the Previous Accounting Standard”

There are no revisions on full-year “result forecast consolidated under the Previous Accounting Standard” for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023). As for the sales and the profit mentioned in above “2 Reasons for revision”, only the expected timing has been revised but the expected amount hasn’t been revised. Additionally, sales of assets of projects progress steadily. 2 assets, including the asset mentioned above “2 Reasons for revision”, have been sold in the first quarter and the profits are expected to be posted in the third quarter.

Actual results of the first quarter were behind the forecast due to unexpected extraordinary loss, less capital gain from shares and operating costs from projects those exceeded expectations. On the other hand, 1 mega solar project has been sold in the second quarter. This capital gain was not expected at the beginning of the term and is expected to compensate for behinds in the first quarter.

(Reference) full-year “Result forecast consolidated under the Previous Accounting Standard” for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	Operating revenue (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income attributable to owners of the parent (Millions of yen)	Net income per share (*Note) (Yen)
Result forecast for FY Mar. 2023 (No revision)	3,000	750	650	550	31.07
(Reference) Actual results under the Previous Accounting Standards for FY Mar. 2022	2,409	86	61	49	2.78

The “result forecast consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document are based upon the information currently available to JAIC at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

4. “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.

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.

(End)