



July 6, 2021

Company	Japan Investment Adviser Co., Ltd.
Representative	Naoto Shiraiwa, President & CEO (TSE First Section, Stock Code: 7172)
Contact	Board Director, Takeshi Sugimoto
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Notice of acquisition of all shares of Sankyo Securities Co., Ltd.

At the meeting of the Board of Directors held today, Japan Investment Adviser Co., Ltd. (“the Company”) resolved to acquire all shares of Sankyo Securities Co., Ltd. (headquarters: Chuo-ku, Tokyo; Representative Director and President: Hideyo Aoyama; hereinafter referred to as “Sankyo Securities”), which is a subsidiary of Okato Nissan Securities Holdings, Inc. (headquarters: Chuo-ku, Tokyo; Representative Director and President: Hideaki Futaya; hereinafter referred to as “Okato Nissan Securities HD”), from Okato Nissan Securities HD to reorganize Sankyo Securities into a subsidiary, as described below.

1. Background and purpose of the acquisition of shares

Under the Corporate Philosophy: “Always be a company contributing to society by offering financial services,” JIA group operates mainly the Operating Lease Business, and also the Renewable Energy Business, the Parts Out & Conversion Business, and other financial solution businesses (M&A Advisory Business, Insurance Agency Business, and Private Equity Business).

JIA group has been planning to launch a securities business for expanding our services. By acquiring Sankyo Securities as a subsidiary, the Company will bring out business synergy by utilizing our group’s financial services, network, and improve our corporate value further.

JIA group has grown rapidly based on financial services utilizing operating leases

The major subsidiary JP Lease Products & Services Co., Ltd. (hereinafter referred to as “JLPS”) has led the rapid growth of JIA group, by offering financial services combining the borrowings from mainly financial institutions and the equity interest from investors for valuable assets, such as aircraft, vessels, containers for maritime transportation, and solar power generation equipment, as a type II Financial Instruments Business Operator. JLPS develops financial instruments by itself, and offers and sells them to excellent SMEs nationwide.

Time-honored Sankyo Securities

Sankyo Securities is registered as type I and type II Financial Instruments Business Operator, and provides brokerage of shares, bonds, investment trusts, etc. and offers investment trusts as a general securities firm established in 1944. Its clients are composed of mainly wealthy individuals.

To bring out synergy by increasing clients and financial products

By including the time-honored Sankyo Securities as JIA group member, we induce the following synergetic effects in business.

- Increase of financial products of Sankyo Securities by utilizing the production creation capability of JLPS
- Increase of financial products, such as shares, bonds, and investment trust, for the customer network of JLPS
- Expansion of IPO-related services for invested companies and clients of the Company, utilizing the functions of Sankyo Securities
- Increase of individual investors of Sankyo Securities through the linkage with the IR advisory services, such as the briefing sessions for individual investors, provided by Nihon Securities Journal Inc., which is a subsidiary of the Company

A new start as a securities company of JIA group

The current main businesses of Sankyo Securities, "Click Kabu 365 (FX)" and "Click Kabu 365," will be succeeded by Nissan Securities Co., Ltd., a subsidiary of the Okato Nissan Securities HD, by an absorption-type corporate divestiture method. (Note 1)

Therefore, following the transfer of shares of Sankyo Securities by the Company, we will reconstruct the business model of Sankyo Securities according to the Group's growth strategy. The Company will be conducting a management system, expanding financial products and sales channels to create a new securities model.

(Note 1): For details, please refer to the press release dated June 25, 2021, by Okato Nissan Securities HD.

2. Details of the consolidated subsidiary company (as of June 30, 2021)

(1) Name (Note 2)	Sankyo Securities Co., Ltd.		
(2) Address	2-12-16 Shinkawa, Chuo-ku Tokyo		
(3) Representative	President: Hideyo Aoyama		
(4) Business Description	Financial Instruments Business Operator Kanto Local Finance Bureau (Registration Number: 2444)		
(5) Amount of capital	503 million yen		
(6) Established	April 27, 1944		
(7) Major shareholders and shareholding ratio	Okato Nissan Securities Holdings, Inc. 100%		
(8) Relationship with the Company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
(9) Results of operations and financial position of the company in the most recent three-year period			
Fiscal year end	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Equity attributable to owners of the parent (million yen)	896	915	955
Total assets (million yen)	4,189	4,757	5,302
Equity attributable to owners of the parent per share (yen)	123.51	126.16	131.64
Revenue (million yen)	1,062	1,898	2,896
Operating income (million yen)	5	24	42
Net income attributable to owners of parent (million yen)	5	20	37
Basic earnings per share attributable to owners of parent (yen)	0.69	2.86	5.11
Dividends per share (yen)	-	-	-

(Note2): The company name is subject to change. It will be announced as soon as determined.

3. Outline of the counterparty to the share acquisition (as of June 30, 2021)

Outline of the counterpart to the share acquisition (as of June 30, 2021)

(1) Name	Okato Nissan Securities Holdings, Inc.		
(2) Address	2-12-16 Shinkawa, Chuo-ku Tokyo		
(3) Representative	President: Hideaki Futaya		
(4) Business Description	Control and management of Okato Nissan Securities HD through share ownership		
(5) Amount of capital	3,554 million yen		
(6) Established	April 1, 2005		
(7) Major shareholders and shareholding ratio	Unicom Group Holdings, Inc. 69.73% Daiichi Commodities Co.,Ltd. 9.82%		
(8) Relationship with the Company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
(9) Consolidated results of operations and consolidated financial position of the company in the most recent three-year period			
Fiscal year end	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Equity attributable to owners of the parent (million yen)	3,485	3,293	13,419
Total assets (million yen)	34,520	30,313	84,665
Equity attributable to owners of the parent per share (yen)	321.74	303.14	233.24
Revenue (million yen)	2,672	2,855	7,738
Operating income (million yen)	37	(197)	735
Net income attributable to owners of parent (million yen)	168	89	1,587
Basic earnings per share attributable to owners of parent (yen)	16.24	8.34	30.63
Dividends per share (yen)	3.00	-	3.00

4. Number of Acquired Shares, Acquisition Price and Status of Shareholding Ratios Before and After Acquisition

(1) Number of shares held before change	0 share (Number of voting rights: 0 unit) (Ratio of voting rights holding : 0.0%)		
(2) Number of shares acquired	7,260,000 shares (Number of voting rights: 72,600 units) (Ratio of voting rights holding : 100%)		
(3) Acquisition price	Common stock of Sankyo Securities	:	1,152 million yen
	Advisory fees, etc. (estimated amount)	:	30 million yen
	Total (estimated amount):	:	1,182 million yen
(4) Number of shares held after change	7,260,000 shares (Number of voting rights: 72,600 units) (Ratio of voting rights holding : 100%)		

5. Schedule

(1) Resolution by Board of Directors	July 6, 2021
(2) Execution of the share sale and purchase agreement	July 6, 2021
(3) Purchase of shares (Note 3)	September 10, 2021 (to be determined)

(Note 3): The above purchase of shares agreement is based on the assumption that the licenses and approvals

required for Sankyo Securities to operate will be maintained. Any other matter that should be announced prior to the Share Transfer Implementation Date will be announced promptly.

6. Future Outlook

The impact of this matter on our group business performance for the fiscal year ending December 31, 2021 is currently under scrutiny, and if it becomes necessary to revise our group business forecast, we will disclose it promptly.

Inquiries:

PR/IR group

TEL: 81-3-6550-9307

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