



**JINUSHI  
REIT**



**JINUSHI  
Business**

# Results of Operations

for the First Half of the Fiscal Year Ending March 31, 2019

December 5, 2018

Securities code: 3252 (TSE/NSE, First Sections)



**Nippon Commercial Development Co., Ltd.**

1. 1H of FY3/19 Financial Highlights
2. Major Purchases
  - (1) Real Estate in Japan
  - (2) Real Estate Outside Japan
3. JINUSHI REIT
4. FY3/19 Earnings Forecast
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1

1H of FY3/19

Financial Highlights

## ■ Consolidated Statement of Income (summary)

| (Millions of yen) | 1H FY3/18              | (1) 1H FY3/19         |            | FY3/19<br>Forecast | (2) Progress<br>ratio |
|-------------------|------------------------|-----------------------|------------|--------------------|-----------------------|
|                   | (Previous fiscal year) | (Current fiscal year) | YoY change |                    |                       |
| Net sales         | 5,436                  | 18,705                | 244.1%     | 32,500             | 57.6%                 |
| Operating profit  | 198                    | 1,590                 | 703.5%     | 3,740              | 42.5%                 |
| Ordinary profit   | (246)                  | 1,728                 | - %        | 3,240              | 53.3%                 |
| Profit            | (202)                  | 1,271                 | - %        | 2,160              | 58.8%                 |

(1) FY3/19 first half sales and earnings were much higher than one year earlier mainly because of first quarter sales in the Real Estate Investment Business of properties located in **Minato-ku, Tokyo, Chuo-ku, Kobe and Koga city, Fukuoka prefecture, and other properties to buyers other than JINUSHI Private REIT Investment Corporation (JINUSHI REIT).**

(2) First half sales and earnings **were in line with the forecast** for the fiscal year. In FY3/19, **sales of properties to JINUSHI REIT are planned for the fourth quarter**, just as in the fourth quarter of FY3/18.

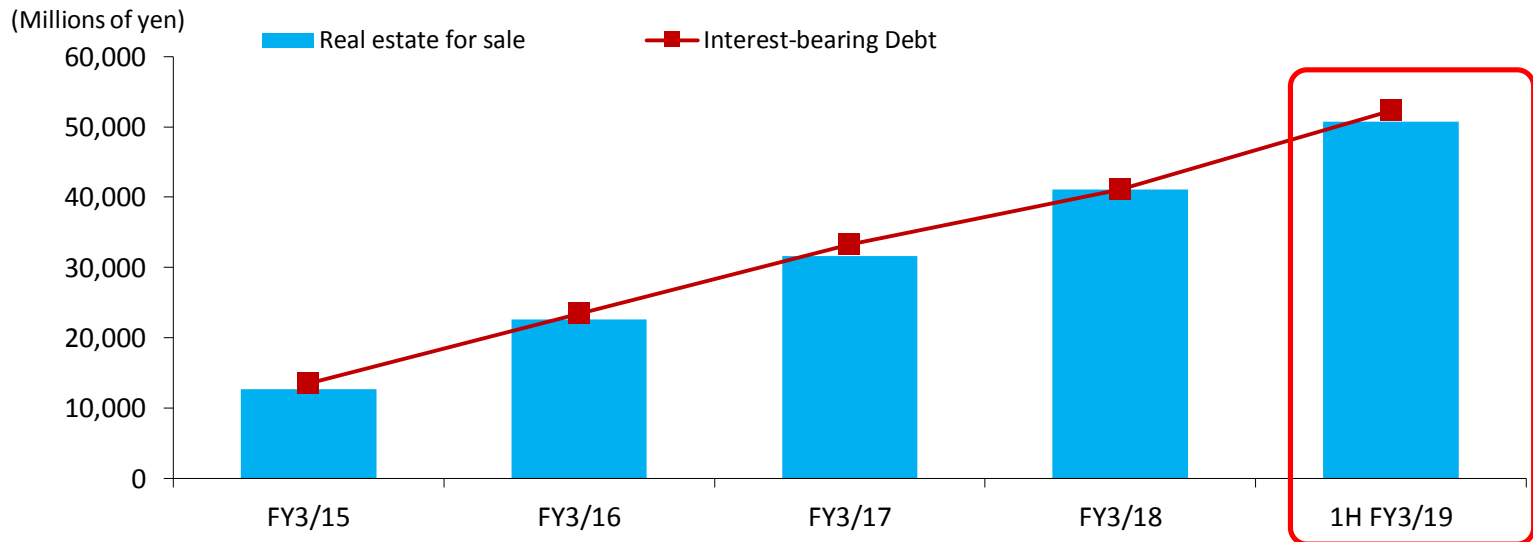
## Real Estate for Sale and Interest-bearing Debt

### Real estate for sale

In the first quarter of FY3/19, there were Real Estate Investment Business property sales of about ¥17 billion, including properties located in Minato-ku, Tokyo, Chuo-ku, Kobe and Koga city, Fukuoka prefecture. Despite these sales, real estate for sale at the end of the first half was higher than at the end of FY3/18.

There was an increase in purchases of real estate, a key source of future earnings. Real estate for sale, including preferential negotiating rights, at the end of the first half amounted to about ¥78 billion compared with about ¥62 billion at the end of the first half of FY3/18. The number of properties increased from 47 to 53.

| (Millions of yen)        | FY3/15        | FY3/16        | FY3/17        | FY3/18        | 1H FY3/19     |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total assets</b>      | 24,104        | 38,690        | 56,792        | 67,251        | 76,395        |
| Real estate for sale     | <b>12,640</b> | <b>22,610</b> | <b>31,639</b> | <b>41,049</b> | <b>50,751</b> |
| <b>Total liabilities</b> | 15,593        | 26,989        | 36,914        | 46,947        | 56,212        |
| Interest-bearing debt    | <b>13,529</b> | <b>23,464</b> | <b>33,265</b> | <b>41,063</b> | <b>52,283</b> |



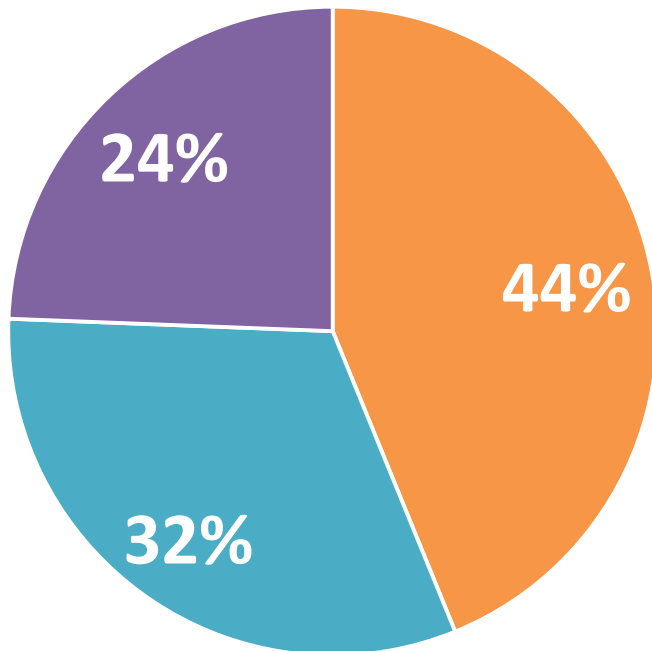
# Real Estate for Sale—Diversification of Areas and Use (for properties with preferential negotiation rights)

## **Growth of the JINUSHI Business in the Tokyo metropolitan area (1)**

More than 40% of real estate for sale is in the Tokyo metropolitan area and the volume of land acquisitions in this area is climbing steadily.

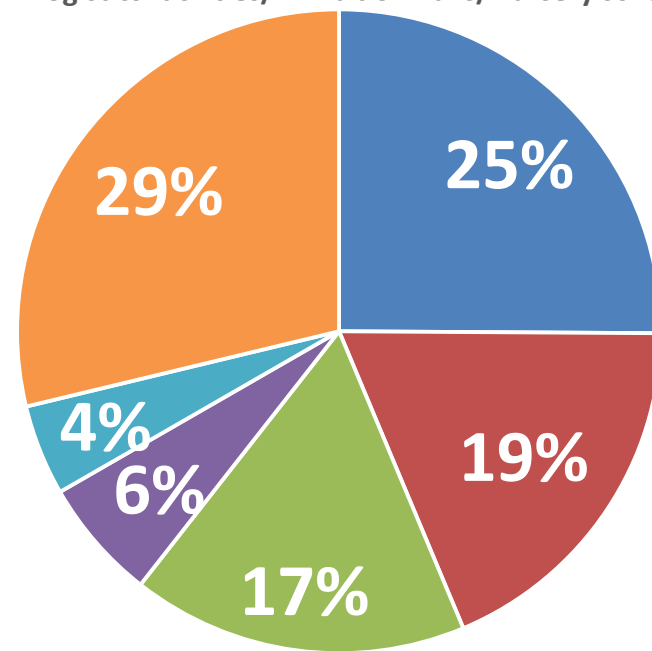
**Diversification of Areas  
(Monetary value)**

- Tokyo metropolitan area
- Kansai area
- Tokai and other areas



**Diversification of Use—Tenant Categories  
(Monetary value)**

- Supermarkets
- Hotels
- Home centers
- Drugstores
- Large electronics stores
- Logistics facilities/Exhibition halls/Nursery schools/Others



## ■ Relocation of the Tokyo Branch

### Growth of the JINUSHI Business in the Tokyo metropolitan area (2)

The Tokyo Branch moved to a larger space on December 19, 2018 to accommodate the larger staff that is needed as real estate purchases in the Tokyo area grow.



Shin Marunouchi Bldg., 13th Floor  
1-5-1 Marunouchi, Chiyoda-ku, Tokyo

**Tokyo Branch**

Nippon Commercial Development Co., Ltd.

- Tokyo Metro:  
Connected directly to Tokyo Station on the Marunouchi Line  
2-minute walk from Exit 7 of Nijubashi-mae Station on the Chiyoda Line  
4-minute walk from Exit B1 of Otemachi Station on the Tozai Line
- Toei Subway: 2-minute walk from Exit D1 of Otemachi Station on the Mita Line
- JR: 1-minute walk from the Marunouchi North Exit of Tokyo Station

■ Underground shopping mall

# 2

## Major Purchases

### (1) Real Estate in Japan



## ■ Major Purchases: Yarimizu, Hachioji City (Real Estate Investment Business)

### Large-scale project (about 119,000 m<sup>2</sup>)

Signed a contract with Tokyo Metropolitan Government for the purchase of land in the city of Hachioji (the purchase was made in October).



|                  |  |
|------------------|--|
| Property name    | <b>Retail store and distribution center</b><br>*Names of tenants cannot be disclosed |
| Location         | <b>Yarimizu 2-chome, Hachioji city, Tokyo</b>  |
| Site area        | <b>119,452.90m<sup>2</sup> (36,134.50 tsubo)</b>                                     |
| Total floor area | <b>To be determined</b>  |
| Opening          | <b>To be determined</b>  |

#### **Highlight 1** Submitted a successful bid for the purchase

The Tokyo Metropolitan Government asked for bids for purchase of the Tama New Town site in Hachioji with a deadline of October 17, 2017. NCD submitted the winning offer and a purchase contract was signed.

#### **Highlight 2** Signed a fixed-term commercial land lease contract of about 50 years with highly reliable tenants

The property has a retail sector of almost 70,000m<sup>2</sup> and a distribution center sector of almost 50,000m<sup>2</sup>. All tenants, which are highly reputable, have signed a fixed-term commercial land lease contract spanning about 50 years.

## Major Purchases: Kawaramachi-dori, Nakagyo-Ku, Kyoto (Real Estate Investment Business)

**Purchased a site of about 1,600m<sup>2</sup> in central Kyoto to be used for a hotel.**



|                  |  |
|------------------|--|
| Property name    | <b>Hotel</b><br>*Name of tenant cannot be disclosed                |
| Location         | <b>Shimizu-cho, Kawaramachi-dori Nijo-agaru, Nakagyo-ku, Kyoto</b> |
| Site area        | <b>1,664.98m<sup>2</sup> (503.65 tsubo)</b>                        |
| Total floor area | <b>To be determined</b>  |
| Opening          | <b>To be determined</b>  |

### Highlight 1 A prime location facing Kawaramachi-dori, one of Kyoto's busiest streets

NCD purchased land in the center of Kyoto, a world-famous sightseeing destination that attracts more than 50 million tourists every year. This site is between the Kyoto Imperial Palace on the north and the Kyoto City Hall, Bank of Japan Kyoto Branch and Hotel Okura to the south. The Ritz-Carlton Kyoto is to the east of the site.

### Highlight 2 Signed a long-term contract with a hotel for tourists and business travelers

The site is only a 4-minute walk from the Kyoto Shiyakusho Station on the Tozai subway line, making it suitable for many uses. NCD has signed a fixed-term commercial land lease contract of about 50 years for using the site for a hotel for tourists and business travelers.

## ■ Major Purchases: Nippombashi, Chuo-ku, Osaka (Real Estate Investment Business)

**Purchased a valuable and rarely available commercial site (hotel, etc.) located near the Namba and Kuromon covered market districts of Osaka that are very popular among foreign tourists.**



|                  |   |
|------------------|---|
| Property name    | <b>Laox Osaka Nippombashi store</b>           |
| Location         | <b>Nippombashi 2-chome, Chuo-ku, Osaka</b>    |
| Site area        | <b>963.48m<sup>2</sup> (291.45 tsubo)</b>     |
| Total floor area | <b>6,170.26m<sup>2</sup> (1,866.50 tsubo)</b> |
| Opening          | <b>Currently operating</b>                    |

**Highlight 1** Location facing the Sakaisuji avenue in the Nippombashi district, an area drawing many foreign tourists, is ideal for a hotel

More than 7 million people visit Osaka's Minami district every year. The Kuromon Market, which is very close to this property, attracts an average of 30,000 people daily. The property faces Sakaisuji, one of Osaka's best-known and busiest streets. These attributes make this rarely available prime site highly appealing to hotel operators, stores and other companies.

**Highlight 2** Diversification of purchasing methods (fixed-term leaseback at the request of the seller)

The seller wanted to lease back the property. NCD signed the purchase agreement and a fixed-term leaseback agreement at the same time. When the leaseback term ends, the current building will be removed and the site will be redeveloped for use as a hotel or other businesses.

## ■ Major Purchases: Toyotamakita, Nerima-ku, Tokyo (Real Estate Investment Business)

**Purchased a site of about 1,100m<sup>2</sup> in a prime central Tokyo residential area.**

**Excellent site configuration and street placement make the land easy to convert to residential or another use.**



|                  |  |
|------------------|--|
| Property name    | <b>Drug store</b><br>*Name of tenant cannot be disclosed |
| Location         | <b>Toyotamakita 3-chome, Nerima-ku, Tokyo</b>            |
| Site area        | <b>1,127.89m<sup>2</sup> (341.18 tsubo)</b>              |
| Total floor area | <b>644m<sup>2</sup> (195 tsubo)</b>                      |
| Opening          | <b>May 2019 (tentative)</b>                              |

### **Highlight 1** A prime residential area in central Tokyo

The site is a 10-minute walk from Shin-Egota Station on the Oedo subway line, where trains run directly to Shinjuku Station in only 16 minutes. Sites of this size and in a location so close to central Tokyo business districts are rarely on the market.

### **Highlight 2** Interest among potential tenants is high and there is a great need for a residential building on this site too

At this large site in a Tokyo district with a high population density, a fixed-term commercial land lease contract has been signed with a highly reputable drug store company. Preparations are under way to start construction.

## ■ Major Purchases: Daijuji, Okazaki City, Aichi (Real Estate Investment Business)

Acquired a site next to the city of Toyota in an area where retail tenant demand is strong and population growth is expected. The land can be easily converted to residential use.



|                  |  |
|------------------|--|
| Property name    | <b>Daijuji Aoi Plaza (Furniture Dome, Valor)</b> |
| Location         | <b>2-2 Daijuji 1-chome, Okazaki city, Aichi</b>  |
| Site area        | <b>13,423.38m<sup>2</sup> (4,060.57 tsubo)</b>   |
| Total floor area | <b>14,306.03m<sup>2</sup> (4,327.65 tsubo)</b>   |
| Opening          | <b>Currently operating</b>                       |

### **Highlight 1** A site of almost 13,000m<sup>2</sup> in the center of the city of Okazaki in suburban Nagoya

Due to its high population density, the Daijuji district of Okazaki city has a large number of stores of nationwide retailers. There are very few sites of this size in the Mikawa district of suburban Nagoya, resulting in a property with extra value due to its scarcity.

### **Highlight 2** A scarce property that can be easily converted to many other uses

This district of Okazaki city is popular as a shopping and residential area. The site can be used for a condominium building, single-family houses, a shopping center or even a hospital.

## Major Purchases: Ochayashocho, Nishinomiya City (Real Estate Investment Business)

A rarely available site in Shukugawa of Nishinomiya, a popular place to live in the Osaka area. Simultaneous acquisition of adjacent land results in a rarely seen site of about 3,000m<sup>2</sup> facing a national highway.



|                  |  |
|------------------|--|
| Property name    | <b>Retail store</b><br>*Name of tenant cannot be disclosed |
| Location         | <b>Ochayashocho, Nishinomiya city, Hyogo</b>               |
| Site area        | <b>3,070.05m<sup>2</sup> (928.69 tsubo)</b>                |
| Total floor area | <b>To be determined</b>                                    |
| Opening          | <b>June 2020 (tentative)</b>                               |

### Highlight 1 A rarely available site in Shukugawa, a popular residential district of the city of Nishinomiya

The site is highly visible because it faces national highway route 2 and is on a corner. Interest in this area is high among retail stores, automobile dealers and other businesses. Due to Shukugawa's popularity as a residential district, there is also strong demand for land that can be used for condominiums and other residential developments.

### Highlight 2 Acquisition of adjacent land at the same time resulted in a site of about 3,000m<sup>2</sup> facing a national highway

By purchasing adjacent land along with the main site, NCD created a single site along a national highway with an area of about 3,000m<sup>2</sup>.

## Major Purchases: Mihama-ku, Shinminato, Chiba City (Real Estate Investment Business)

A rarely available site of about 17,000m<sup>2</sup> on the waterfront of the city of Chiba, an area ideal for factories, distribution centers and other business activities. A 30-year fixed-term land lease agreement has been signed with a tenant.



|                  |   |
|------------------|---|
| Property name    | <b>Used car logistics center</b><br>*Name of tenant cannot be disclosed |
| Location         | <b>Shinminato, Mihama-ku, Chiba city</b>                                |
| Site area        | <b>16,912.71m<sup>2</sup> (5,116.09 tsubo)</b>                          |
| Total floor area | <b>To be determined</b>   |
| Opening          | <b>March 2019 (tentative)</b>   |

### Highlight 1 A waterfront industrial area that is near JR Chiba Minato Station

This site is located in the New Harbor Industrial District of Chiba, one of the largest industrial areas along Tokyo Bay. The district has Japan's first complex of food company production facilities as well as many business sites associated with the automobile industry and logistics. There is considerable interest in this rarely available site for use as a factory, distribution center or other business facility.

### Highlight 2 The acquisition of this site met the needs of the tenant and society for greater efficiency by separating the ownership and use of land

This site was purchased due to the desire of the tenant to lease rather than own the land. The tenant has signed a 30-year fixed-term commercial land lease contract.

## Major Purchases: Kidoba, Kawarazuka, Matsudo City (Real Estate Investment Business)

Acquired a highly visible site on a busy national highway route 51, linking the cities of Chiba and Mito.



|                  |  |
|------------------|--|
| Property name    | <b>K's Denki (Home appliance store)</b>        |
| Location         | <b>Kidoba, Kawarazuka, Matsudo city, Chiba</b> |
| Site area        | <b>6,610.14m<sup>2</sup> (1,999.57 tsubo)</b>  |
| Total floor area | <b>To be determined</b>                        |
| Opening          | <b>May 2019 (tentative)</b>                    |

**Highlight 1** Only about a 15-minute walk from Shin-Yahashira Station (JR Musashino Line) and Yabashira Station (Shin-Keisei Line)

This site is in the city of Matsudo in Chiba prefecture. Tokyo Station can be reached in about 40 minutes by train and the JR Musashino Line provides access to Chiba and Saitama prefectures. As a result, this area is home to many people who commute to jobs in Tokyo, Chiba and Saitama.

**Highlight 2** A location suitable for conversion to many other uses

With both shopping and residential areas nearby, this site is ideal for a broad range of applications.



## Major Purchases: Nishi-cho Project, Isogo-ku, Yokohama City (Real Estate Investment Business)

**Acquired a site in front of a railway station with easy access to central Yokohama.  
Strong demand for more stores; expected to be converted to residential or many other uses.**



|                  |  |
|------------------|--|
| Property name    | <b>Drug store</b><br>*Name of tenant cannot be disclosed |
| Location         | <b>Nishi-cho, Isogo-ku, Yokohama city, Kanagawa</b>      |
| Site area        | <b>793.32m<sup>2</sup> (239.99 tsubo)</b>                |
| Total floor area | <b>1,225m<sup>2</sup> (about 370 tsubo)</b>              |
| Opening          | <b>June 2019 (tentative)</b>                             |

### **Highlight 1** Across the street from a station with direct train service to central Yokohama

The site is adjacent to Negishi Station on the JR Keihin-Tohoku and Negishi lines. The train ride to Yokohama Station is only 11 minutes. Visibility is excellent because the site faces a major highway and a bicycle parking area beside the station.

### **Highlight 2** Characteristics that allow conversion to a variety of applications

NCD purchased this site as a result of a request from a drug store company to participate in competitive bidding. The drug store company plans to use the site for a multi-purpose development. Restaurants, a fitness club, exam preparation school, nursery school and other businesses have expressed an interest in this location, where there is a significant need for more stores and other businesses. A condominium developer also participated in the bidding, indicating that the site can be converted to residential use.

2

# Major Purchases

(2) Real Estate Outside Japan

## Major Purchases:

### Crenshaw Blvd Torrance (Starbucks) Overseas Real Estate Investment Business

## The first JINUSHI Business acquisition outside Japan (United States)

Signed a purchase agreement for land in the Los Angeles area; a prime location that can easily be converted to a different use (the purchase was completed in October).



|                  |                                  |
|------------------|----------------------------------|
| Property name    | <b>Starbucks</b>                 |
| Location         | <b>Torrance, California, USA</b> |
| Site area        | <b>15,454 sf (434.31 tsubo)</b>  |
| Total floor area | <b>1,280 sf (35.97 tsubo)</b>    |
| Opening          | <b>November, 2018</b>            |

#### Highlight 1 The beginning of overseas activities in the JINUSHI business

The Los Angeles region is a popular place to live because of its year-round warm and sunny weather. This site is in the city of Torrance, an area that is home to the U.S. head offices of Honda, ANA and other Japanese companies. Furthermore, the Los Angeles region has the second-highest number of Japanese-Americans after Honolulu.

#### Highlight 2 Purchased a Starbucks site in Torrance, which has a good balance of industrial, residential and retail properties

Torrance is within commuting distance of many locations, including Santa Monica and downtown Los Angeles. Many companies, including Japanese companies, have operations in Torrance. Furthermore, the city has one of the largest shopping malls in the United States and is a popular place to live.

#### Highlight 3 A prime location suitable for conversion to many other uses

The site is on a corner facing Crenshaw Boulevard, a major north-south artery in the Los Angeles area. El Camino College is nearby. These attributes make the land highly appealing for conversion to commercial use.

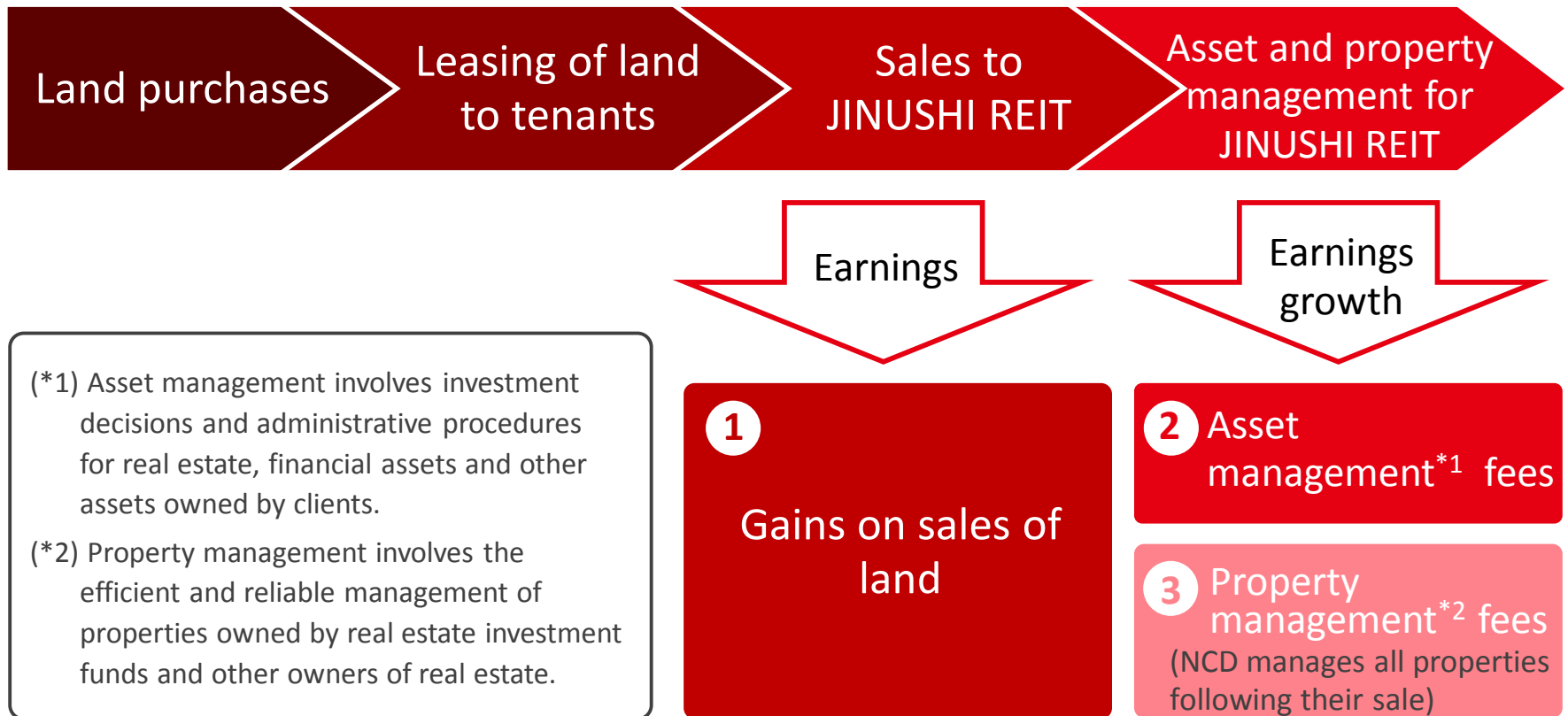
3

# JINUSHI REIT

(JINUSHI Private REIT Investment Corporation)

# Profit Structure of JINUSHI REIT Management

With the establishment of JINUSHI REIT, NCD Group now has a complete infrastructure for the JINUSHI Business



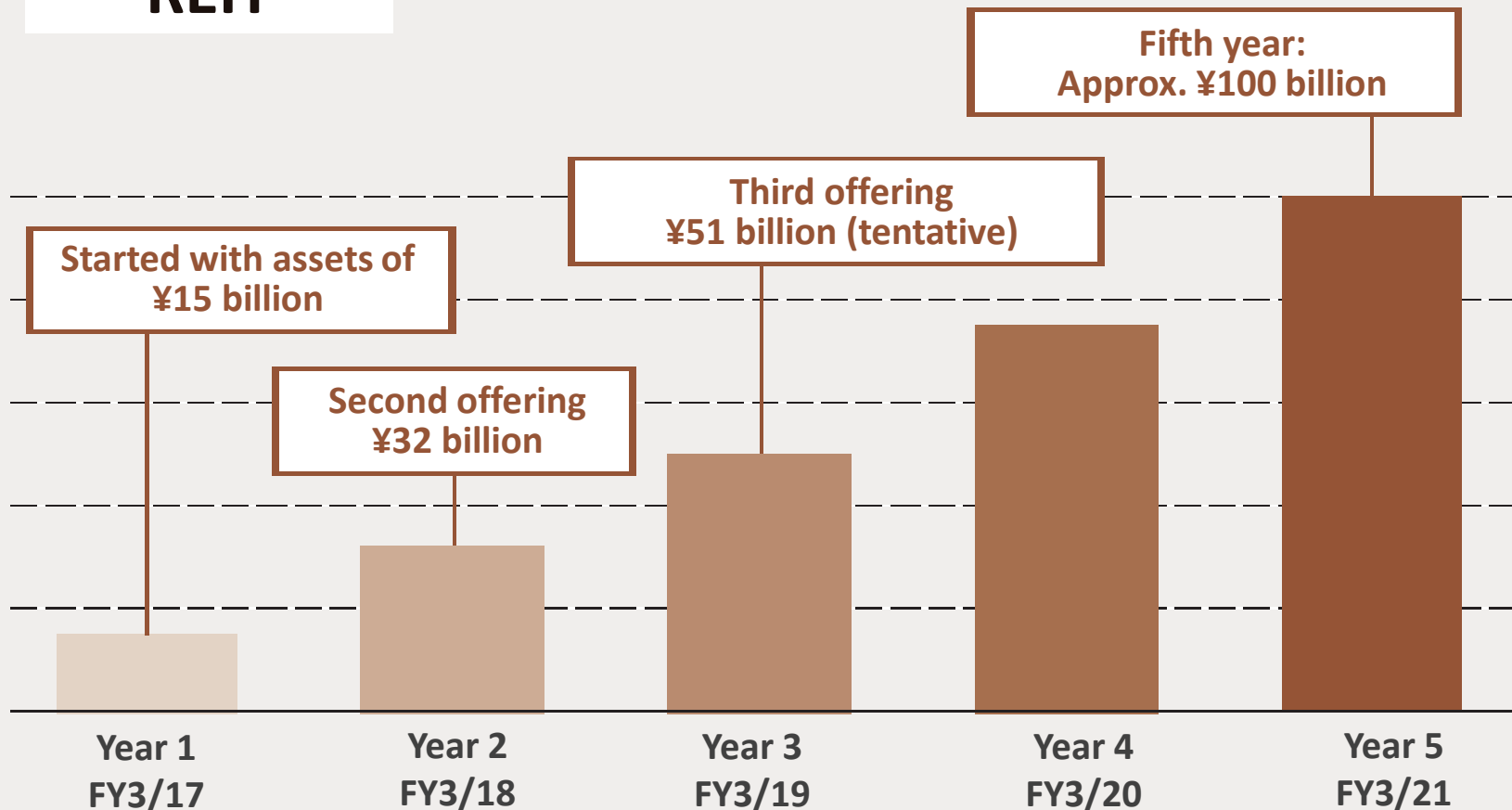


**JINUSHI  
REIT**

## Projection for the Growth of JINUSHI REIT

16

Goal is assets of approx. ¥100 billion  
in the fifth year



4

FY3/19

Earnings Forecast

## ■ Consolidated Forecasts

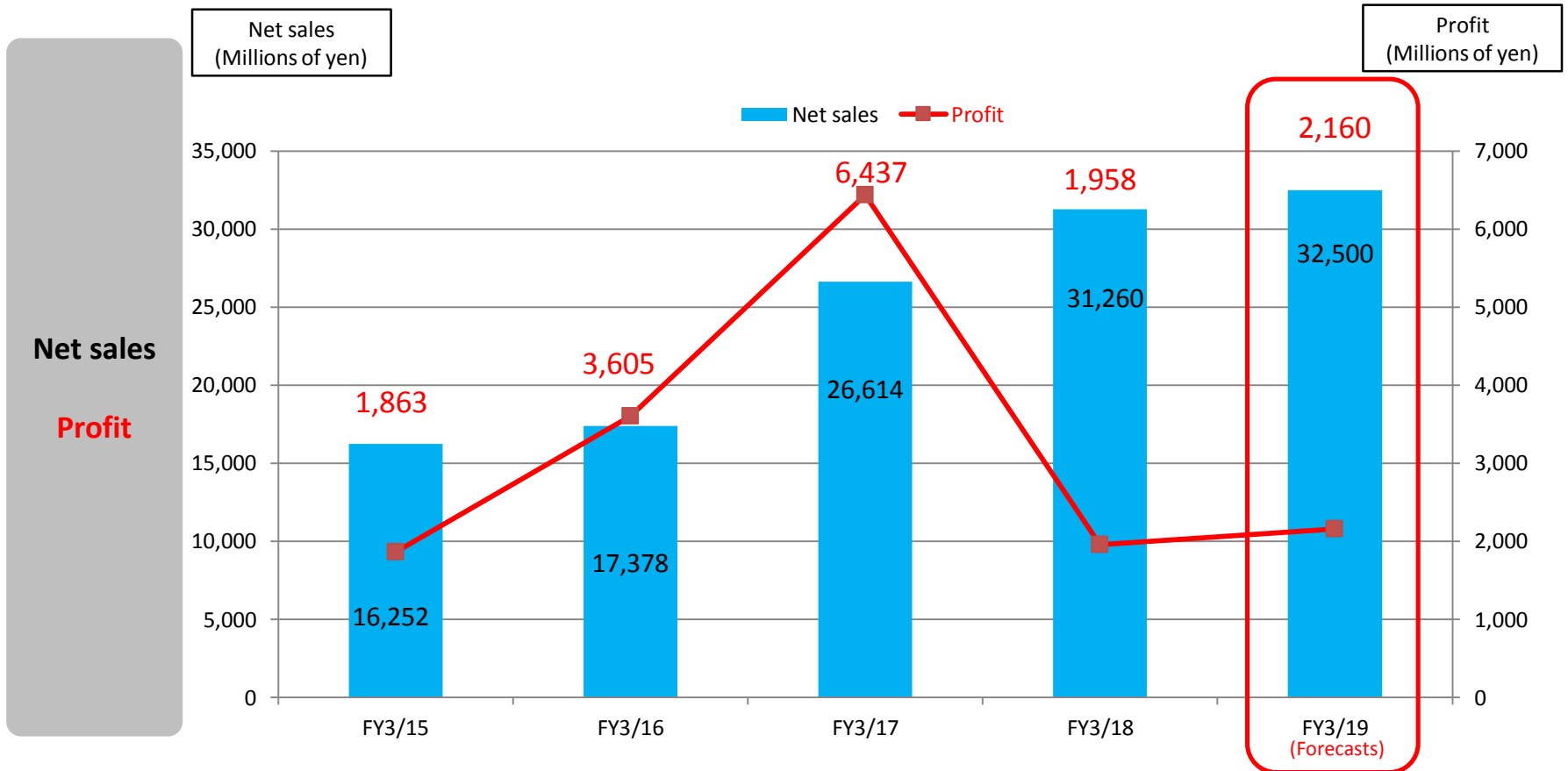
|                         |  |
|-------------------------|--|
| <b>Net sales</b>        | <b>Forecast a 4.0% increase in sales to a record high due to the increasing number of properties purchased as more salespeople are hired for these activities.</b> |
| <b>Operating profit</b> | <b>Forecast a 1.5% increase because of the growth in sales</b>   |
| <b>Ordinary profit</b>  | <b>Forecast a 6.4% increase due to higher operating profit</b>   |
| <b>Profit</b>           | <b>Forecast a 10.3% increase because of higher ordinary profit</b>   |
| <b>Dividends</b>        | <b>Plan to pay a dividend of ¥55 per share, the same as the FY3/18 dividend</b>  |

| (Millions of yen) | FY3/18 | FY3/19 Forecasts<br>(Announced on May 11) | YoY change |       |
|-------------------|--------|---|------------|-------|
|                   |        |   | Amount     | %     |
| Net sales         | 31,260 | 32,500                                    | 1,240      | 4.0%  |
| Operating profit  | 3,684  | 3,740                                     | 55         | 1.5%  |
| Ordinary profit   | 3,044  | 3,240                                     | 195        | 6.4%  |
| Profit            | 1,958  | 2,160                                     | 201        | 10.3% |
| Dividends (yen)   | 55     | 55  | -          | -     |



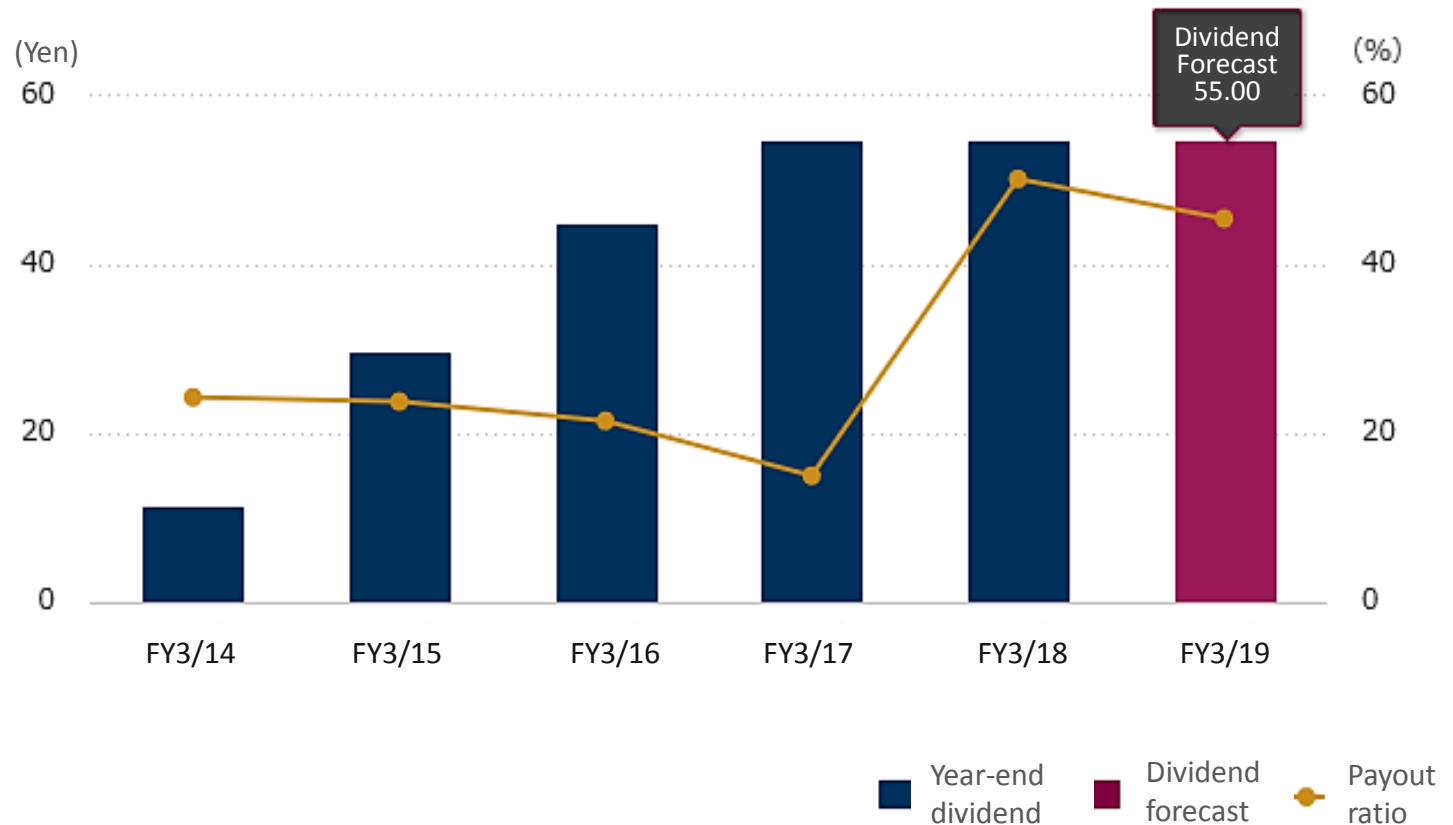
# ■ Growth of Sales and Earnings

|                         |   |
|-------------------------|---|
| <p><b>Net sales</b></p> | <p><b>Forecast the seventh consecutive year of record sales because of the increasing number of properties sold, including properties sold to JINUSHI REIT, and other reasons</b></p> |
| <p><b>Profit</b></p>    | <p><b>Forecast an increase in earnings</b></p>  |



## ■ Dividend Forecast

|                  |  |
|------------------|--|
| <b>Dividends</b> | <b>Plan to pay a dividend of ¥55 per share, the same as the FY3/18 dividend</b>  |
| <b>Reason</b>    | <b>The ¥55 dividend forecast is based on the outlook for higher FY3/19 sales and earnings and a commitment to distributing earnings to shareholders and investors while continuing to take actions for more growth</b> |

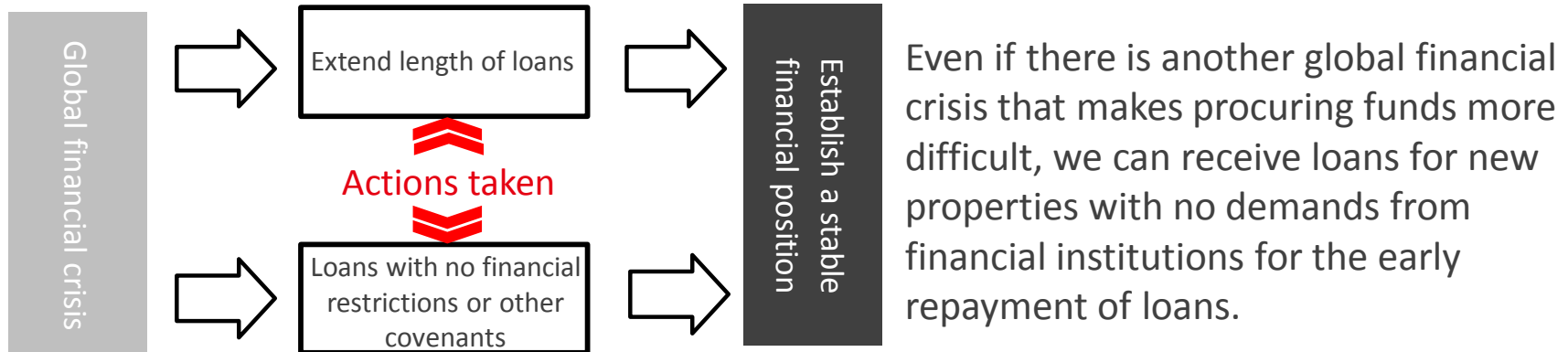


Dividend

5

# Appendix

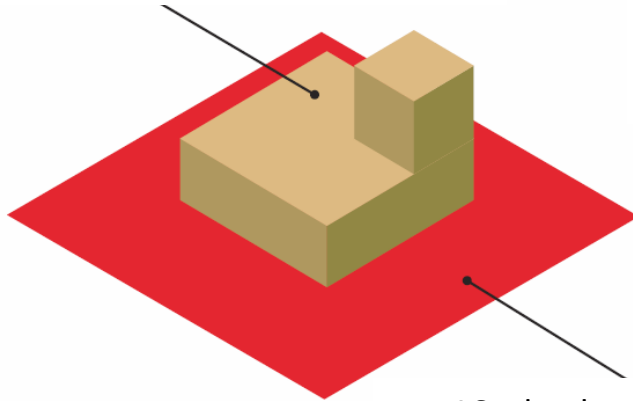
### Building an even stronger financial position



Even if there is another global financial crisis that makes procuring funds more difficult, we can receive loans for new properties with no demands from financial institutions for the early repayment of loans.

- (1) Establish large credit lines by using commitment lines and other measures backed by a large number of banks
- (2) Eliminate financial covenants, acceleration clause and other restrictions in loan contracts
- (3) Extend length of loans (10 to 30 years)
- (4) Obtain financing from more financial institutions

The tenant pays for the constructing and ownership of building.



AS a landowner,  
NCD owns only land.

Purchase land.  
Lease land.  
Sell the land being leased.

||



**JINUSHI**  
**Business**

We call this **the JINUSHI Business** because our role is solely as the landowner.

We purchase and lease land and sell leased land, **but do not construct buildings.**

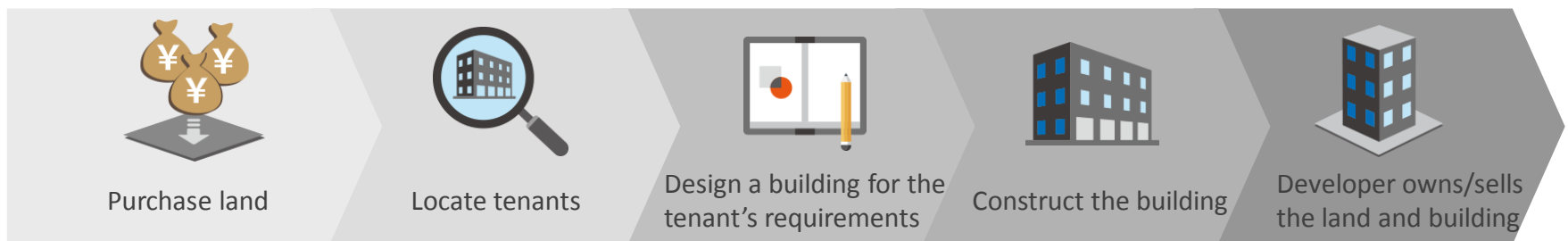
We purchase land and then **lease the property to a tenant** using a fixed-term commercial land leases. Our tenants are mainly involved in lifestyle convenience business such as supermarkets and drugstores, and business categories of tenants have been expanding into hotels, educational corporations and other social infrastructure businesses. **This business model enables us to sell safe real estate investment products with stable long-term leasing income.**

## JINUSHI Business Flowchart



\* The fixed-term land lease is a system created to protect the rights of landowners. The JINUSHI Business is a real estate investment scheme that is based on this land lease system.

## Conventional commercial real estate development project



## Locations

Focusing on areas where populations will not fall sharply: Tokyo area, Osaka area and core regional cities

## Prime sites

Land suitable for many uses so that a new tenant can be found easily when an existing tenant leaves

## Easy conversion

Land that can be easily converted to residential or another different use



Strict internal investment standards

## Examples of JINUSHI Business Tenants



Supermarket



Drug store



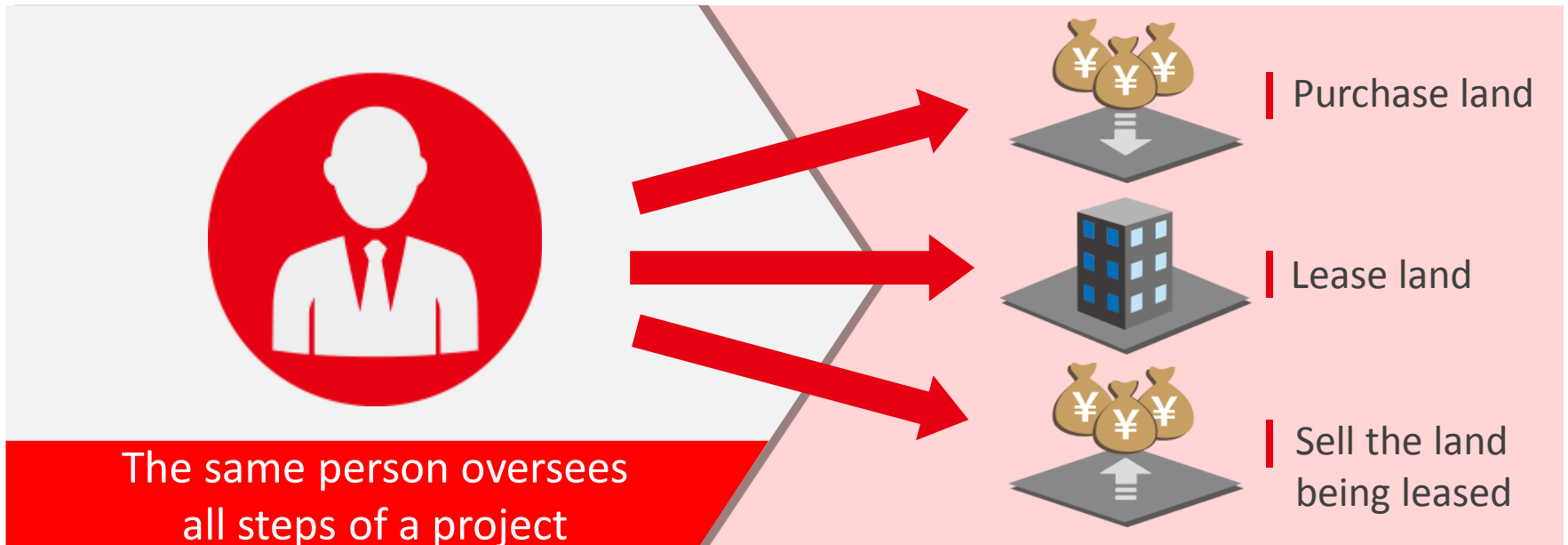
Hotel



Home improvement stores

We only purchase land in outstanding locations that can satisfy our strict standards for new investments.

## JINUSHI Business Flowchart



At conventional commercial development projects, a different person is responsible for each step.

Purchase land

Locate tenants

Design/construct building

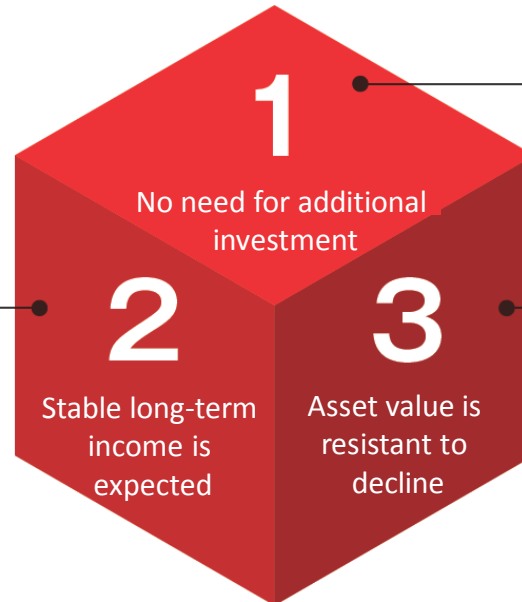
Sell or lease the building





## JINUSHI Business

During the long-term contract period of 20 to 30 years, tenants invest in buildings on the property. **This reduces the risk of the property being vacated and creates expectations for stable long-term income.**



Since tenants pay for construction and ownership of buildings, there is **no need for additional investment such as maintenance, repair, renovation, etc.**

After the period of the fixed-term leasing contract expires, **the land is returned as a vacant lot. This ensures that assets are returned at their maximum value.**

## Real estate needs of institutional investors



**JINUSHI  
Business**

× Private REIT

Reliable source  
of long-term  
income

- Rising expectations for financial products able to generate a return higher than government bonds amid today's low interest rates.



- Reliable long-term income stream due to a fixed-term commercial land lease contract.
- No additional investments for maintenance, repairs, renovations and other activities.
- The tenant makes the substantial expenditures for constructing a building, so there is very little risk of losing a tenant.
- Investment is only in the land, so there are only minimal risks involving fires and other disasters and the building's construction (compliance with laws and regulations).

No big swings in  
value of the  
original  
investment

- Prices of many types of investments fell sharply during the global financial crisis and many institutional investors had to sell at losses and write down holdings. This is why investors aim to greatly reduce exposure to price volatility risk.



- Investment is only land, which does not age like a building and income is based on lease payments that do not fluctuate. The result is only negligible changes in the appraised value.
- When the fixed-term land lease ends, the site is returned to its original state, which means high liquidity is ensured. (There may be a capital gain, too.)
- Using a private REIT shields investments from capital market movements and allows valuing funds based on the value of real estate holdings.

# Prevention of Conflicts of Interest between NCD and JINUSHI REIT

A highly transparent decision-making process for JINUSHI Asset Management Co., Ltd.



**Twice each year**, shareholders receive JF Gourmet Cards with a total value determined by the number of shares held. These cards can be used at about 35,000 restaurants throughout Japan and have following features.

- Restaurants are in all prefectures of Japan and many are in suburban locations.
- **Restaurants give change for the unused portion of a card.**
- **There is no expiration date.**

For more information (member stores, etc.), please see the website of JF GOURMET CARD.

(<http://www.jfcard.co.jp/>)

|                       | Record date        | March 31  | September 30   | <b>Total</b>   |
|-----------------------|--------------------|-----------|----------------|----------------|
|                       | Distribution time  | Late June | Early December |                |
| Number of shares held | 300 to 699 shares  | ¥3,000    | ¥3,000         | <b>¥6,000</b>  |
|                       | 700 shares or more | ¥6,000    | ¥6,000         | <b>¥12,000</b> |

This presentation was prepared for the purpose of providing information to investors about the operations of Nippon Commercial Development Co., Ltd.

This presentation includes forward-looking statements about the financial condition, results of operations, businesses and other items of the Nippon Commercial Development Group. These statements incorporate risks and other uncertainties because events that may occur in the future could affect the group's performance. Consequently, the group's actual financial condition, results of operations, business activities and other aspects of operations may differ significantly from these forward-looking statements.

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