

Results of Operations
for the First Half of the Fiscal Year Ending December 31, 2022

September 1, 2022



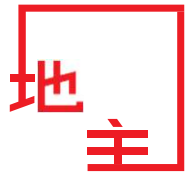
JINUSHI
ビジネス

JINUSHI Co., Ltd.

地主株式会社

Securities code: 3252 (TSE/NSE)

<https://www.jinushi-jp.com>



地主株式会社
JINUSHI Co., Ltd.

Change of Company Name

We have changed our trade name from “Nippon Commercial Development Co., Ltd.” to “JINUSHI Co., Ltd.” as of January 10, 2022. By producing and airing TV commercials and placing newspaper advertisements, we will continue to further promote the JINUSHI Business in the market, which is resistant to natural disasters and market volatility and capable of providing stable earnings over the long term.

社業、地主。

わたしたちは、2000年の創業以来、事業用定期借地権を採用し、土地のみに投資するJINUSHIビジネスを行ってまいりました。土地を買い、土地を貸す。自ら建物を建てず、所有もしない。貸している土地を、長期に変化した収益が戻りゆる不動産金融商品として、投資家のみならず皆さまにご提供する。このビジネスには、今後大きな可能性があります。

「地主」という言葉が、新しい意味と価値を持つ時代が来ようとしている。これからは、地主株式会社を、何卒よろしくお願いたします。

2022年1月10日に、日本商業開発株式会社は、地主株式会社に社名変更いたしました。

 地主株式会社
JINUSHI Co., Ltd.

<https://www.jinushi-jp.com>

Placed an ad in Nikkei, morning edition (national) on January 11, 2022

We purchase land, we lease land.

We do not construct or own our own buildings.

We don't own the land.

This is the JINUSHI business.

Company Business, JINUSHI.

TV commercial in “News Morning Satellite” program (TV Tokyo) started from January 4, 2022

CONTENTS

Contents

- 4 1H of FY12/22 Summary of Consolidated Financial Results
- 7 Real Estate for Sale as of June 30, 2022—Diversification of Areas and Use

TOPICS

- 8 Summary of the Medium-term Management Plan 2022-2026
- 10 Diversification of JINUSHI Business Tenants by Starting to Make Investments in Healthcare Real Estate
- 11 Establishment of an Office to Prepare for the Opening of the Kyushu Branch
Larger Space for the Head Office
- 12 Inclusion of ESG Terms in Contracts with Tenants
- 14 Appendix

1H of FY12/22 Summary of Consolidated Financial Results (1)

Net sales were 27,069 million yen (up 444 million yen year-on-year), operating profit was 3,749 million yen (up 1,250 million yen), ordinary profit was 3,906 million yen (up 1,464 million yen), profit attributable to owners of parent was 2,569 million yen (up 832 million yen), and net income per share was 140.50 yen (up 45.51 yen).

(Millions of yen, unless otherwise stated)

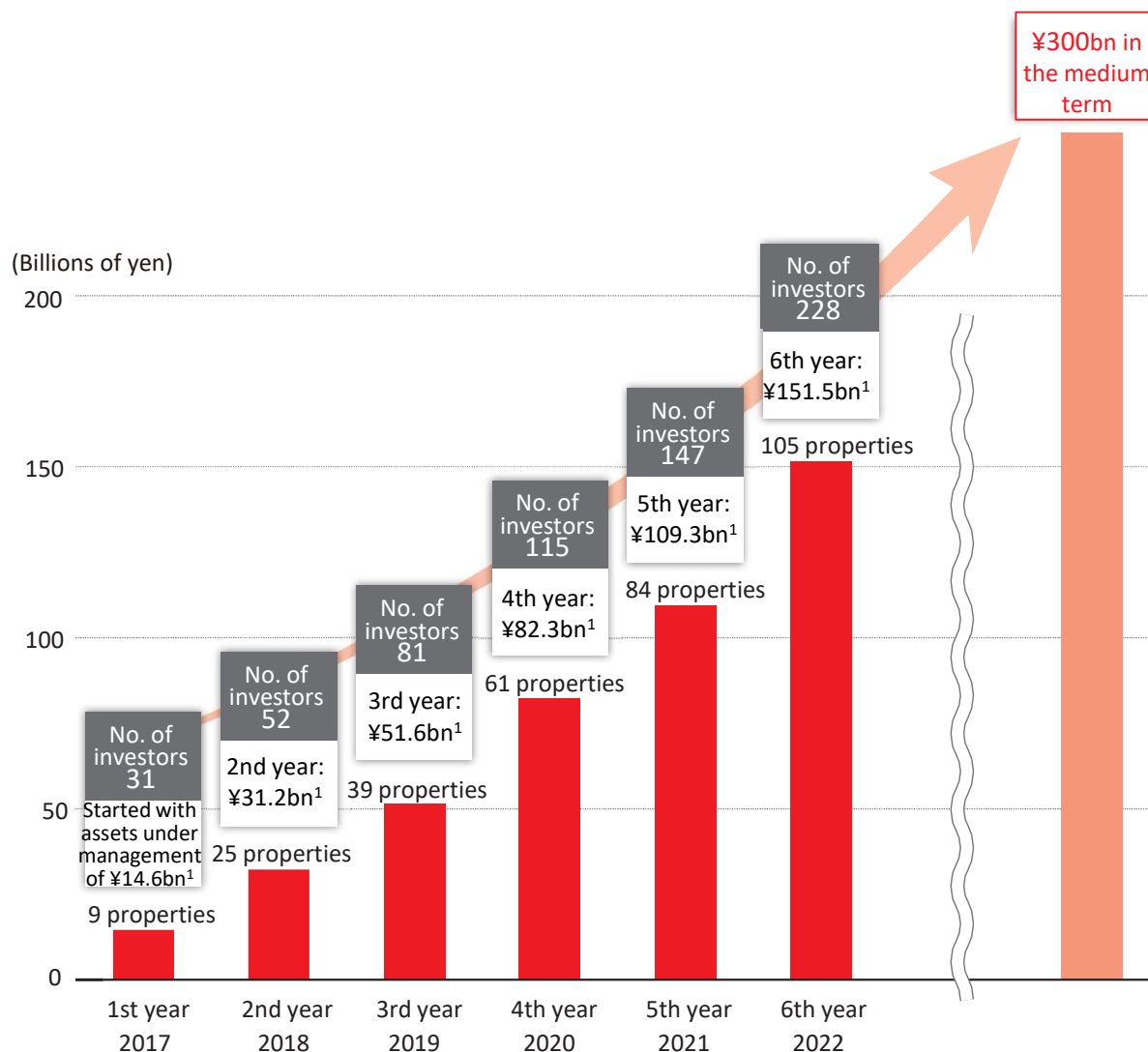
	1H FY12/21 (Previous fiscal year)	1H FY12/22 (Current fiscal year)	Change
Net sales	26,624	27,069	+444
Operating profit	2,499	3,749	+1,250
Ordinary profit	2,442	3,906	+1,464
Profit attributable to owners of parent	1,736	2,569	+832
Net income per share (Yen)	94.98	140.50	+45.51

Growth of JINUSHI REIT (Sixth Capital Increase)

○ Pursuant to the “Sponsor Support Agreement” concluded on November 10, 2016, between the Company, JINUSHI REIT Investment Corporation (“J-REIT”) and the Company’s wholly owned subsidiary JINUSHI Asset Management (JINUSHI AM), the Company sold three of its real estate holdings for sale, to J-REIT on January 7, 2022 for 4,915 million yen.

○ As a result of the sixth capital increase in January 2022, J-REIT acquired 25 properties with a total value of approximately 42.4 billion yen, taking its asset size to 151.5 billion yen.

These 25 properties include those sold by the Company and JINUSHI AM in accordance with the “Basic Agreement Establishing a Framework for Comprehensive Sales Transactions of Real Estate for Sale (Including Trust Beneficiary Rights)” signed in 2019 with SMFL Mirai Partners, Inc., and ML Estate Co. Ltd.



Note: 1. Assets under management are based on appraised values when assets were acquired and amounts below ¥100 million are rounded down.

- This growth projection is based on certain assumptions that are believed to be valid at this time. There is no assurance that future performance will match this projection.
- JINUSHI may be unable to achieve the figures in this graph due to changes in the real estate market and other reasons.

1H of FY12/22 Summary of Consolidated Financial Results (2)

Total assets decreased 1,241 million yen from the end of FY12/21 to 85,095 million yen at the end of 1H FY12/22.

Total liabilities decreased 3,524 million yen from the end of FY12/21 to 55,030 million yen.

Net assets increased 2,283 million yen from the end of FY12/21 to 30,065 million yen. This increase was attributable mainly to the profit attributable to owners of parent of 2,569 million yen.

Consequently, the equity ratio was 35.3%.

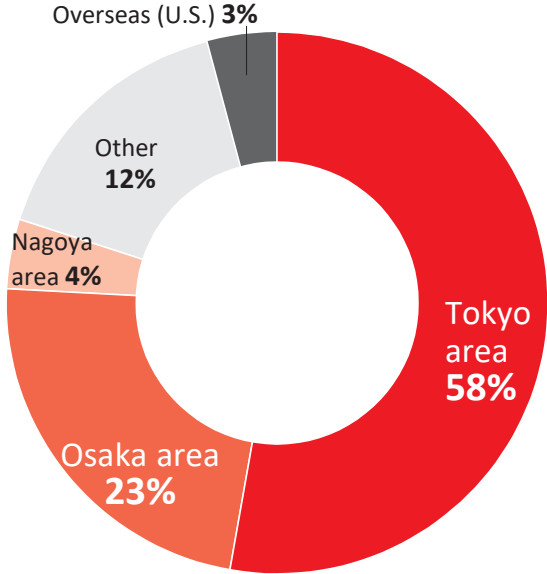
(Millions of yen, unless otherwise stated)

	FY12/21 (Previous fiscal year)	1H FY12/22 (Current fiscal year)	Change
Total assets	86,337	85,095	(1,241)
of which cash and deposits	17,264	21,268	+4,004
of which real estate for sale	41,995	36,367	(5,628)
of which property, plant and equipment	17,488	17,505	+17
Total liabilities	58,555	55,030	(3,524)
of which borrowings	49,730	47,130	(2,599)
Net assets	27,781	30,065	+2,283
Shareholders' equity (%)	32.2	35.3	+3.1

Real Estate for Sale as of June 30, 2022—Diversification of Areas and Use

The JINUSHU Business continued to perform well despite the pandemic. Approximately 80% of the tenants in this business were involved with daily necessities (including logistics for these products) and therefore benefited from demand associated with the need to stay home for safety.

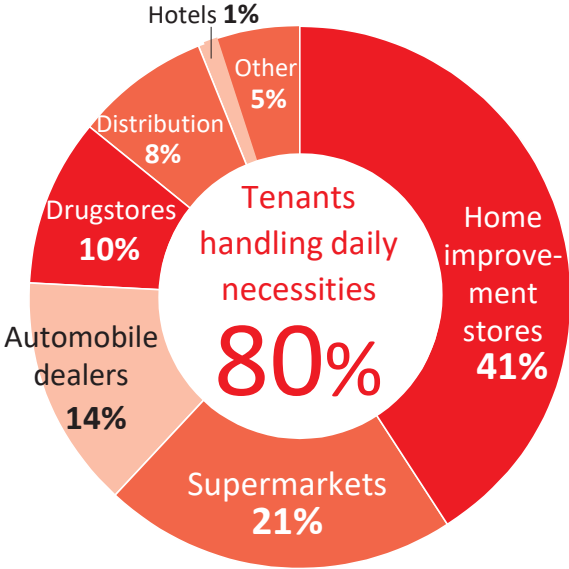
Diversification of Areas



Legend for Area Diversification: Tokyo area (red), Osaka area (orange), Nagoya area (light orange), Other (grey), Overseas (U.S.) (dark grey).

Area	Definition
Tokyo area	Tokyo, Kanagawa, Saitama, Chiba and part of Ibaraki
Osaka area	Osaka, Hyogo, Kyoto, Shiga and Nara
Nagoya area	Aichi, Mie and Gifu
Other	Government-designed municipalities, core regional cities and nearby areas (excluding Tokyo area, Osaka area and Nagoya area)

Diversification of Use



*Note: Based on monetary value as of June 30, 2022

Excerpts from the Medium-term Management Plan 2022-2026 Announced on February 14, 2022

Medium-term Management Plan

	FY12/21 Results		FY12/26 Plan
Net sales	¥56.1 _{bn}	>	¥100 _{bn}
Profit	¥3.1 _{bn}	>	¥7 _{bn}
JINUSHI REIT ¹ asset size	¥151.5 _{bn} ²	>	Approx. ¥300 _{bn}

Performance Targets

ROE	Approx. 13%	Equity ratio	30% or more
-----	-------------	--------------	-------------

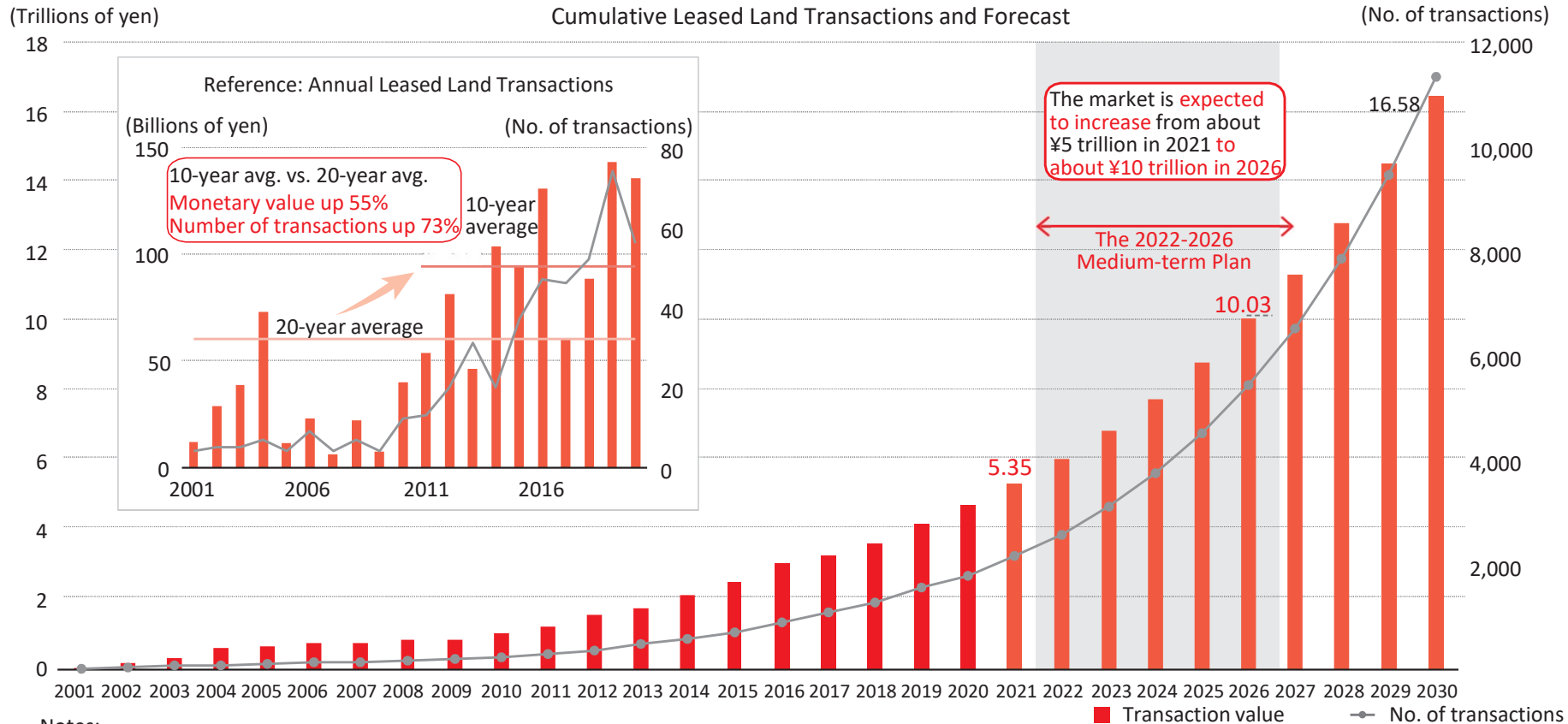
Notes:

- JINUSHI Private REIT Investment Corporation is operated by JINUSHI Asset Management Co., Ltd., a wholly owned subsidiary of the Company.
- Results for FY12/21 include properties acquired (appraised values when purchased) using funds procured in January 2022 by the sixth offering of investment units.

Excerpts from the Medium-term Management Plan 2022-2026 Announced on February 14, 2022

Growth of the Market for Leased Land

The market for leased land is expected to continue to grow as investors acquire an even better understanding of the advantages of this asset category, which is resilient to natural disasters and market volatility and capable of generating stable income for many years.



Diversification of JINUSHI Business Tenants by Starting to Make Investments in Healthcare Real Estate (Announced August 26, 2022)

Reason

For several years, the JINUSHI Group has been working on the growth of business operations involving properties with tenants involved with social services. Nursery schools and medical clinics are two examples. Having changed our name to JINUSHI, we are now increasing activities for achieving a greater diversity of tenants. One step is a JINUSHI transaction for a property with a healthcare tenant in Tokyo's Shinjuku-ku.

Realization of a sustainable society

The demand in Japan for healthcare facilities for seniors is growing steadily as the country's population declines and ages. Using the JINUSHI Business for these facilities will help meet this demand and establish networks of community healthcare facilities. Furthermore, these activities will help create a sustainable society, in line with our ESG policy, and contribute to the growth of our business operations.

| Establishment of an Office to Prepare for the Opening of the Kyushu Branch

Reason

The Company uses offices in Tokyo, Osaka, Nagoya and Los Angeles to operate a distinctive real estate business for investments solely in land. We are now making preparations to open a branch office in Kyushu for more growth by using the numerous opportunities in this attractive real estate market.

Kyushu Branch Preparatory Office

Established: Thursday, May 12, 2022

Location: JINUSHI Tokyo Branch (Marunouchi, Chiyoda-ku, Tokyo)

General Manager: Naoya Higuchi (Deputy General Manager of Tokyo Business Development Dept. and General Manager of Kyushu Branch Preparatory Office)

| Larger Space for the Head Office

Reason

The head office will be moved to a larger space in the current location by the end of November 2022 in order to maintain a framework capable of supporting more growth of business operations and the addition of new business frameworks under the company's new name.

New location

New location: Yodoyabashi Mitsui Building 6F, 4-1-1 Imabashi, Chuo-ku, Osaka

Current location: Yodoyabashi Mitsui Building 4F, 4-1-1 Imabashi, Chuo-ku, Osaka

There is no need to amend the Articles of Incorporation because this relocation of the head office is within the same building.



| Inclusion of ESG Terms in Contracts with Tenants

The Company includes terms concerning vegetation and renewable energy facilities in commercial land leasing contracts to provide a basis for working with tenants for the creation of a sustainable society.

Terms

The Company and tenants, guided by the same ESG commitment, will work together for the use of solar power systems, electric car charging systems, greenery and other environmental measures, and other ESG activities at leased land or buildings. Tenants will install these facilities and take these actions as much as possible without creating any negative effects on their business operations.

Examples of ESG activities



APPENDIX

The JINUSHI Business

Growth of the JINUSHI Business

Defining Characteristics of JINUSHI

ESG Roadmap

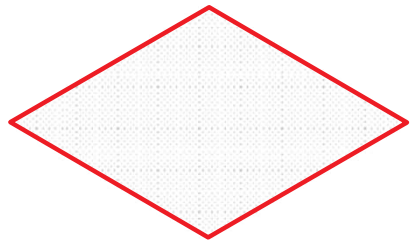
The JINUSHI Business

This new and innovative real estate investment scheme uses fixed-term leases for commercial-use land as the only investment.

The 3 steps of the JINUSHI Business

STEP 1 Purchase land

Investments are made in land that can be easily used for different purposes in the future. Population, location (highway frontage, etc.), the surrounding area and other characteristics are examined to select investments.



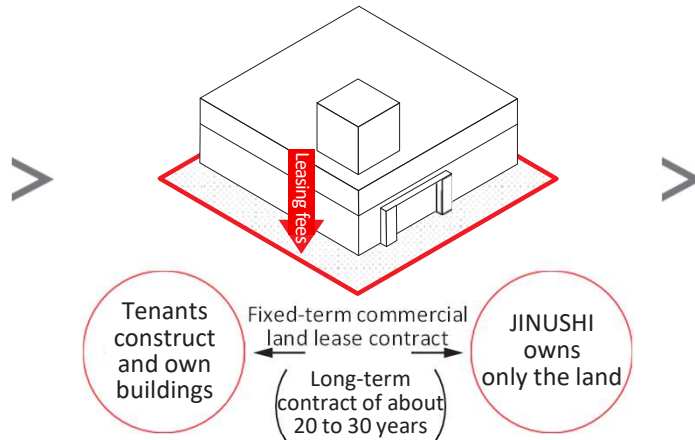
Easy conversion to other uses

POINT Land evaluation skill
JINUSHI purchases land that can easily be switched to a different use in the rare event that a tenant leaves. This makes it easy to attract a new tenant or sell the land.

STEP 2 Lease land

The JINUSHI Business does not own buildings. Instead, tenants sign long-term leases for commercial-use land, resulting in a consistent revenue stream for many years.

- Land is used for supermarkets and other businesses
- Tenants construct and own buildings on the leased land



Fixed-term commercial land lease contract

POINT Terms of a land lease contract
The legal framework for leasing commercial land was established in Japan in 1992. In 2008, the length of these leases was changed from 10 to 20 years to 10 to 50 years based on the amended Act on Land and Building Leases. This revision made it possible to use commercial land leases for stable revenue for several decades.

Types of land lease rights		Duration	Building	Land
Land lease rights	Land lease rights of old Act on Land Leases and general land lease rights (Article 3)	More than 30 years		
Fixed-term land lease rights, etc.	Fixed-term land lease rights (Article 22)	More than 50 years	Land lease rights	
	Fixed-term commercial land lease rights (Article 23)	More than 10 years and less than 50 years	Land	
	Land lease rights with special provisions for building transfer (Article 24-1)	More than 30 years		
Land lease rights for the purpose of temporary use (Article 25)				

A leasehold interest is a land ownership right that includes the right to rent the land.

STEP 3 Sell the land being leased

Land is sold to JINUSHI Private REIT and other buyers as an asset that is expected to have a reliable return backed a steady cash flow for many years.

- Sold to JINUSHI Private REIT and other buyers



A product producing safe interest yield

POINT Key features of JINUSHI REIT
JINUSHI REIT manages the funds received from investors in a safe manner by making investments in real estate that uses commercial-use land leases. These leases are structured to produce a reliable cash flow for many years and do not require any additional investments for maintenance and renovations of the building on the land or for other reasons.

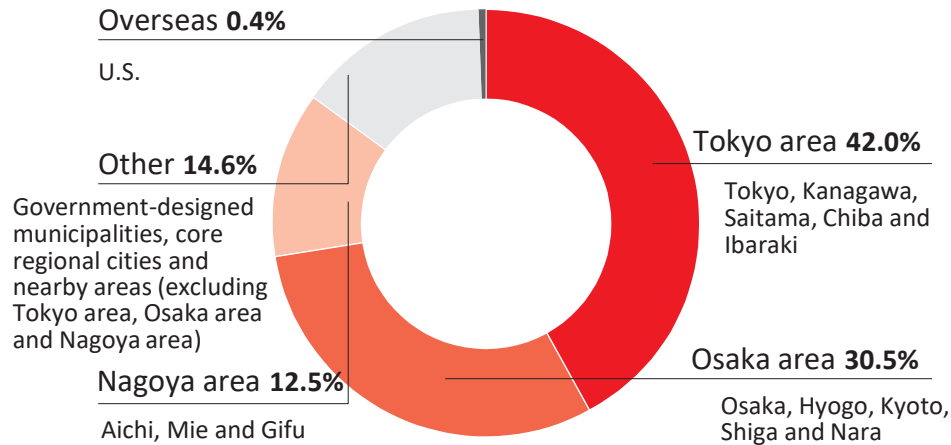
Long-term leasing business

In FY12/20, to be more resilient to unexpected changes in market conditions, we started a long-term leasing business that produces a steady revenue stream. Adding this business sector will give us a business structure with more stability.

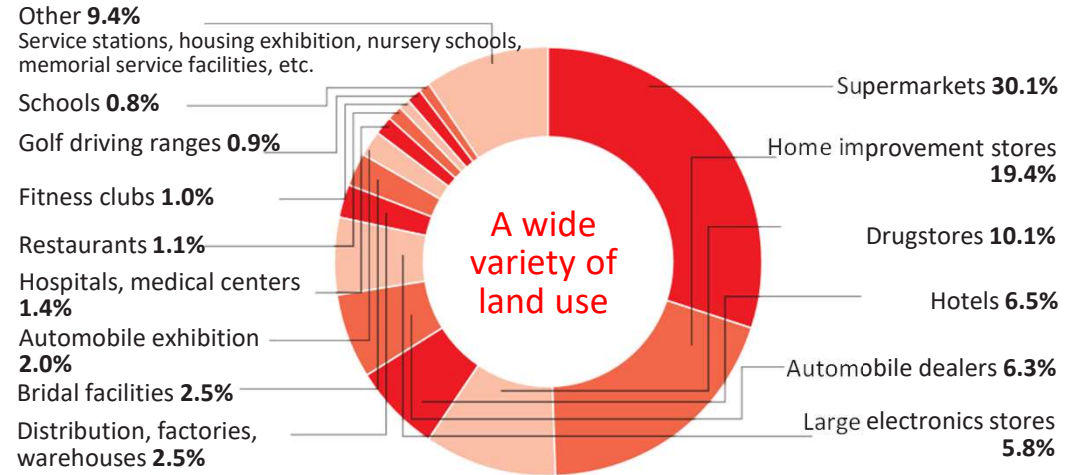
Growth of the JINUSHI Business

The JINUSHI Business operates in all areas of Japan, primarily the three major metropolitan areas, and has a broad range of tenants centered on businesses that are closely linked to consumer products required on a regular basis.

Diversification of Areas



Diversification of Use



Cumulative JINUSHI Business developments are about **250** properties and about **¥365 billion**¹

Note:

1. Based on monetary value as of December 31, 2021

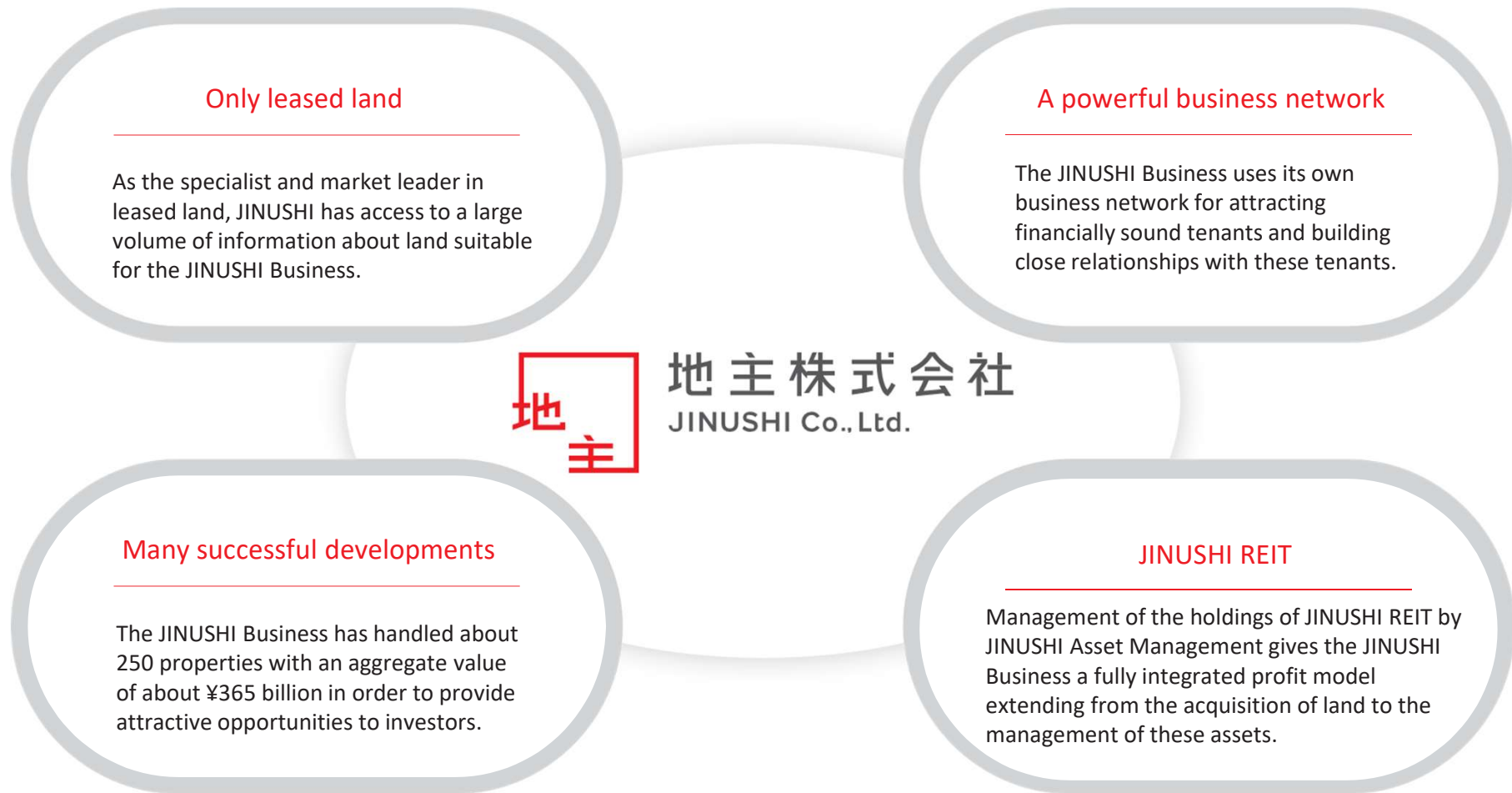
More tenant diversity increases purchases of land

The largest share of tenants are supermarkets, drug stores and other retail businesses that sell items frequently purchased by consumers. Leased land is also used for distribution centers, factories, warehouses and many other types of facilities.

Current tenants	+	More tenant diversity (social infrastructure tenants)
<ul style="list-style-type: none"> • Supermarkets • Drugstores • Home improvement stores • Large electronics stores 		<ul style="list-style-type: none"> • Distribution, factories, warehouses • Fitness clubs • Memorial service facilities • Nursery schools • Hotels • Schools

Defining Characteristics of JINUSHI

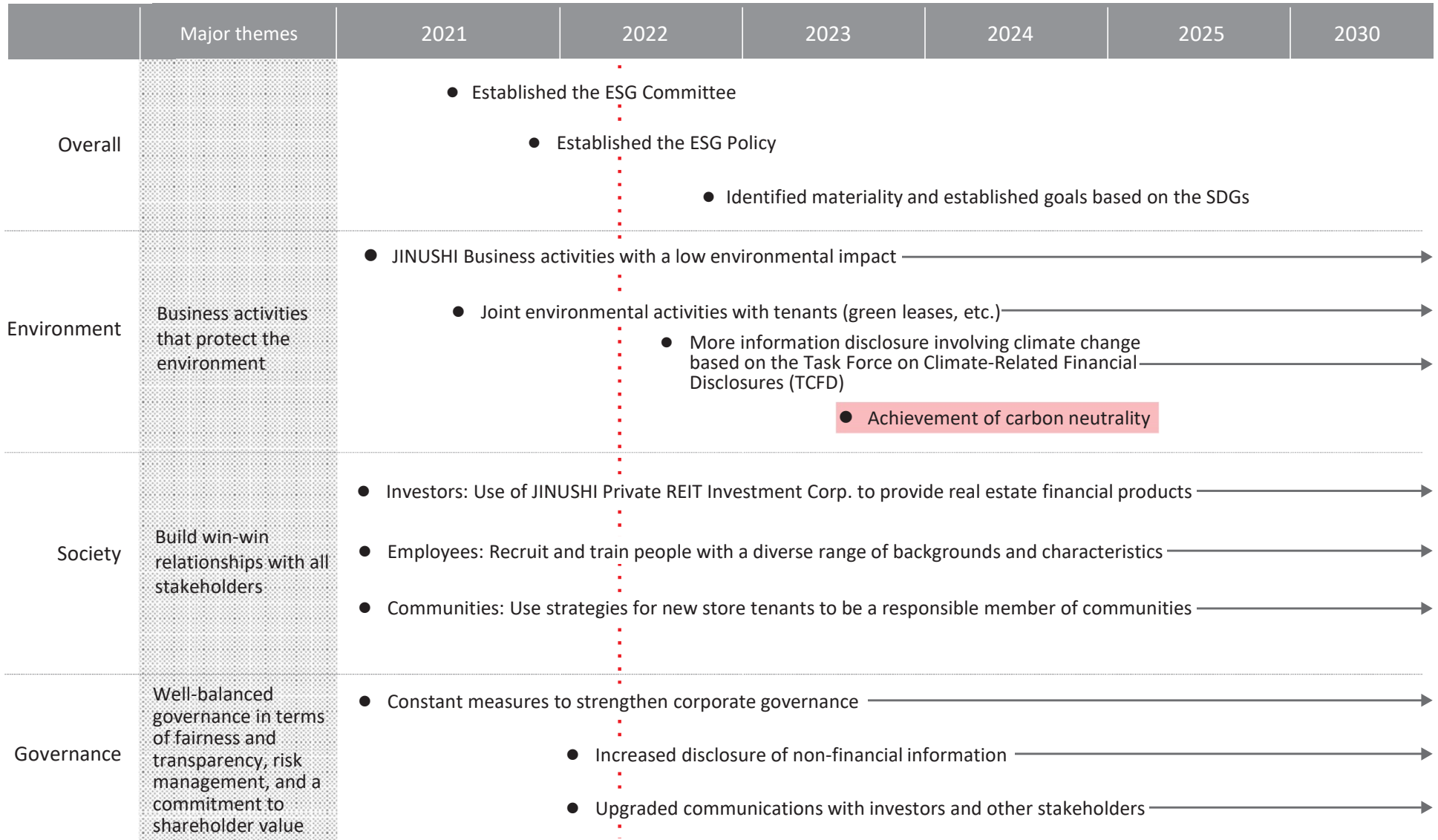
JINUSHI created Japan's market for leased land as the producer of real estate financial products using solely the JINUSHI Business.



Note:

1. Based on monetary value as of December 31, 2021

ESG Roadmap





地主株式会社
JINUSHI Co., Ltd.