



Japan Investment Adviser Co., Ltd.

(Stock Code: 7172)

Financial Results for FY2018

February 7, 2019



Kasumigaseki Common Gate West Tower 34F
3-2-1 Kasumigaseki, Chiyoda-ku Tokyo Japan
<https://www.jia-ltd.com>



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1. Company Overview

Corporate Philosophy

Always be a company contributing to society by offering financial services

● ● ● Our commitments for accomplishing this goal ● ● ●

For
shareholders

We will contribute to the prosperity of our shareholders by increasing corporate value with an aim to achieve a steady and rapid growth on a sustainable basis.

For clients

We are dedicated to contributing to the prosperity of our corporate and individual clients by providing financial products and services that are backed by the support and trust of our clients.

For business
partners


We aim to fulfill our social responsibility and achieve business growth together with our business partners empowered by their support and trust.

For our
officers and
employees

We will build a work environment to help each of our staff to develop professionalism and fully exercise their ability. We will foster an organization and a corporate culture that prioritize openness and creativity to encourage our staff to take on new challenges.

Corporate Information

As of December 31, 2018

Company Name	Japan Investment Adviser Co., Ltd.	
Headquarters	Kasumigaseki Common Gate West Tower 34F, 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo	
Representative	Naoto Shiraiwa, President and CEO	
Established	September 2006 (Fiscal Year-end: December 31)	
Business Activities	Financial solutions business, Media-related business	
Paid-in Capital	¥11,639million	
Listed Exchange	Tokyo Stock Exchange – Mothers (Stock Code: 7172)	
Employees	Non-consolidated: 89 ; Consolidated: 145	
Financial Institutions	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Limited., The Chiba Bank, Ltd., THE DAISHI BANK, LTD., total 76 banks	
Major Shareholders	Naoto Shiraiwa KODO Holdings Co., Ltd. Japan Trustee Services Bank, Ltd. (Trust account) The Master Trust Bank of Japan, Ltd. (Trust account) Japan Trustee Services Bank, Ltd. (Trust account No.9) Oberweis International Opportunities Institutional Fund Note: Top six shareholders (64.4% shares) as of December 31, 2018	
Auditor	Grant Thornton Taiyo LLC	

Group Companies

As of December 31, 2018

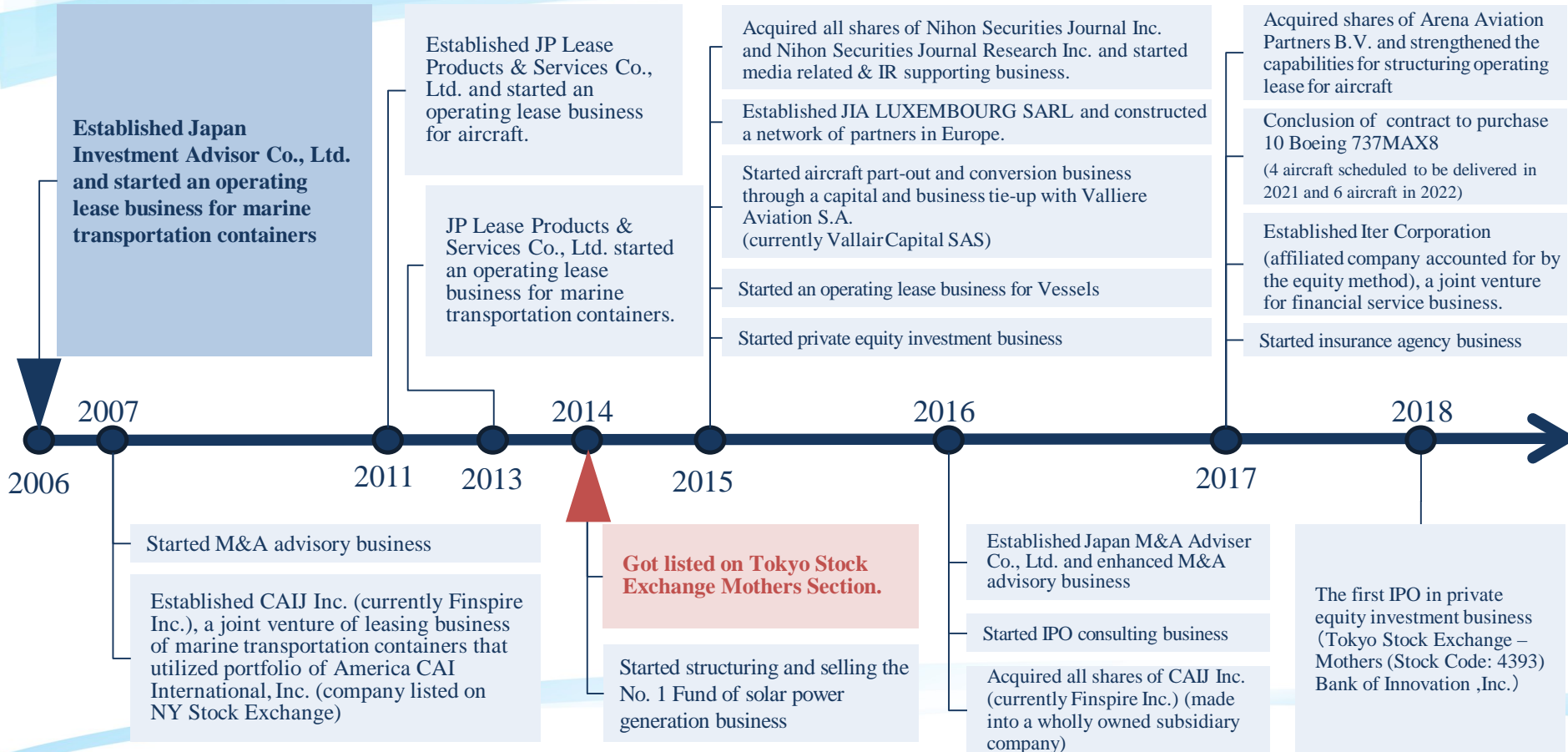
	Name	Location	Capital (Thousands of yen)	Main line of business	Share of voting rights (%)
Consolidated subsidiaries	JP Lease Products & Services Co., Ltd.	Chiyoda-ku, Tokyo	950,000	Operating lease business for aircrafts, maritime container boxes and vessels	100.0
	JPO No.0 Co., Ltd.	Chiyoda-ku, Tokyo	300	Aircraft part-out & conversion business	100.0
	JPO No.1 Co., Ltd.	Chiyoda-ku, Tokyo	300	Aircraft part-out & conversion business	100.0
	Finspire Inc.	Chiyoda-ku, Tokyo	50,000	Operating lease business Insurance agency business	100.0
	JIA LUXEMBOURG SARL	Luxembourg	5.3 million euros	Investment business	100.0
	JPE No.1 Co., Ltd.	Chiyoda-ku, Tokyo	300	Investment business	100.0
	BF TEC Co., Ltd.	Chuo-ku, Osaka	38,700	Renewable energy business	91.2
	Nihon Securities Journal Inc.	Chuo-ku, Tokyo	4,500	Media-related business	100.0
	Nihon Securities Journal Research Inc.	Chuo-ku, Tokyo	10,000	Media-related business	100.0
	TRADEX Co., Ltd.	Chuo-ku, Tokyo	75,000	Media-related business	100.0
	Japan M&A Adviser Co.,Ltd.	Chuo-ku, Osaka	30,000	M&A advisory business	100.0
	Arena Aviation Partners B.V.	Netherlands	1,100 euros	Aircraft lease arrangement business Aircraft resale business	49.0
Equity method affiliates	Vallair Capital SAS	France	101,570 euros	Aircraft part-out & conversion business	40.0
	Iter Corporation	Chiyoda-ku, Tokyo	50,000	Fintech business	37.0
	Others (2 company)	—	—	—	—

Note: Finspire Inc., a wholly owned subsidiary of JIA, absorbed Insurance Network Co., Ltd. on January 4, 2018.

Note: The company sold all the shares of ASUKA GREEN INVESTMENT Co., Ltd., which was its affiliated company accounted for by the equity method, on May 31, 2018.

Note: Nihon Securities Journal Inc. acquired all shares of TRADEX Co., Ltd. on July 31, 2018.

Business History



Our Businesses

Financial Solutions Business

Three Core Lines of Business

Operating Lease Business(JOL)



(Portfolio sale function) JP Lease Products & Services Co., Ltd.
Finspire Inc.

(Arrange function) Arena Aviation Partners B.V.

Renewable Energy Business



JP Lease Products & Services Co., Ltd.
BF TEC Co., Ltd.

Aircraft Part-Out & Conversion Business



JPO No.0 Co., Ltd.
JPO No.1 Co., Ltd.
Vallair Capital SAS

-Our group supports various business with financial technology-

M&A Advisory Business



Japan M&A Adviser Co., Ltd.

IPO Consulting Business



Wealth Management Business



Insurance Agency Business



Finspire Inc.

Fintech Business



Iter Corporation

Private Equity Investment Business



JPE No.1 Co., Ltd.

Human Resource Business



Real Estate Investment Business

Health Tech Business



Agribusiness



Media-related Business

Media-related & IR Support Business



Nihon Securities Journal Inc.
Nihon Securities Journal Research Inc.
TRADEX Co., Ltd.

FY2018



2. Business Overview

Highlights for FY2018

For FY2018, sales and profit increased for the 5 consecutive term since IPO, and profit hit a record high profit.

- ◆ Profit attributable to owners of parent was 5,142 million yen, up 88.6 % year on year.
- ◆ Equity sales* were 92,394 million yen, up 70.0. % year on year.

(Millions of yen)	FY2017	FY2018	YoY change	YoY change (%)	Original Forecast for FY2018	
	Results	Results				rate of progress
Net sales	8,568	15,226	+6,658	+77.7%	12,000	126.9%
Operating profit	4,707	8,936	+4,228	+89.8%	6,800	131.4%
Ordinary profit	4,176	7,405	+3,229	+77.3%	6,000	123.4%
Profit attributable to owners of parent	2,726	5,142	+2,415	+88.6%	4,100	125.4%
Total amount of equity sales*	54,350	92,394	+38,044	+70.0%	80,000	115.5%

- Note: Transfer of equity interest in special-purpose companies(SPC) as defined in Article 2, Paragraph 2-5 of the Financial Instruments and Exchange Act
- Note: The earnings forecast for the term ended Dec. was revised upwardly on Jan. 29, 2019.

Business Segment Summary

The core operating lease business was the main source of sales growth

◆ Operating lease sales increased 87 % and rose from 84 % to 89 % of total sales

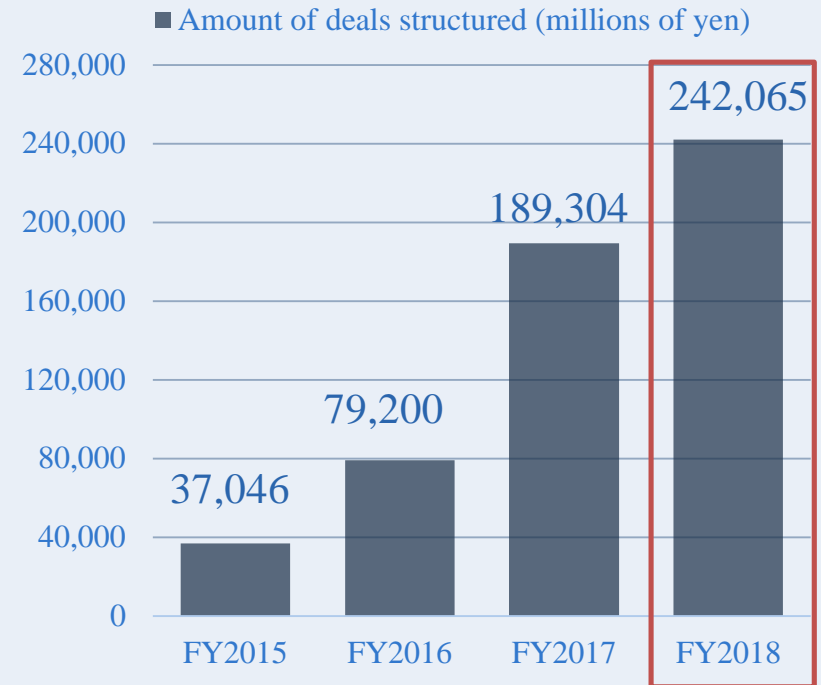
Business units (Millions of yen)		FY2017 Net sales	FY2018 Net sales	YoY change	YoY change (%)
		Results	Results		
Operating Lease Business		7,236	13,531	+6,295	+87.0%
Renewable Energy Business		513	404	▲109	▲21.2%
Aircraft Part-Out & Conversion Business		364	267	▲97	▲26.7%
Other Businesses	Insurance Business	143	716	+572	+399.3%
	M&A Advisory Business				
	Private Equity Investment Business				
	IPO Consulting Business and others				
Media-related & IR Support Business		310	307	▲3	▲1.2%
Total		8,568	15,226	+6,658	+77.7%

Deals Structured

Amount and Number of Deals Structured by Type of Asset

(Millions of yen)	FY2017	FY2018
Aircraft	163,536 (39 deals)	231,578 (45 deals)
Vessel	7,847 (4 deals)	0 (0 deal)
Container box	13,842 (7 deals)	10,486 (6 deals)
Solar Power Stations	4,077 (4 deals)	0 (0 deal)
Total	189,304 (54 deals)	242,065 (51 deals)

Change in Amount and Number of Deals Structured

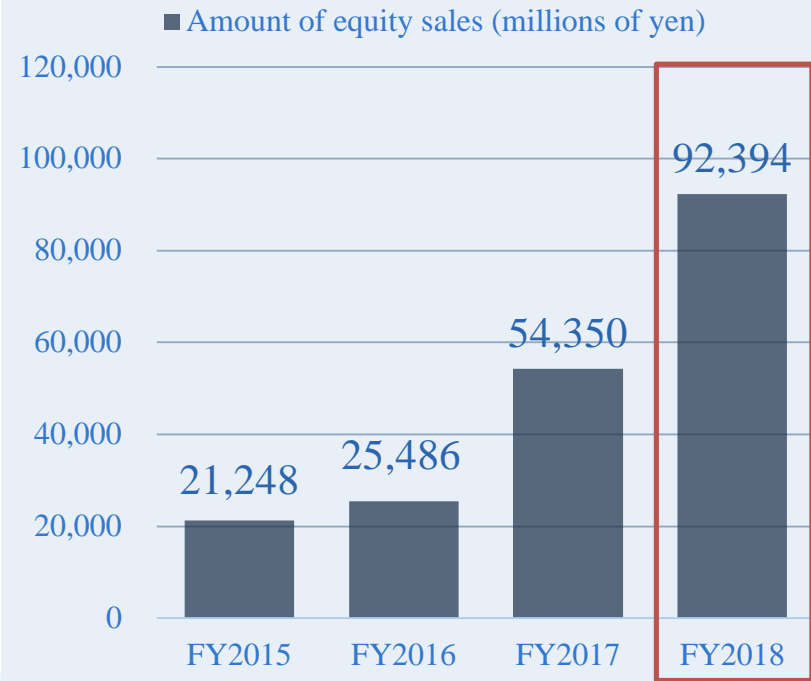


Equity Sales

Amount and Number of Equity Sales* by Type of Asset

(Millions of yen)	FY2017	FY2018
Aircraft	45,765 (39 deals)	80,696 (27 deals)
Vessel	2,378 (3 deals)	1,366 (2 deals)
Container box	3,701 (5 deals)	10,322 (8 deals)
Solar Power Stations	2,504 (4 deals)	0 (0 deal)
Total	54,350 (51 deals)	92,394 (37 deals)

Change in Amount and Number of Equity Sales*



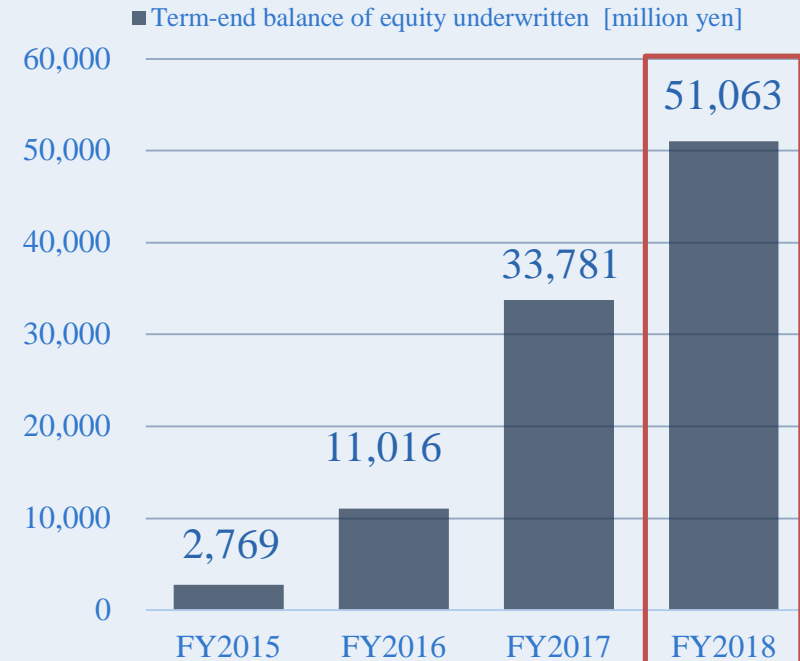
* Note: Transfer of equity interest in special-purpose companies (SPC) as defined in Article 2, Paragraph 2-5 of the Financial Instruments and Exchange Act

Balance of Equity underwritten* at the End of the Term

Balance and Number of Equity underwritten*
at the end of the term by Type of Asset

(Millions of yen)	FY2017	FY2018
Aircraft	29,080 (11 deals)	51,063 (29 deals)
Vessel	1,366 (2 deals)	0 (0 deals)
Container box	3,335 (2 deals)	0 (0 deals)
Total	33,781 (15 deals)	51,063 (29 deals)

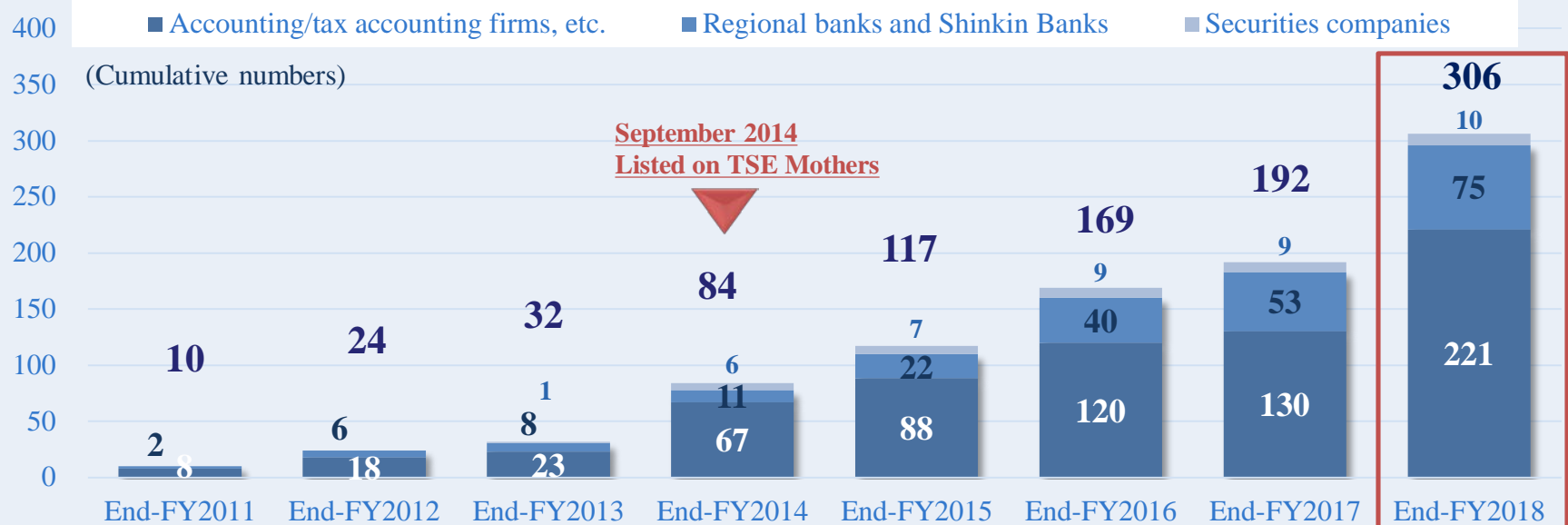
Balance of Equity underwritten* at the end of the term



* Note: Falls under the item “Merchandise Investments” of Balance Sheet

Growth of the Sales Network (Business Matching Partners)

- ✓ In the fourth quarter of 2018 (3 months), business matching contracts were executed with 37 accounting/tax accounting firms, 8 regional bank/shinkin banks.
- ✓ At the end of December 2018, there were matching agreements with 221 accounting/tax accounting firms, 75 regional bank/shinkin banks, 10 securities companies, a total of 306 partners.



Note: Figures for End-FY2016, End-FY2017 and End-Sep 2018 include the total number of matching contracts for JP Lease Products & Services Co., Ltd. and Finspire Inc. (only for JP Lease Products & Services Co., Ltd. was shown until the previous materials for FY2017)

FY2018



3. Financial Results

FY2018 Consolidated Income Statement Summary (1)

(Millions of yen)	FY2017	FY2018	YoY change	YoY change (%)
	Results	Results		
Net sales	8,568	15,226	+6,658	77.7%
Cost of sales	2,189	3,470	+1,280	58.5%
*1 Gross profit	6,379	11,756	+5,377	84.3%
*2 SG&A expenses	1,672	2,820	+1,148	68.7%
Operating profit	4,707	8,936	+4,228	89.8%
*3 Non-operating income	358	858	+499	139.3%
*4 Non-operating expenses	889	2,389	+1,499	168.5%
Ordinary profit	4,176	7,405	+3,229	77.3%
Profit attributable to owners of parent	2,726	5,142	+2,415	88.6%

*1. Gross profit

Gross profit margin increased 2.8 P to 77.2 %.

*2. SG&A expenses

SG&A expenses ratio decreased 1.0 P to 18.5 %.

*3. Non-operating income

Year on Year Comparison out of 499 million yen increased

- Gain on sale of special-purpose companies(SPC) investments
Increased 311 million
- Interest income
Increased 175 million

Exchange gain was 8 million yen in the current term.
(exchange loss of 183 million yen in the previous term)

*4. Non-operating expenses

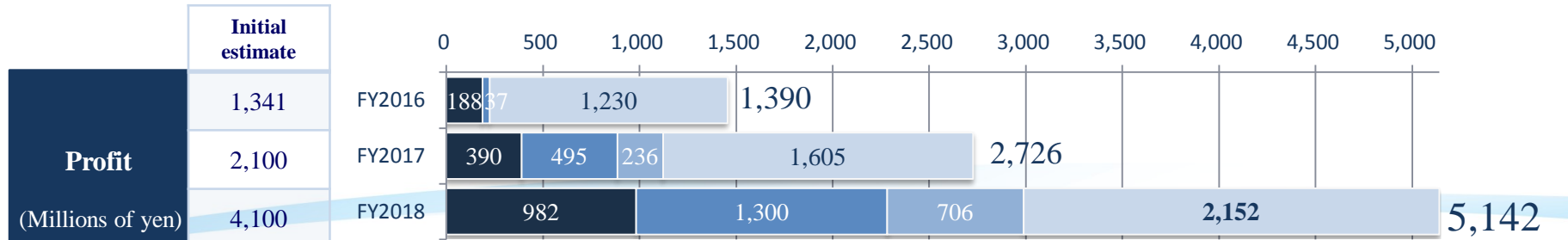
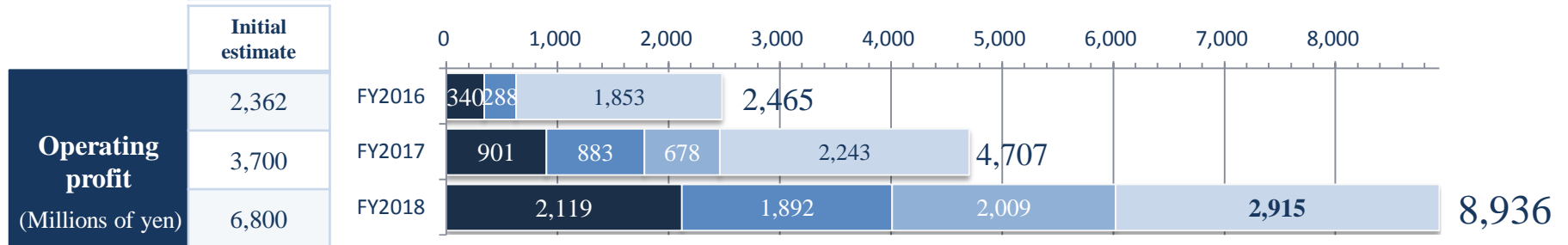
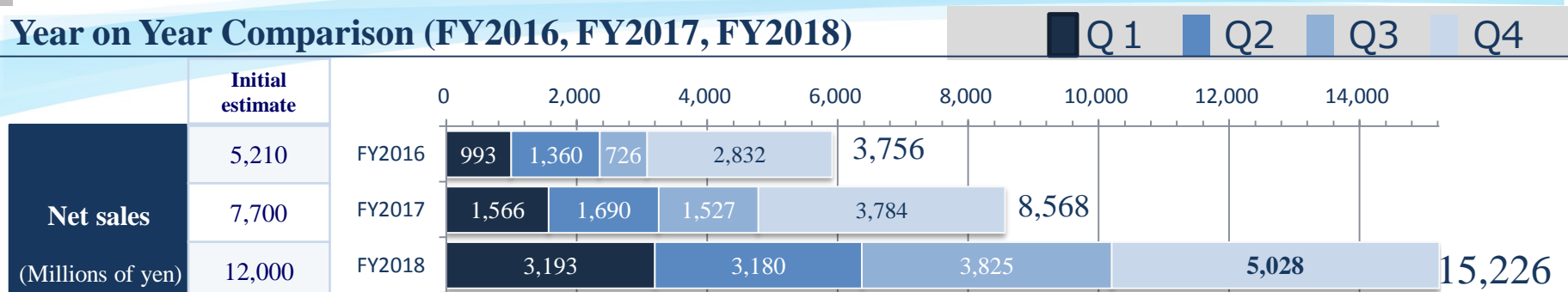
Year on Year Comparison out of 1,499 million increased

- Equity losses of affiliates
Increased 1,040 million
- Interest expense
Increased 252 million
- Non-operating commissions expense
Increased 331 million

(Increase due to the expansion of the committed credit line)

Trends by quarter of 2018

Year on Year Comparison (FY2016, FY2017, FY2018)



Note: The upwardly revised earnings forecast for the term ended Dec. 2018 was announced on Jan. 29, 2019.

FY2018 Consolidated Balance Sheet Summary (1)

(Millions of yen)	Dec. 31, 2017	Dec. 31, 2018	YoY change
	Results	Results	
*1 Cash and deposits	11,484	20,292	+8,807
Accounts receivable - trade	2,234	4,438	+2,204
*2 Merchandise	3,602	4,705	+1,102
*3 Equity underwritten	33,781	51,063	+17,281
Costs on uncompleted services	959	1,063	+103
*4 Advance payments - trade	2,484	9,232	+6,747
*5 Advances paid	2,398	6,236	+3,838
Other	5,732	7,211	+1,479
Current assets	62,678	104,243	+41,565
Property, plant and equipment	90	146	+55
Intangible assets	70	48	▲21
Investments and other assets	3,127	2,270	▲856
Non-current assets	3,288	2,465	▲822
Deferred assets	48	72	+23
Total assets	66,015	106,781	+40,766

*1. Cash and Deposits

YoY change ¥8,807 million

It saw a temporary rise due to issuance of new shares and sale of shares from May through June.

*2. Merchandise

Inventories in the aircraft part-out & conversion business increased ¥ 1,102 million YoY.

*3. Equity underwritten

special-purpose companies (SPC) investments to be sold in the operating lease business increased ¥ 17,281 million YoY.

*4. Advance payments - trade

Advance payments - trade mainly for purchase of Aircraft before investment products in the operating lease business increased ¥ 6,747 million YoY.

*5. Advances paid

Advances paid mainly for investments in the renewable energy business increased ¥ 3,838 million YoY.

FY2018 Consolidated Balance Sheet Summary (2)

(Millions of yen)	Dec. 31, 2017	Dec. 31, 2018	YoY change
	Results	Results	
Accounts payable - trade	16	33	+17
*1 Short-term loans payable	42,990	62,575	+19,585
*2 Unearned revenue	2,674	4,043	+1,369
Income taxes payable	2,162	1,377	▲785
Other	1,507	2,765	+1,257
Current liabilities	49,351	70,796	+21,444
Non-current liabilities	2,408	3,909	+1,500
Total liabilities	51,759	74,705	+22,945
Capital stock	4,544	11,639	+7,095
Capital surplus	4,478	11,574	+7,095
Retained earnings	5,356	10,172	+4,815
Treasury shares	-200	-1,470	▲1,270
Shareholders' equity	14,179	31,915	+17,736
Other	76	160	+84
*3 Total net assets	14,255	32,076	+17,820

*1. Short-term loans payable

Short-term loans payable rose ¥19,585 million YoY due to temporary acceptance of special-purpose companies (SPC) investments after actively structured.

*2. Unearned revenue

Unearned revenue increased ¥ 1,369 million YoY due to higher number of deals available for sale across the fiscal periods.

*3. Total net assets

May 2018 Capital increased through public offering. June 2018 Allocated new shares to a third party as shares were sold through over-allotment (OA).

- Capital stock increased ¥ 7,095 million
- Capital surplus increased ¥ 7,095 million
- Profit attributable to owners of parent ¥ 5,142million
- buy back treasury shares in the 3rd quarter increased ¥ 1,270million

FY2019



4. Earnings Forecasts

Earnings Forecasts for FY2019

It is forecasted that annual sales and profit will grow for the 6th consecutive period, achieving a record-high profit.

- ◆ Profit attributable to owners of parent is estimated to be 7,800 million yen, up 51.7% year on year.
- ◆ Total amount of equity sales* is projected to be 130,000 million yen, up 40.7% year on year.

(Millions of yen)	FY2018		FY2019			
	1 st Half	whole fiscal year	1 st Half		whole fiscal year	
	Results	Results	forecast	YoY change (%)	forecast	YoY change (%)
Net sales	6,373	15,226	8,300	+30.2%	20,500	+34.6%
Operating profit	4,011	8,936	4,600	+14.7%	12,200	+36.5%
Ordinary profit	3,613	7,405	4,400	+21.8%	11,400	+53.9%
Profit attributable to owners of parent	2,283	5,142	3,000	+31.4%	7,800	+51.7%
Total amount of equity sales*	43,491	92,394	-	-	130,000	+40.7%

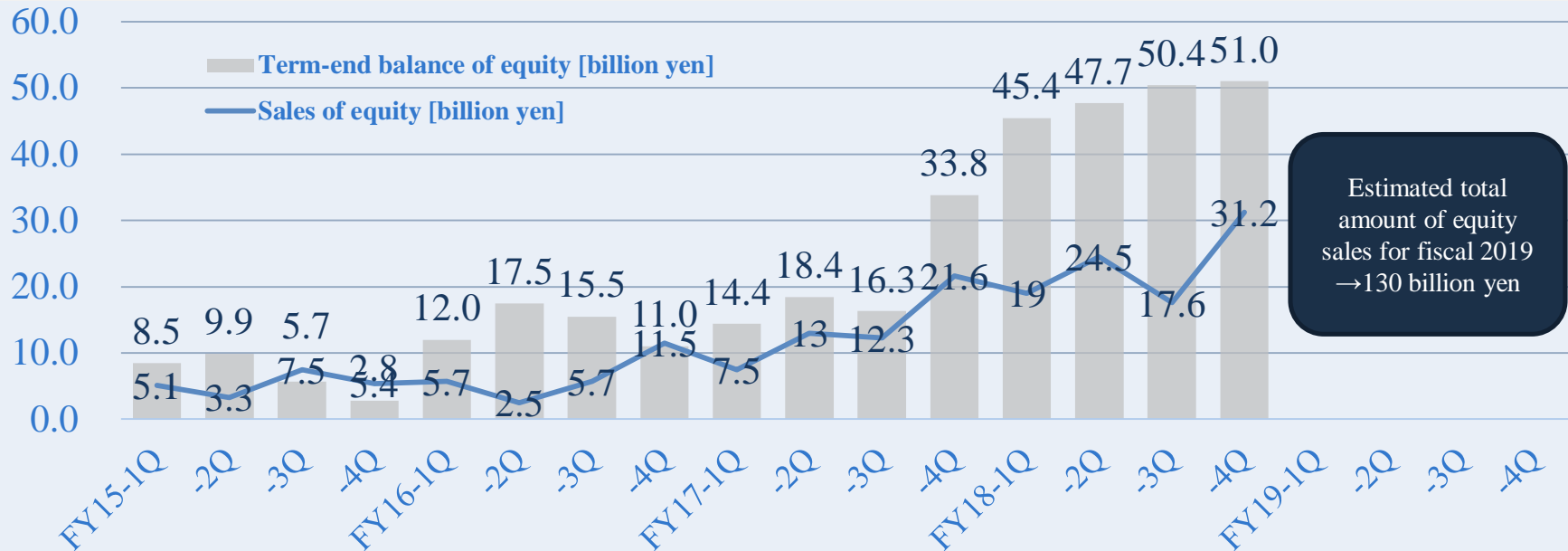
Note: It refers to the transfer amount of anonymous association interest (right mentioned in Article 2, Paragraph 2, Item 5 of the Financial Instruments and Exchange Act) and the private placement amount.

Note: In the term ending Dec. 2019, the standards for posting sales of the operating lease business will be changed from the sellout based one to the sales based one.

Earnings Forecasts for FY2019

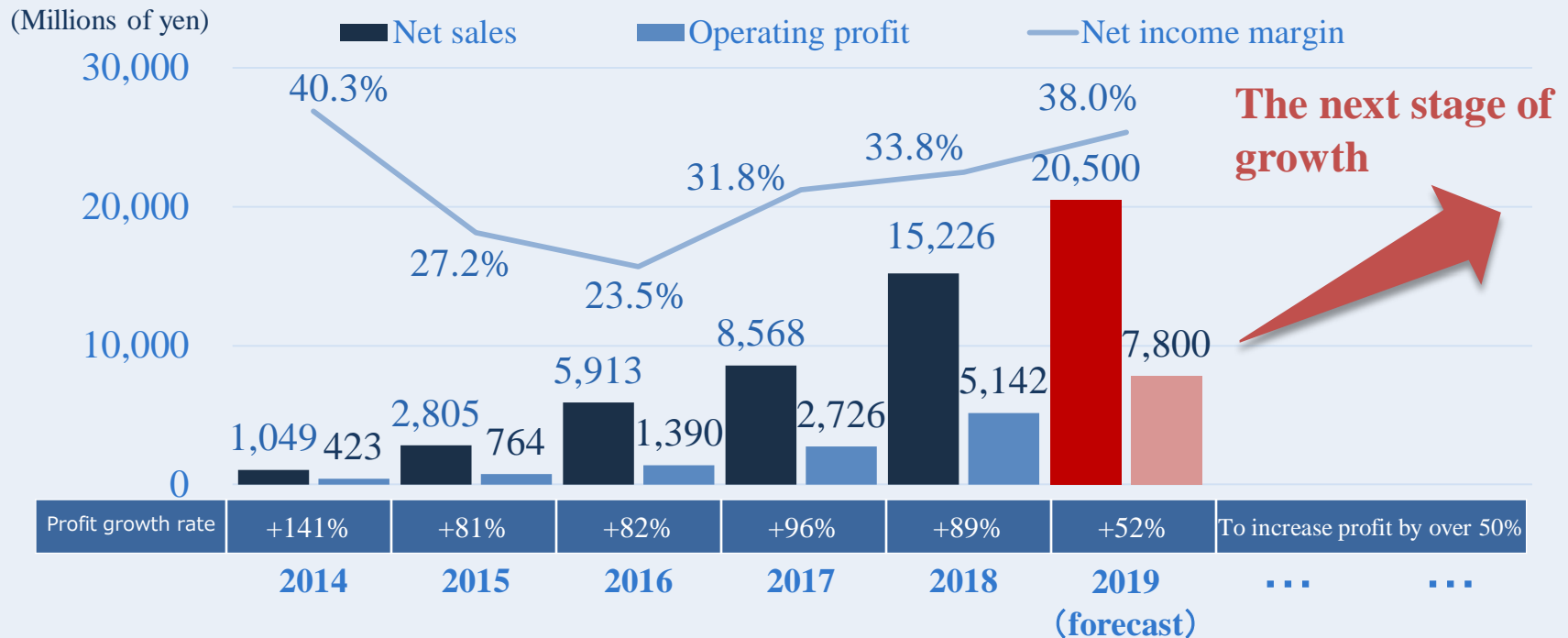
To secure the balance of invested money for the sale of equity in 2019

- ◆ As the total amount of equity sales is estimated to be 130 billion yen, we are steadily proceeding with the development of portfolios based on plenty of funds.



Earnings Forecasts for FY2019

◆ Continue to aim for annual profit growth of at least 50%



FY2019



5. Growth Strategy

Our Growth Strategy

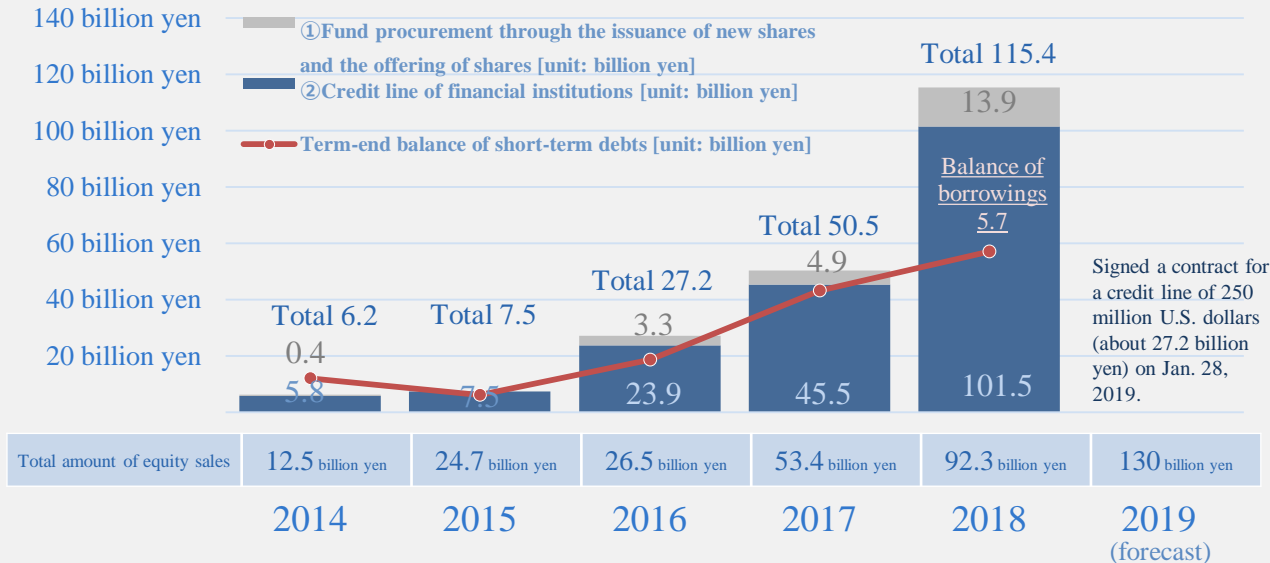
- 1 To strengthen the 3 core businesses (expansion of target investor and financial market through diversification of services)**
- 2 To expand the market position by improving financial solutions (approach multifaceted to investor needs)**
- 3 To deepen the investor markets by developing sales promotion systems (improve marketing efficiency and aim for further productivity improvement)**

1. Making The Three Main Businesses More Powerful (Operating Lease Business (JOL))

◆ Endeavor to develop new portfolios

- ✓ By enhancing the capability of procuring funds, we will be able to form new portfolios, including large-scale instruments.
- ✓ By having a foothold and personnel in Ireland, we will be able to gather information on aircraft lease more swiftly, talk business more deeply, and form new portfolios to meet the needs of investors.

Variation in the upper limit of fund procurement amount



Our corporate group borrows money mainly for “developing portfolios.”

When forming portfolios, our group invests on behalf of investors (in accordance with an anonymous association contract), under the assumption that ownership will be transferred to investors.

We will repay the debts with the amount paid by investors at the time of transfer of ownership.

1. Making The Three Main Businesses More Powerful (Operating Lease Business)

◆ Expansion of Client Airline Companies (Operating Lease Business for Aircraft)

Development of airlines in a new area in addition to Europe where there are many existing business partners

- ✓ Newly structuring portfolios with 11 airline companies in 2018 (3 in Europe, 3 in America, 1 in Middle East, 3 in Asia/Pacific and 1 in Japan).
- ✓ The fostering of trusting relationships based on business results would provide us with an opportunity to receive orders for multiple aircraft at once.

◆ Expansion of Target Models' Portfolio (Operating Lease Business for Aircraft)

Expansion of opportunity of deal through expansion of portfolio of the assets subject to operating lease

- ✓ In addition to NARROW BODY (1 aisle), which is the strong point, the portfolio of WIDE BODY (2 aisles) expanded.
- ✓ Expansion of a portfolio for not only used aircraft beyond their expected lifetimes, but also newly built ones.
 - Made an agreement to purchase 10 Boeing 737MAX8 aircraft manufactured by the Boeing Company, in August 2017. The list price* of 10 aircraft amounts to approximately 1.12 billion US dollars (approx.123.2 billion JPY).
4 and 6 aircraft are to be delivered in 2021 and 2022 respectively.

NOTE* List price means the catalogue price.



1. Making The Three Main Businesses More Powerful (Aircraft Part-Out & Conversion Business)

◆ Aircraft Part-Out & Conversion Business

Realizing synergy effects with existing businesses through capital and business tie-up with Vallair Capital SAS since 2015

- Part-out Business It disassembles the bodies of retire aircraft, carries out inventory control of each part, and sells them to users around the globe (servicing companies, leasing companies, airline companies, etc.).
- Conversion Business It modifies and recycles old passenger aircraft into cargo aircraft.
- ✓ Turning the exit risk of operating lease of secondhand aircraft into a profit-making opportunity and expanding the options of aircraft utilization after the expiration of the leasing period.
- ✓ The profit of Vallair Capital SAS is included in “investment gain or loss on equity method” in our accounting.
- ✓ “Investment gain or loss on equity method”: In 2018, we incurred loss because of the remaining projects and goodwill amortization. In 2019 or later, we are estimated to earn profit.

Operating lease business for aircraft



Tie-up business with Vallair Capital

Conversion Business

Modify into cargo aircrafts and lease

Modify into cargo aircrafts and sell

Part-out Business

Dissemble the aircraft body and sell its parts

Cooperation with tie-up companies such as Arena Aviation Partners B.V.

Lease as secondhand aircrafts

Sell as secondhand aircrafts

1. Making The Three Main Businesses More Powerful (Renewable Energy Business)

◆ Revenue base based on the operation of 24 solar power stations

- ✓ As there are stable needs for it as a yen-denominated instrument, we will operate business while responding to system changes and assessing profitability (The operation fees for power stations that are already in operation will be posted as stable income.).
- ✓ In 2018, no funds were formed, but sales of 328 million yen were posted, as we sold power stations that are already in operation.

**Operational status
of solar power
stations at the end
of Dec 2018**

**24 stations
Output 41.8MW**

Chubu Region
4 stations
Output 8.5MW

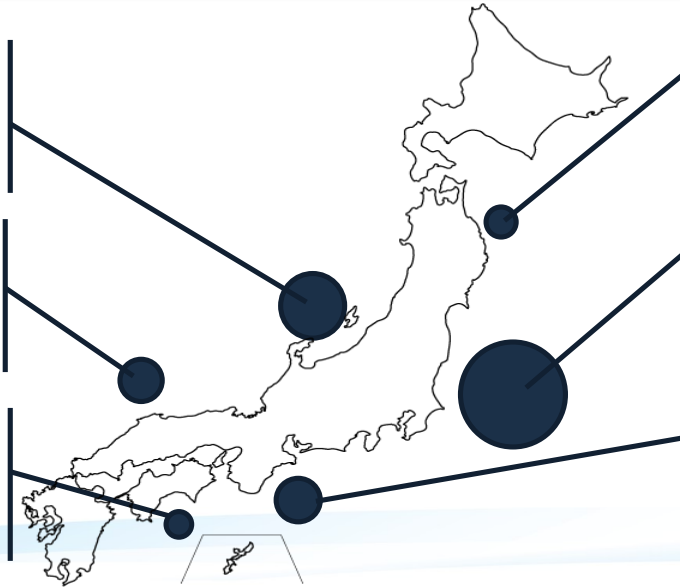
Chugoku Region
3 stations
Output 5.6MW

Shikoku Region
2 stations
Output 3.4MW

Tohoku Region
3 stations
Output 4.4MW

Kanto Region
9 stations
Output 13.9MW

Kinki Region
3 stations
Output 5.8MW



2. To expand the market position by improving financial solutions

◆ Enrichment of comprehensive financial solutions

● Close cooperation with financial institutions, accounting firms, etc. with which we concluded a contract for business matchmaking

- Problems nagging small and medium-sized firms and business-owning presidents, such as business succession, regarding which financial institutions and accounting firms are requested to give advice.

We offer not only differentiated operating lease products,
but also comprehensive financial solutions.

• Insurance Agency Business	100% subsidiary	Finspire Inc.
• M&A Advisory Business	100% subsidiary	Japan M&A Adviser Co., Ltd. Japan Investment Adviser Co., Ltd.
• Staffing business		Japan Investment Adviser Co., Ltd.

- We plan to strengthen these businesses, which can earn income from commissions without procuring a large amount of business funds, as their fund operation efficiency is high in our business portfolio.

3. To deepen the investor markets by developing sales promotion systems

◆ To expand services and footholds, to meet the needs of clients

- ✓ To strengthen the insufficient systems in western Japan, and try to closely communicate with financial institutions, accounting offices, etc. with which we signed a contract for business matchmaking.
- ✓ To propose operating lease products and give complex proposals swiftly, through intelligence ties among group companies and sections.

● Activities in 2018

- ✓ Establishment of marketing footholds
JP Lease Products & Services Co., Ltd.: Nagoya and Niigata Branches
Finspire Inc.: Oita and Sendai Branches

● Activities in 2019

- ✓ To deploy a director in charge of marketing stationed in western Japan
- ✓ To prepare for the establishment of intensive marketing footholds

Footholds of
our corporate group





6. Shareholder Return

Dividend Forecast

◆ Our dividend policy is to aim for a consolidated payout ratio of at least 20% in the medium to long term

Basic Policy for Shareholder Return

- ✓ The basic policy of JIA for the profit distribution is to place priority on returning profits to shareholders by continuously paying a stable dividend. The dividend also takes into account the need for retaining earnings as required for funding future business activities and strengthening business operations.
- ✓ For the term ended Dec. 2018, we plan to pay an annual dividend of 15 yen/share, by adding 2 yen/share to the initial estimate, while considering the record-high profit.
- ✓ JIA plans to pay a dividend of ¥22 for FY2019.

		Interim dividend	Year-end dividend	Annual dividend
FY2017	Actual	6 yen	6 yen	-([*] 1)
FY2018	Actual	5.5 yen	9.5 yen([*] 2)	15 yen
FY2019	forecast	9.5 yen(forecast)	12.5yen (forecast)	22yen (forecast)

Note1: Japan Investment Adviser (JIA) conducted a 2-for-1 common stock split on September 1, 2017.

Note2: The term-end dividend for the term ended Dec. 2018 is to be discussed at the annual meeting of shareholders in Mar. 2019.

Profitability Indicators

◆ Return on equity remains high due to strong earnings and rapidly growth of business operations

- ✓ Earnings were used for dividends and retained earnings will be used for carefully selected investments in order to maintain high profitability and a rapid growth rate.

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Actual	Actual	(Forecast)
Payout ratio	—	—	8.5%	8.4%	8.3%	8.4%
Equity ratio	9.7%	20.5%	23.9%	21.5%	30.0%	-
ROA	8.6%	10.8%	11.9%	8.9%	8.6%	-
Profit to sales	37.5%	27.2%	23.5%	31.8%	33.8%	38.0%
Increase in profit	+122.7%	+80.6%	+81.8%	+96.1%	+88.6%	+51.7%
ROE	42.1%	46.3%	32.1%	26.0%	22.3%	-

Shareholder Incentives

◆ Descriptions of shareholder incentives in 2019

- ✓ We introduced the incentive plan for shareholders to encourage more shareholders to maintain their investment loyalty over the medium- to long-term period (On Jan. 29, 2019, the news release “Enrichment of benefits for shareholders” issued).
- ✓ Compared with the previous term, the charge-free subscription period of the digital version of Nihon Securities Journal was longer.

(1) Eligible shareholders	Perks are provided to all shareholders recorded in the shareholder register as of December 31,2018	
(2) Allocation date	End of December,2018 (once each year)	
(3) Gift	QUO Card and free subscription of Nihon Securities Journal (Digital Version)	
(4) Gift eligibility	<p>The number of shares (QUO Card + subscription ticket of Nihon Securities Journal (Digital Version))</p> <p><u>Period of less than one year</u></p> <p>100 or more and less than 2,000 shares → QUO Card worth ¥1,000 + Three-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥9,000</p> <p>2,000 shares or more → QUO Card worth ¥3,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000</p> <p><u>Period of one year to less than two years</u></p> <p>100 or more and less than 2,000 shares → QUO Card worth ¥3,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000</p> <p>2,000 shares or more → QUO Card worth ¥5,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000</p> <p><u>Period of two years or more</u></p> <p>100 or more and less than 2,000 shares → QUO Card worth ¥5,000 + Six-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥18,000</p> <p>2,000 shares or more → QUO Card worth ¥10,000 + Twelve-month free subscription ticket of Nihon Securities Journal (Digital Version) worth ¥36,000</p>	
(5) Definition of continuous ownership period	A continuous ownership period is the time during which an investor holds JIA stock without any interruption. This is defined as the length of time JIA stock is held continuously starting on the day an investor is recorded in the shareholder register and ending on the record date (December 31,2018).	



7. References

Reference Info Regarding Frequently Asked Questions

◆ Regarding the effects of the revision to the International Financial Reporting Standards (lease accounting) on JIA Group

- ✓ In accordance with the decision of the International Accounting Standards Board (IASB), the companies that comply with the International Financial Reporting Standards (IFRS) post lease liabilities while recognizing the right of use as a borrower as assets in all lease transactions, excluding short-term lease and lease of low-value assets, pursuant to IFRS No. 16, from the fiscal year starting on Jan. 1, 2019 or later (Revised so that lease charges are depreciated as lease assets rather than being posted as expenses.).
- ✓ Some people expressed concerns over the shrinkage of the lease market and the influence of this revision on the performance of JIA Group, but JIA issued a news release expecting that the direct impact on the performance of JIA Group would be minor (Jul. 3, 2018).

Merits of utilization of operating leases

Lessees	Fund procurement in various ways <ul style="list-style-type: none"> ▪ Reduction in fund procurement cost ▪ Expansion of fund procurement capacity Flexibility of target assets <ul style="list-style-type: none"> ▪ It is possible to return aircraft after the lease period.
Investors (sponsors)	<ul style="list-style-type: none"> ▪ Utilization as investment products

Assumed effects of the revision to IFRS (lease accounting)

Lessees	<ul style="list-style-type: none"> ▪ Increase of total assets, as lease assets are posted in balance sheets. Worsening of financial indicators, such as ROA. ▪ Accounting processes becoming cumbersome
Investors (sponsors)	<ul style="list-style-type: none"> ▪ Unless Japanese tax systems are revised, there will be no direct impact of the revision to IFRS.

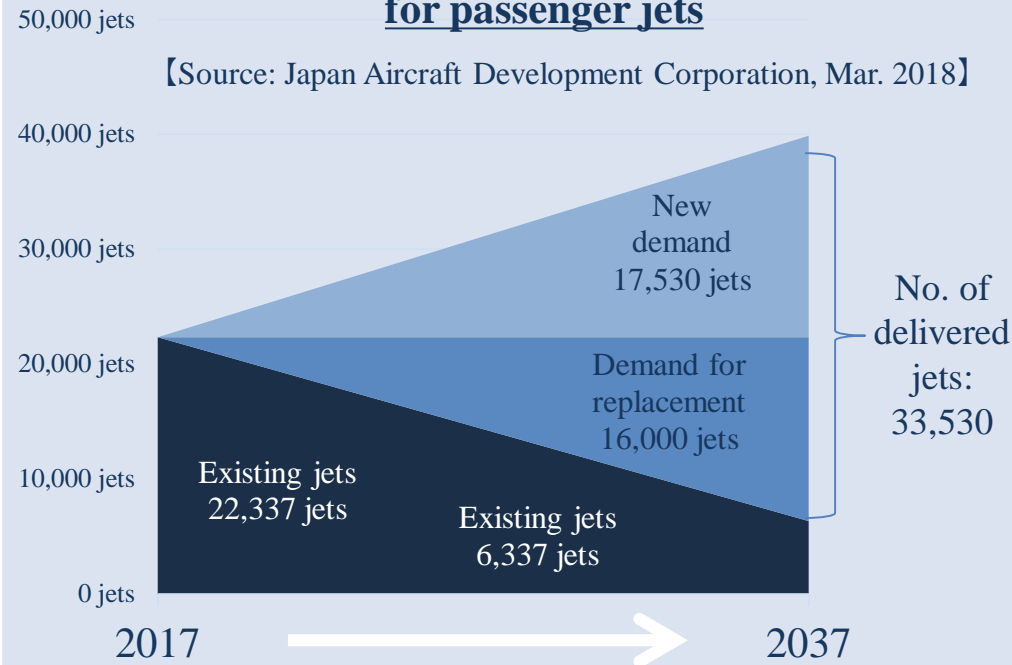
As lessees are mainly global companies that comply with IFRS, such as overseas airliners, it is considered that the possibility of the decline in demand for “operating leases” due to cumbersome accounting processes is very low.

Reference Info Regarding The Operating Lease Market Scale

◆ World wide Variation in the aircraft market scale

◆ World wide Forecast of demand for passenger jets

【Source: Japan Aircraft Development Corporation, Mar. 2018】



According to a survey by Japan Aircraft Development Corporation,

As the demand for passenger transportation is expected to increase due to the global economic growth, the number of passenger jets in operation is estimated to rise 1.78 times from 22,337 in 2017 to 39,867 in 2037.

Out of them, 16,000 is for the demand for replacement of existing airplanes, while 17,530 is for new demand in response to the increase of passengers.

Investor Briefings in 2018

◆ Events held in 2018

Feb.	13	Investor Briefings for Institutional Investors in Tokyo, hosted by The Securities Analysts Association of Japan
	15	Investor Briefings for Individual Investors at Takatsuki branch, SMBC Nikko Securities
	20	Investor Briefings for Individual Investors at Kabuto-cho branch, Mizuho Securities
	21	Investor Briefings for Individual Investors at Head Office Sales Dept., Mizuho Securities
Mar.	6	Investor Briefings for overseas Institutional Investors in Malaysia, hosted by Nihon Securities Journal Research
Apr.	12	Investor Briefings for Individual Investors at Takamatsu branch, Daiwa Securities
Jun.	11-13	Investor Briefings for Institutional Investors in Hong Kong and Singapore, hosted by Daiwa Securities
Jul.	6	Investor Briefings for Individual Investors at Kita-Kyushu branch, Daiwa Securities
Aug.	7	Investor Briefings for Institutional Investors in Tokyo, hosted by The Securities Analysts Association of Japan
	10	Investor Briefings for Individual Investors in Sapporo, hosted by Nihon Securities Journal Research
Oct.	10	Investor Briefings for Individual Investors at Kobe branch, Mitsubishi UFJ Morgan Stanley Securities
	11	Investor Briefings for Individual Investors at Tokushima branch, Mizuho Securities
	12	Investor Briefings for Individual Investors at Takamatsu branch, SMBC Nikko Securities
Nov.	20	Investor Briefings for Individual Investors at Head Office, Hirogin Securities
	21	Investor Briefings for Individual Investors in Fukuoka, hosted by Nihon Securities Journal Research
	22	Investor Briefings for Individual Investors at Kumamoto branch, Mizuho Securities
Dec.	10-12	Investor Briefings for Institutional Investors in New York and Chicago, hosted by Daiwa Securities

Disclaimer

- Industry trends and analysis, business outlooks, strategies, and other forward looking statements in this presentation are based on information available to the management of JIA when this presentation was prepared. The operating environment in the future could differ significantly from the current environment for a variety of reasons. As a result, next-stage strategies, results of operations and other items could differ from the information in this presentation.

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We may reply to you in writing, and it may take some time to respond to your inquiries. Please note that we will respond on or after the following business day if your inquiries are received on weekends, holidays, or the year-end and New Year holidays.

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Personal information (names, addresses, phone numbers and e-mail addresses) about clients that is sent to the IR e-mail address will be used only to respond to questions or other inquiries or to send materials requested. This information will not be used for any other purposes.