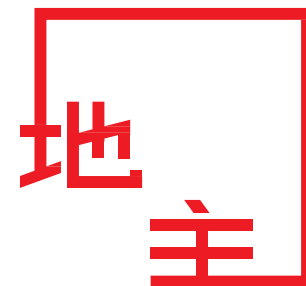


Results of Operations for the  
First Nine Months of the Fiscal Year Ending December 31, 2022  
(FY12/22)

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November 14, 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>

# CONTENTS

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## Contents

- P3 1. FY12/22 3Q Summary of Consolidated Financial Results
- P5 2. Revision to Consolidated Forecast for FY12/22
- P6 3. TOPICS Sale of Subsidiary (Tsunoda Corporation Limited)
- P7                    Impairment of Non-current Assets (Extraordinary Loss)
- P8 4. FY12/22 3Q Performance
- P13 5. Shareholder Returns
- P14 Appendix

## 1. FY12/22 3Q Summary of Consolidated Financial Results (1) Statements of Income

- Profitability increased because of increasing public awareness of the benefits of the JINUSHI Business\*, which is a consistent source of income for many years that is resilient to natural disasters and market volatility, and the creation and growth of the market for leasing land.
- With medium-term earnings growth expected, the decision was made to post an asset impairment loss (extraordinary loss) for one property (land) classified as non-current assets. (See page 7 for more information.)

| (Millions of yen)                       | FY12/21 3Q (9M)<br>(1) | FY12/22 3Q (9M)<br>(2) | Change<br>(2) - (1) |
|---|------------------------|------------------------|---------------------|
| Net sales                               | 39,685                 | 29,770                 | (9,914)             |
| Operating profit                        | 3,594                  | 3,685                  | +91                 |
| Non-operating income                    | 555                    | 672                    | +117                |
| Non-operating expenses                  | 489                    | 651                    | +161                |
| Ordinary profit                         | 3,660                  | 3,707                  | +47                 |
| Extraordinary income                    | -                      | -                      | -                   |
| Extraordinary losses                    | -                      | 1,250                  | +1,250              |
| Income taxes                            | 1,068                  | 1,104                  | +36                 |
| Profit attributable to owners of parent | 2,591                  | 1,349                  | (1,241)             |
| Net income per share (Yen)              | 141.71                 | 73.81                  | (67.90)             |
| Operating profit on net sales (%)       | 9.1                    | 12.4                   | +3.3                |
| Net profit on net sales (%)             | 6.5                    | 4.5                    | (2.0)               |

\*JINUSHI Business refers to a business model that is expected to generate stable profits over the long term by investing only in land with no additional investments for buildings because the investment in buildings is made by a tenant who enters into a long-term fixed-term land leasehold agreement for business use.

## 1. FY12/22 3Q Summary of Consolidated Financial Results (2) Balance Sheet

- Key financial indicators (equity ratio, net debt to equity ratio and debt coverage ratio) remain at proper levels
- Equity ratio was sound at 34.8% as of the end of the third quarter.

| (Millions of yen)                      | As of Dec. 31, 2021<br>(1) | As of Sep. 30, 2022<br>(2) | Change<br>(2)−(1) |
|--|----------------------------|----------------------------|-------------------|
| Assets                                 | 86,337                     | 82,943                     | (3,393)           |
| of which cash and deposits             | 17,264                     | 21,405                     | +4,140            |
| of which real estate for sale          | 41,995                     | 41,396                     | (598)             |
| of which property, plant and equipment | 17,488                     | 16,466                     | (1,022)           |
| Liabilities                            | 58,555                     | 54,027                     | (4,528)           |
| of which borrowings                    | 49,730                     | 49,869                     | +139              |
| Net assets                             | 27,781                     | 28,916                     | +1,134            |
| Shareholders' equity (%)               | 32.2                       | 34.8                       | +2.6              |
| Net D/E ratio (times)*1                | 1.17                       | 0.99                       | (0.18)            |
| DCR (Debt Coverage Ratio)(%)*2         | 141.0                      | 130.8                      | (10.2)            |

\*1 Net D/E ratio: Net interest-bearing debt (interest-bearing debt minus cash and deposits) divided by net assets

\*2 DCR (Debt Coverage Ratio): Interest-bearing debt divided by the sum of cash and deposits, investment securities, and property, plant and equipment

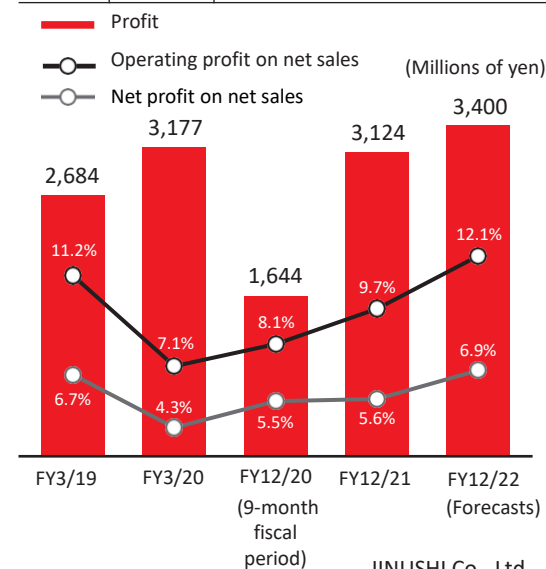
## 2. Revision to Consolidated Forecast for FY12/22

- Reduced sales forecast because expected acquisitions and sales of large properties will not happen in FY12/22.
- Profitability of existing properties is increasing as the awareness and reputation of the JINUSHI Business increases as progress continues with the creation and growth of the market for leasing land.
- The earnings forecast revisions also reflect a gain on the sale of a subsidiary and an extraordinary loss for the impairment of assets.

| (Millions of yen)                 | FY12/21<br>(Results)<br>(1) | FY12/22<br>(Revised<br>forecasts)<br>(2) | Change<br>(2) - (1) | FY12/22<br>(Initial forecasts)<br>(3) | Change<br>(2) - (3) |
|-----------------------------------|-----------------------------|--|---------------------|---------------------------------------|---------------------|
| Net sales                         | 56,177                      | 49,500                                   | (6,677)             | 57,000                                | (7,500)             |
| Operating profit                  | 5,475                       | 6,000                                    | +524                | 5,900                                 | +100                |
| Ordinary profit                   | 5,002                       | 5,500                                    | +497                | 5,200                                 | +300                |
| Profit                            | 3,124                       | 3,400                                    | +275                | 3,200                                 | +200                |
| Net income per share (Yen)        | 170.90                      | 185.94                                   | +15.04              | 175.00                                | +10.94              |
| Operating profit on net sales (%) | 9.7                         | 12.1                                     | +2.4                | 10.4                                  | +1.8                |
| Net profit on net sales (%)       | 5.6                         | 6.9                                      | +1.3                | 5.6                                   | +1.3                |

### Summary of forecast revisions

| Sales | Earnings | Major components   |
|-------|----------|--|
| Down  | Up       | Expected acquisition/sale of large properties did not happen but higher profitability of existing properties |
| Down  | Up       | Gain on the sale of a subsidiary that owns leased assets   |
| -     | Down     | Impairment of non-current assets (extraordinary loss) based on outlook for medium-term earnings growth       |



### 3. TOPICS Sale of Subsidiary (Tsunoda Corporation Limited)

- JINUSHI made Tsunoda a wholly owned subsidiary in May 2021 in order to acquire the company’s real estate holdings. After the acquisition, this real estate was sold.
- As this company currently owns only one major property, the decision was made to sell all Tsunoda stock in order to maximize earnings.

#### Acquisition of Tsunoda Corporation Limited (May 2021)

Acquisition cost

¥4.08 billion

|                          |  |
|--------------------------|--|
| Name:                    | Tsunoda Corporation Limited                                    |
| Location:                | Komaki city, Aichi   |
| Business:                | Real estate leasing business, Real estate management business  |
| Reasons for Acquisition: | Acquisition of the following major properties owned by Tsunoda |

#### Major holdings (as of May 2021)

| Location                                | Site area                                  | Tenant                 |
|---|--|------------------------|
| Horinouchi, Komaki city, Aichi          | 10,283.13 tsubo (33,993.82m <sup>2</sup> ) | Home improvement store |
| Marunouchi, Naka-ku, Nagoya city, Aichi | 556.47 tsubo (1,839.57m <sup>2</sup> )     | Data center            |
| Jinaicho, Ogaki city, Gifu              | 1,479.79 tsubo (4,891.88m <sup>2</sup> )   | Drug store             |

#### Total Return (expected)

Contribution to earnings (expected)

Approx. ¥1.75 billion\*

Earnings contribution of the JINUSHI Business (Real estate financial product/Properties sold) July 2021, March 2022



Sale of all stock to Yamahachi Shoji Co., Ltd. November 25, 2022 (planned)

\*Expected net profit contribution in FY12/21 and FY12/22

### 3. TOPICS Impairment of Non-current Assets (Extraordinary Loss)

- JINUSHI started a long-term leasing business as a step for building a stable business portfolio. In December 2021, land for commercial use was purchased in the city of Soka in Saitama prefecture and classified as non-current assets.
- With JINUSHI now very likely to reach its FY12/22 profit goal and medium-term profit growth anticipated, the decision was made to record an impairment loss of 1,046 million yen for this property as an extraordinary loss.

#### Summary

- JINUSHI purchased the commercial-use section of the former site of the Soka Matsubara housing project as part of a five-company joint venture rebuilding project.
- Rebuilding and other projects, including a large condominium building, stores and a university building, are revitalizing this area of Soka.

#### JINUSHI Holding (Commercial Zone)

| Location                               | Site area                | Book value<br>(End of Dec. 2021) |
|--|--------------------------|----------------------------------|
| 4-chome, Matsubara, Soka city, Saitama | 42,290.10 m <sup>2</sup> | ¥13,283 million                  |



#### September 2021 Bid (Purchased in December 2021)

- As a rule, JINUSHI purchases land only after locating tenants
- At this location, due to the outlook for more development of this area and to the excellent prospects for long-term leases, the decision was made to purchase the land while part of the site still had no tenants



#### September 2022 (End of third quarter)

- A home improvement store, automobile dealer and supermarket will occupy 84% of the site.
- Currently, potential tenants have become more cautious about opening stores because of uncertainty caused by the pandemic, the high cost of construction, the yen's depreciation and other events.



**Asset impairment based on the outlook for medium-term  
JINUSHI profit growth**

#### Business climate

- Favorable market environment due to progress with the creation and growth of the market for leasing land
- Very likely to accomplish the FY12/22 profit goal mainly because of increasing profitability

#### A strategic decision

- Impairment lowers the book value of the land, which contributes to balance sheet soundness
- Development of the area where the land is located is progressing and JINUSHI plans to attract a quality tenant in order to maximize earnings

#### 4. FY12/22 3Q Performance

- Gross profit from Flow Business, which is gains on sales of real estate, remained high and was about the same as one year earlier as profitability increased.
- Gross profit from Stock Business increased mainly because of higher real estate leasing income and asset management fees.

| (Millions of yen)         | FY12/21 3Q (9M)<br>(1) | FY12/22 3Q (9M)<br>(2) | Change<br>(2) - (1) | FY12/21<br>(Previous fiscal year) |
|---------------------------|------------------------|------------------------|---------------------|-----------------------------------|
| Net sales                 | 39,685                 | 29,770                 | (9,914)             | 56,177                            |
| of which Flow Business*1  | 38,337                 | 27,662                 | (10,675)            | 54,336                            |
| of which Stock Business*2 | 1,347                  | 2,108                  | +760                | 1,840                             |
| Gross profit              | 6,355                  | 6,836                  | +480                | 9,263                             |
| of which Flow Business*1  | 5,246                  | 5,011                  | (235)               | 7,753                             |
| of which Stock Business*2 | 1,109                  | 1,824                  | +715                | 1,509                             |
| Operating profit          | 3,594                  | 3,685                  | +91                 | 5,475                             |
| Gross profit margin (%)   | 16.0                   | 23.0                   | +6.9                | 16.5                              |
| of which Flow Business*1  | 13.7                   | 18.1                   | +4.4                | 14.3                              |

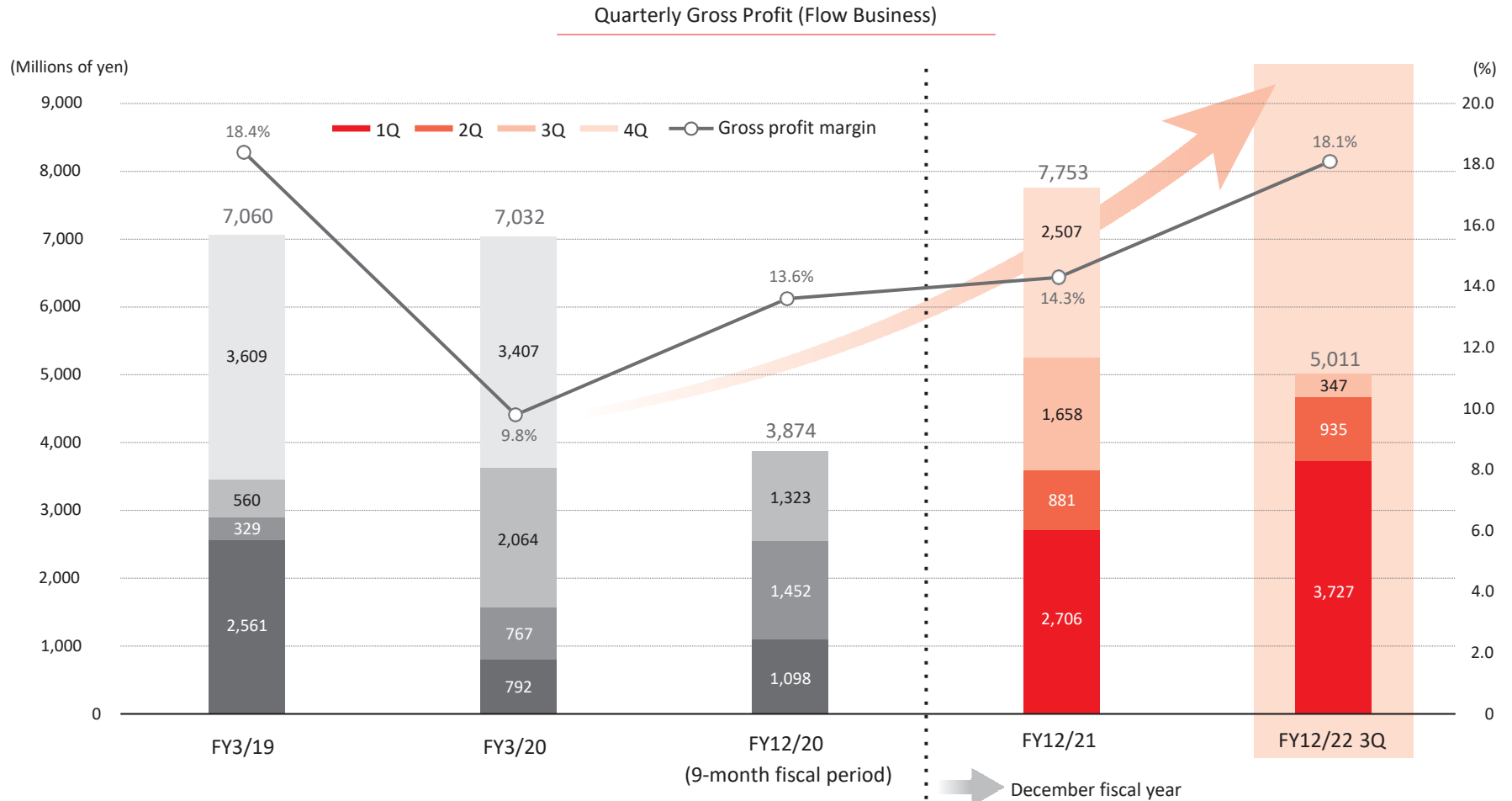
\*1. Gains on sales of real estate

\*2. Lease income on real estate for sale + Asset management fees + Long-term lease income + Other income (property management/sub-leasing/business management)



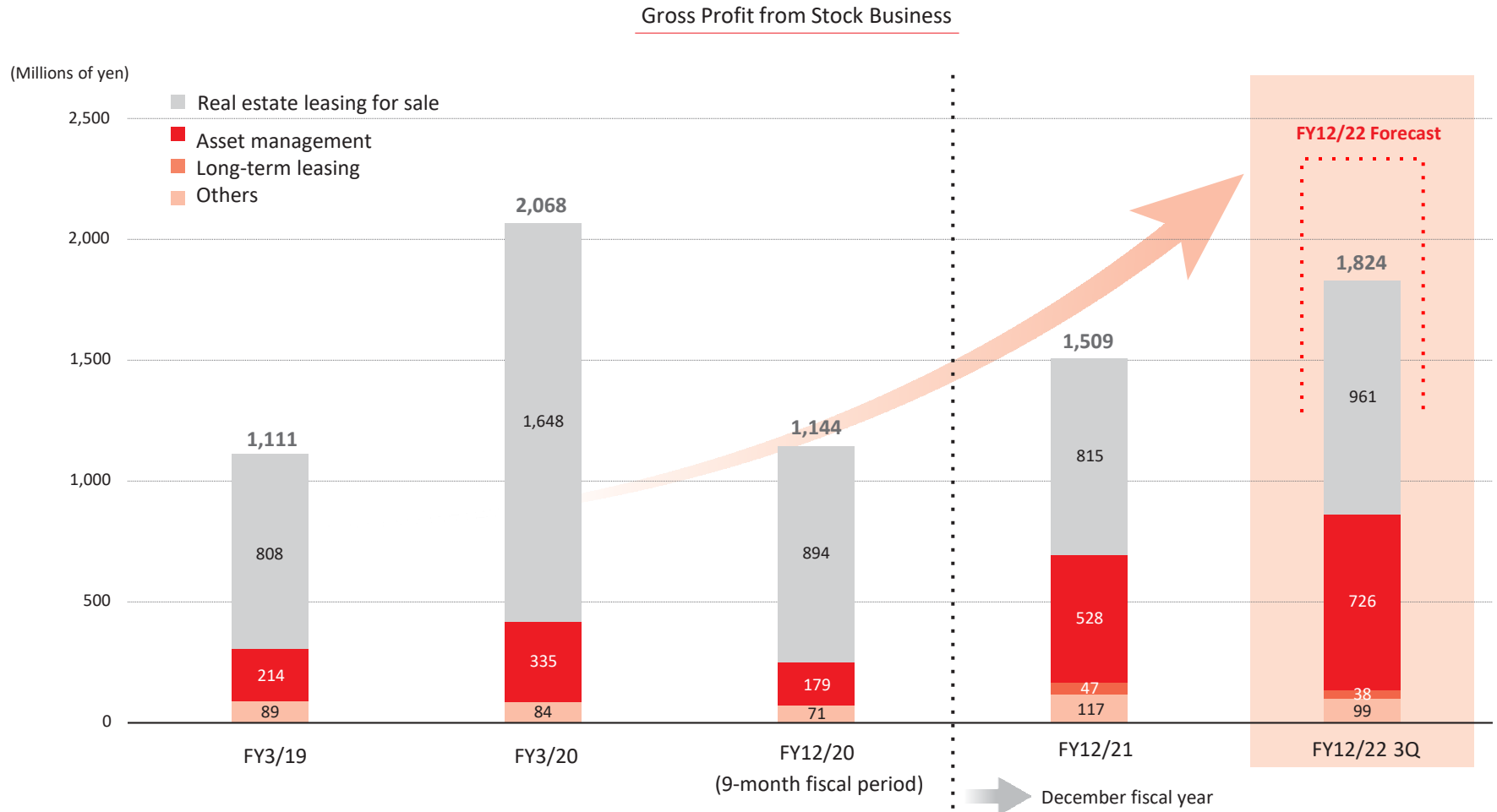
## 4. FY12/22 3Q Performance (Flow Business)

- Profitability has been increasing since FY3/20 because of increasing awareness of the JINUSHI Business and progress with the creation and growth of the market for leasing land.
- Demand in the JINUSHI Business remains very strong and the business has reached the stage where an improvement in profitability is expected.



## 4. FY12/22 3Q Performance (Stock Business)

- Stock Business gross profit, which is mainly leasing income and asset management fees, is a stable source of cash flows.
- Asset management fees increased primarily because of the growing volume of JINUSHI REIT assets.



#### 4. FY12/22 3Q Performance (Real Estate for Sale/Property, Plant and Equipment)

- The JINUSHI Business provides an innovative real estate financial generating a long-term, steady cash flow that can begin as quickly as about six months\*1 after a property is purchased.
- In the current favorable market for selling leased land, is speeding up activities for medium-term growth, such as by extending operations to more areas and more categories of tenants, while maintaining a suitable volume of properties sold.

| (Millions of yen)                | As of Mar. 31,<br>2019 | As of Mar. 31,<br>2020 | As of Dec. 31,<br>2020<br>(9-month fiscal<br>period) | As of Dec. 31,<br>2021 | As of Sep. 30,<br>2022 |
|----------------------------------|------------------------|------------------------|--|------------------------|------------------------|
| <b>One-time income</b>           |                        |                        |  |                        |                        |
| Real estate for Sale             | 69,516                 | 43,493                 | 38,387   | 41,995                 | 41,396                 |
| Turnover ratio (times)*2         | 0.55                   | 1.65                   | 0.74   | 1.29                   | 0.67                   |
| <b>Recurring income</b>          |                        |                        |  |                        |                        |
| Property, plant and<br>equipment | 455                    | 522                    | 3,436  | 17,488                 | 16,466                 |
| JINUSHI REIT asset*3             | 51,671                 | 82,388                 | 82,388   | 107,157                | 151,241                |

\*1 Lease payments begin after the tenant starts construction (or on the predetermined starting date)

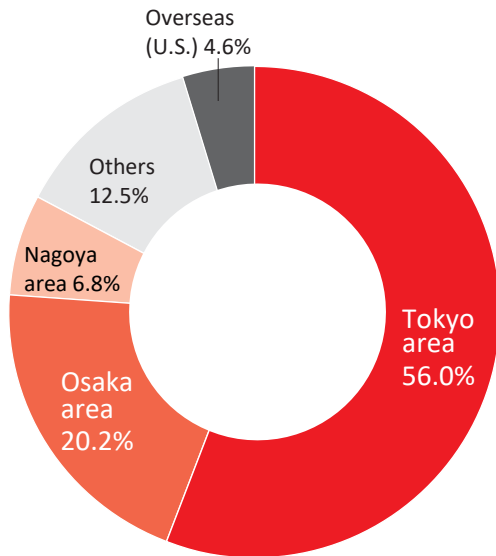
\*2 Turnover ratio = Sales (One-time income) / Real estate for sale

\*3 Appraisal values when properties were purchased

## 4. FY12/22 3Q Performance (Diversification of Areas and Use)

- About 80% of JINUSHI Business tenants are businesses that play key roles in the daily activities of nearby residents and/or supply daily necessities (including logistics companies).
- To continue growing, activities are under way to extend operations to more areas and raise the diversity of tenants.

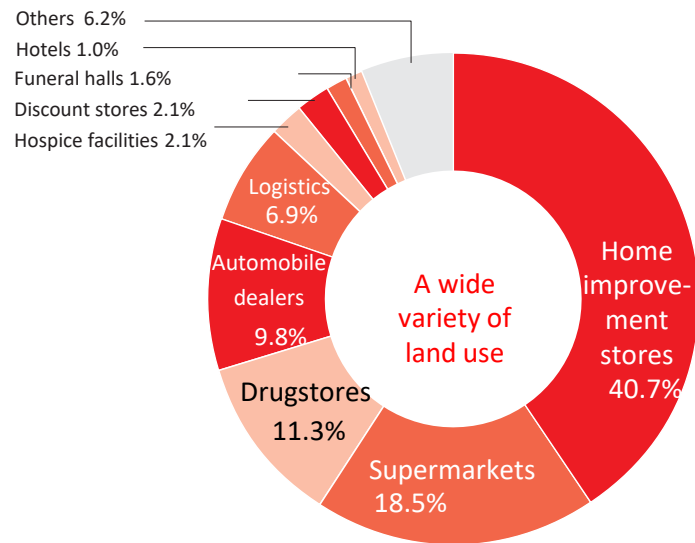
### Diversification of Areas



■ Tokyo area ■ Osaka area ■ Nagoya area ■ Others ■ Overseas (U.S.)

| 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  |
| Others      | 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 September 30, 2022  
(Including properties with purchase agreement signed)

## 5. Shareholder Returns

- JINUSHI pays a consistent dividend that reflects results of operations while retaining sufficient earnings for maintaining the long-term soundness and stability of business activities.
- JINUSHI plans to pay a FY12/22 dividend of 55 yen per share including a 5 yen commemorative dividend for the change of the company's name.

### Dividends



|                         |       |       |        |        |        |        |        |        |       |        |        |
|-------------------------|-------|-------|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| EPS (Yen)*1             | 23.86 | 48.05 | 125.91 | 209.09 | 366.84 | 109.61 | 149.30 | 174.59 | 89.94 | 170.90 | 185.94 |
| Dividend yield (%)*2, 3 | -     | -     | 1.6    | 2.0    | 3.0    | 3.2    | 3.7    | 4.1    | 2.0   | 2.9    | -      |

\*1 FY3/13 and FY3/14 dividends are after stock splits

\*2 Dividend payout ratio is based on the stock closing price at the end of each FY.

\*3 The dividend payout ratio for the 9-month transitional period that ended in FY12/20 is converted to a 12-month basis.

### Shareholder Benefits

#### Biannual Shareholder Gift Based on Shares Held

|                       | Record date                          | December 31  | June 30  |
|-----------------------|--------------------------------------|--|--|
|                       | Distribution time                    | Late March   | Middle of September                                |
| Number of shares held | 300 or more but less than 700 shares | One 3,000 yen item in the Shareholder Gift Catalog | One 3,000 yen item in the Shareholder Gift Catalog |
|                       | 700 shares or more                   | One 6,000 yen item in the Shareholder Gift Catalog | One 6,000 yen item in the Shareholder Gift Catalog |

\* When a shareholder declines to receive this benefit, JINUSHI will donate an equivalent amount to one or more non-profit organizations that play a role in accomplishing the Sustainable Development Goals.

# APPENDIX

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P15 Defining Characteristics of JINUSHI Co., Ltd.

P16 Financial Results

P17 The JINUSHI Business

P21 Achievement in the JINUSHI Business

P23 JINUSHI Private REIT (Private REIT for Leased Land)

P25 Leased Land Market Growth Forecast (Japan Real Estate Institute survey)

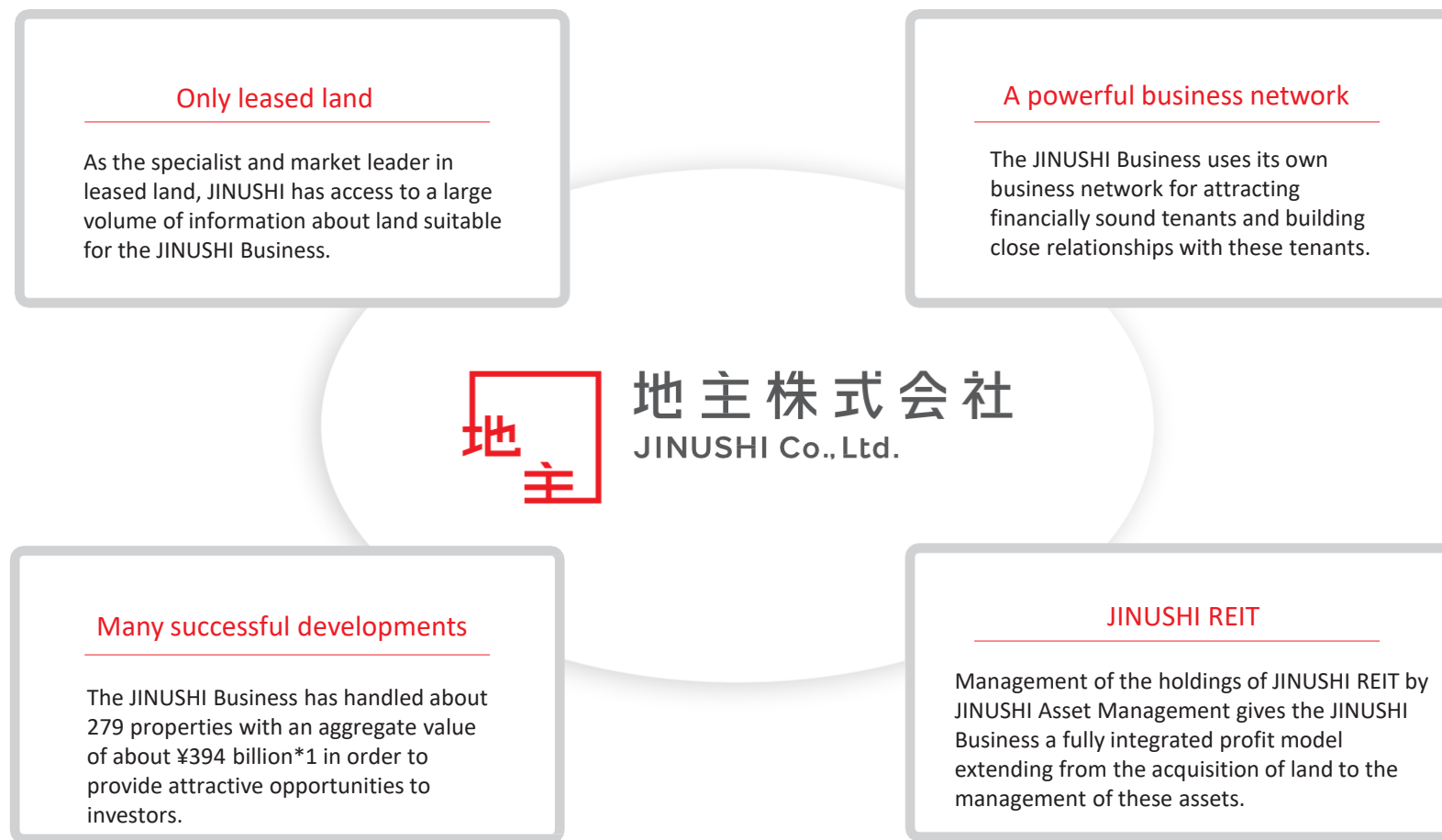
P26 Medium-term Management Plan 2022-2026 (Announced on February 14, 2022)

P27 ESG Roadmap

P29 10-Year Financial Data

## Defining Characteristics of JINUSHI

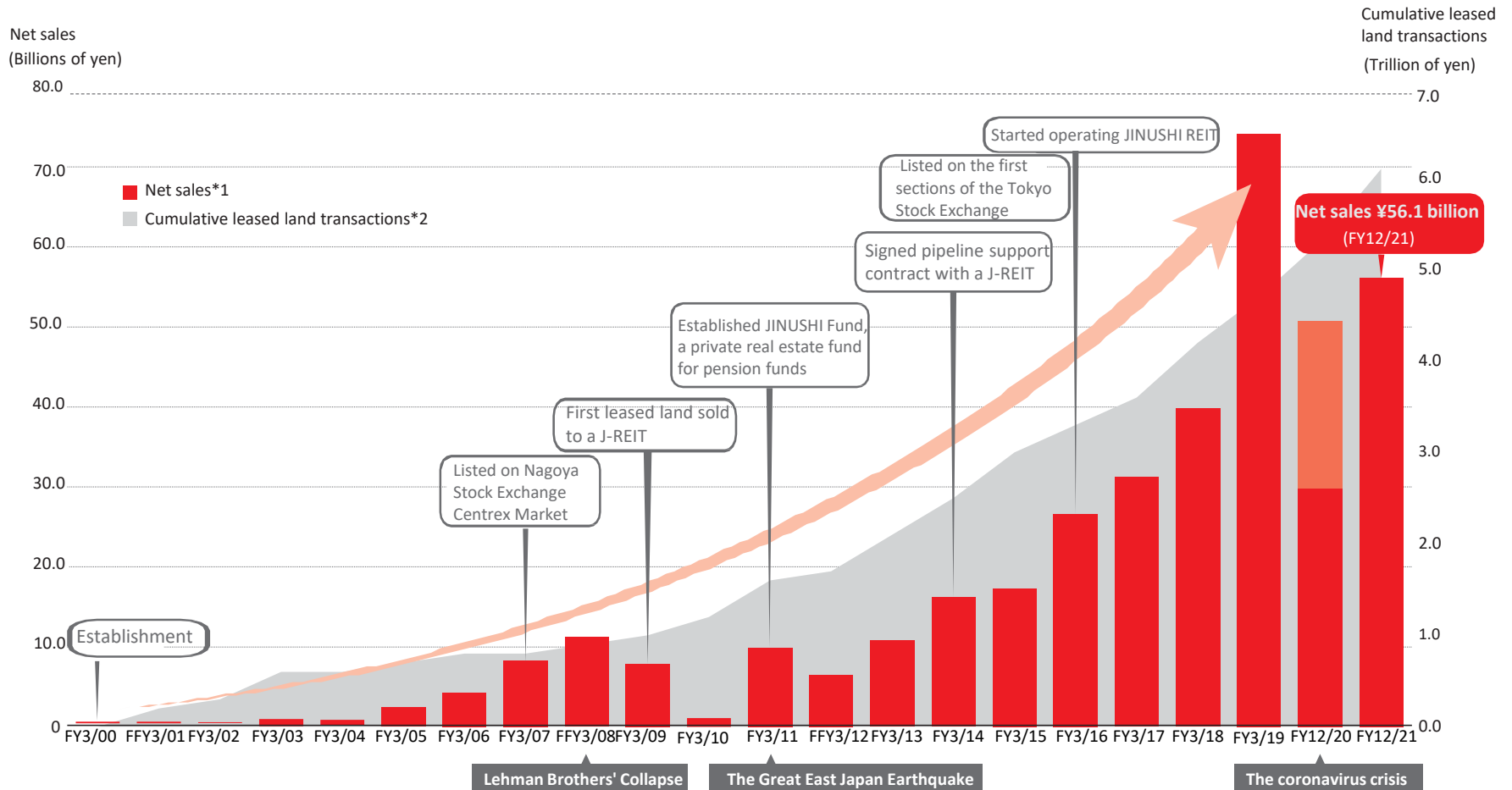
— JINUSHI created Japan's market for leased land as the producer of real estate financial products using solely the JINUSHI Business.



\*1 Based on monetary value as of September 30, 2022

# Financial Results

— Since starting operations about 20 years ago, JINUSHI has grown with its markets while specializing in the JINUSHI Business and constantly working on the creation of a market for leased land the growth of this market.



\*1 FY12/20 is a transitional 9-month fiscal period for the year-end change from March to December. Sales shown are the sum of sales in this 9-month period and sales in the first quarter of FY12/21 (light section of 2021 bar graph).

\*2 Cumulative leased land transactions use the data of the Japan Real Estate Institute. More information is on page 25.



## The JINUSHI Business (1) Three Strengths

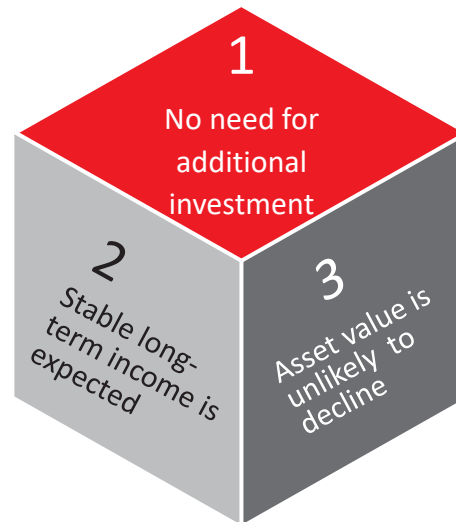
- The JINUSHI Business has three key strengths that are all linked to the business model of investing solely in land, a new real estate investment scheme offered only by JINUSHI.
- This real estate financial product, which is sold to institutional investors, is highly resistant to natural disasters and market volatility and is capable of providing stable earnings for many years.



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- The JINUSHI Business is structured exclusively to benefit landowners as a scheme for buying and leasing land and selling leased land. No investment is needed for constructing a building.
- The JINUSHI Business uses long-term business-use land lease contracts with tenants in order to generate a stable cash flow for many years.
- This simple business model requires landowners to do nothing more than receive lease payments and pay property and urban planning taxes.
- Landowners do not own buildings and are therefore shielded from the majority of risk factors involving real estate investments.

### Three Strengths of the JINUSHI Business



- 1 No need for additional investment**  
Since tenants pay for construction and ownership of buildings, there is no need for additional investment such as maintenance, repair, renovation, etc.
- 2 Stable long-term income is expected**  
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.
- 3 Asset value is unlikely to decline**  
At the end of the land lease, the site is returned as a vacant lot. This characteristic of the JINUSHI Business makes it unlikely that the asset value of the land will decline.

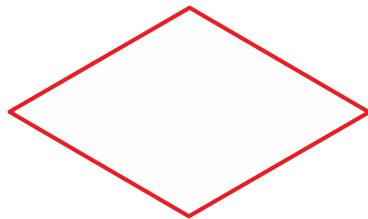
# The JINUSHI Business (2) Three Steps

—A simple and innovative business-use land lease business model for buying and leasing land and selling leased land

## 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

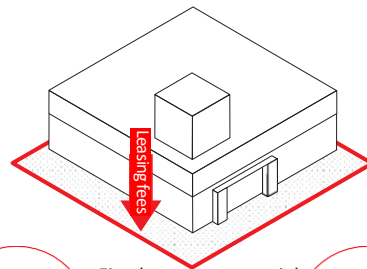
**POINT** Land evaluation skill

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.

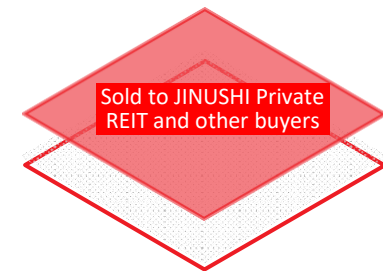
|   | Types of land lease rights  | Duration                                  |          |
|---|---|---|----------|
| Land lease rights   | Land lease rights of old Act on Land Leases and general land lease rights (Article 3) | More than 30 years                        | Building |
|   | Fixed-term land lease rights (Article 22)   | More than 50 years                        |          |
| Fixed-term land lease rights, etc.                              | 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

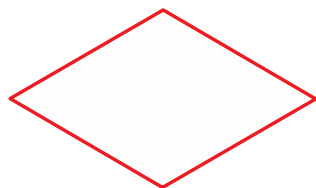
**POINT** Key features of JINUSHI REIT

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.

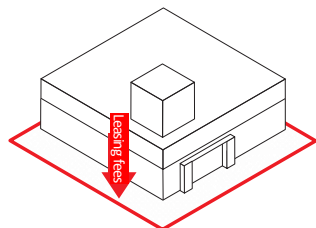
# The JINUSHI Business (3) Expertise No Competitor Can Match/About 20 Years of Accomplishments

—The JINUSHI Business is backed by knowledge derived from about 20 years of experience and accomplishments.

## STEP 1 Purchase land



## STEP 2 Lease land



## STEP 3 Sell the land being leased



### Exclusive JINUSHI expertise

Sites where demand is strong

Investments at locations that can be converted to new uses in the future

- Expertise for selecting land that can be used for different uses in the future based on outlooks for the population, local market, highway access and other characteristics

Reduction of acquisition risk

Purchase of land after tenants are located

- As a rule, land is purchased only after tenants are located in order to minimize risk.

A framework for long-term, stable cash flows

A real estate financial product that produces stable cash flows for about six months

- Contract includes rental income after the tenant starts construction (or beginning on a predetermined date)

Long-term contract with no cancelation for a designated period

- Contracts are for 20 to 30 years.
- As a rule, tenants are not allowed to cancel the lease for at least the first 10 years in order to reduce risk associated with cancelations before the lease ends.

As a rule, the lease payment cannot be changed in order to ensure cash flow stability

- As a rule, tenants are not allowed to ask for a revision of the lease payment during the entire contract period. \*1

Tenants are responsible for all expenses concerning the site; no additional investments needed by the owner

- The contracts stipulate that tenants are responsible for management of the site.
- Owners do not own the building and there is no need for additional investments for maintenance, remodeling or other improvements.

Tenants pay for constructing and removing buildings

- When the lease ends, tenants are required to return the site to its original vacant condition. The tenant, which is the owner of the building, pays for removal of the building and other associated activities.

### About 20 Years of Experience

JINUSHI Business Development Operations \*2

279 projects

About ¥394 billion

Tenant departures before maturity\*3

0

Reductions of lease payments\*3

Only 1

(Temporary reduction due to the pandemic)

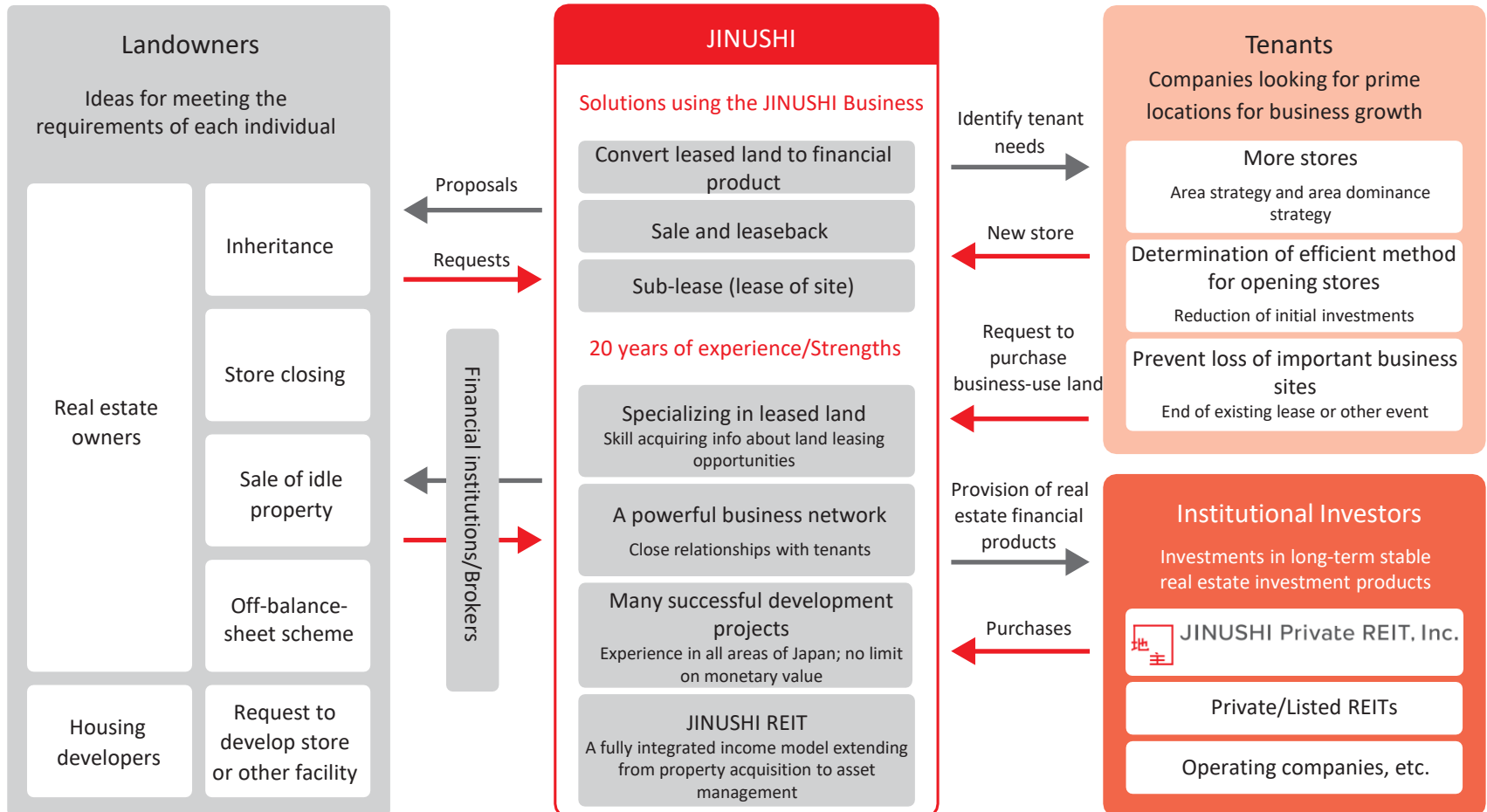
\*1 Tenants can ask JINUSHI to consider a lease payment revision when a significant change in the economy or some other event causes the lease payment to differ significantly from a reasonable level.

\*2 Based on monetary value as of September 30, 2022

\*3 As of September 30, 2022

## The JINUSHI Business (4) The Roles of the JINUSHI Business

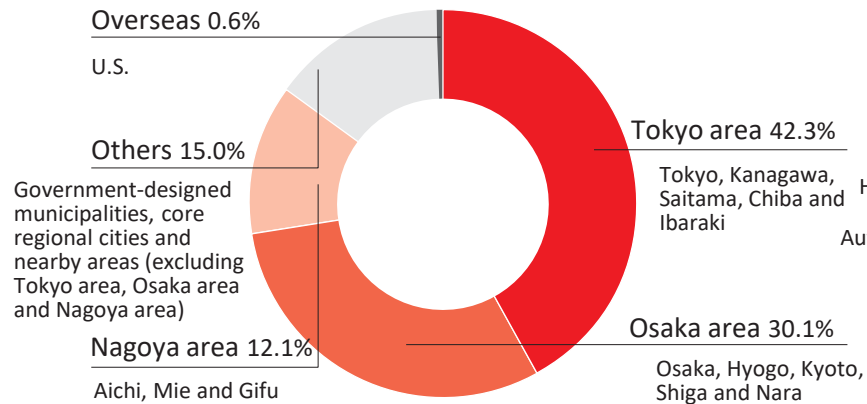
- The JINUSHI Business brings together three participants: landowners, tenants who use land, and institutional investors who require a financial product with stability.
- JINUSHI is a leading member of the leased land market as a producer of real estate financial products structured to generate long-term stable cash flows.



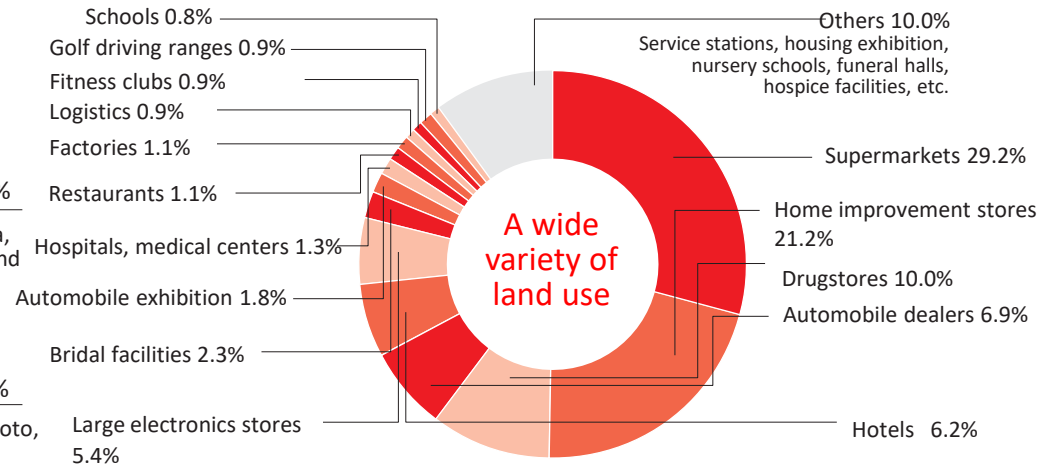
## Achievement in the JINUSHI Business

- The JINUSHI Business operates in all areas of Japan, primarily the three major metropolitan areas. A broad range of tenants in many industries use the JINUSHI Business, primarily supermarkets, home improvement stores and other businesses involving consumer products purchased on a regular basis.

### Diversification of Areas



### Diversification of Use

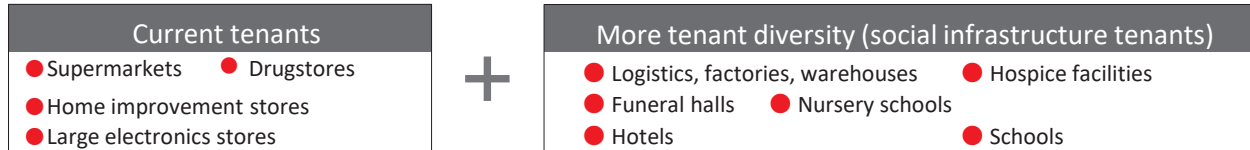


Cumulative JINUSHI Business developments are about **279** properties and about **¥394 billion\***

\* Based on monetary value as of September 30, 2022

## Achievement in the JINUSHI Business (Major Tenants)

- Most tenants are stores and other businesses that people use frequently and activities continue for attracting new categories of tenants for the growth of the JINUSHI Business.



### Supermarkets



LIFE Shukugawa store/Nishinomiya, Hyogo/2,816㎡

### Large electronics stores



K's Denki Adachi Hitotsuya store/Adachi-ku, Tokyo/4,875㎡

### Drugstores



Sugi pharmacy Nakaotai store/Nishi-ku, Nagoya/3,145㎡

### School/Nursery schools



Kobe Gakuin University, Port Island 2<sup>nd</sup> Campus/25,202㎡

### Home improvement stores



KOHNAN PRO Adachi Takenotsuka store/Adachi-ku, Tokyo/3,142㎡

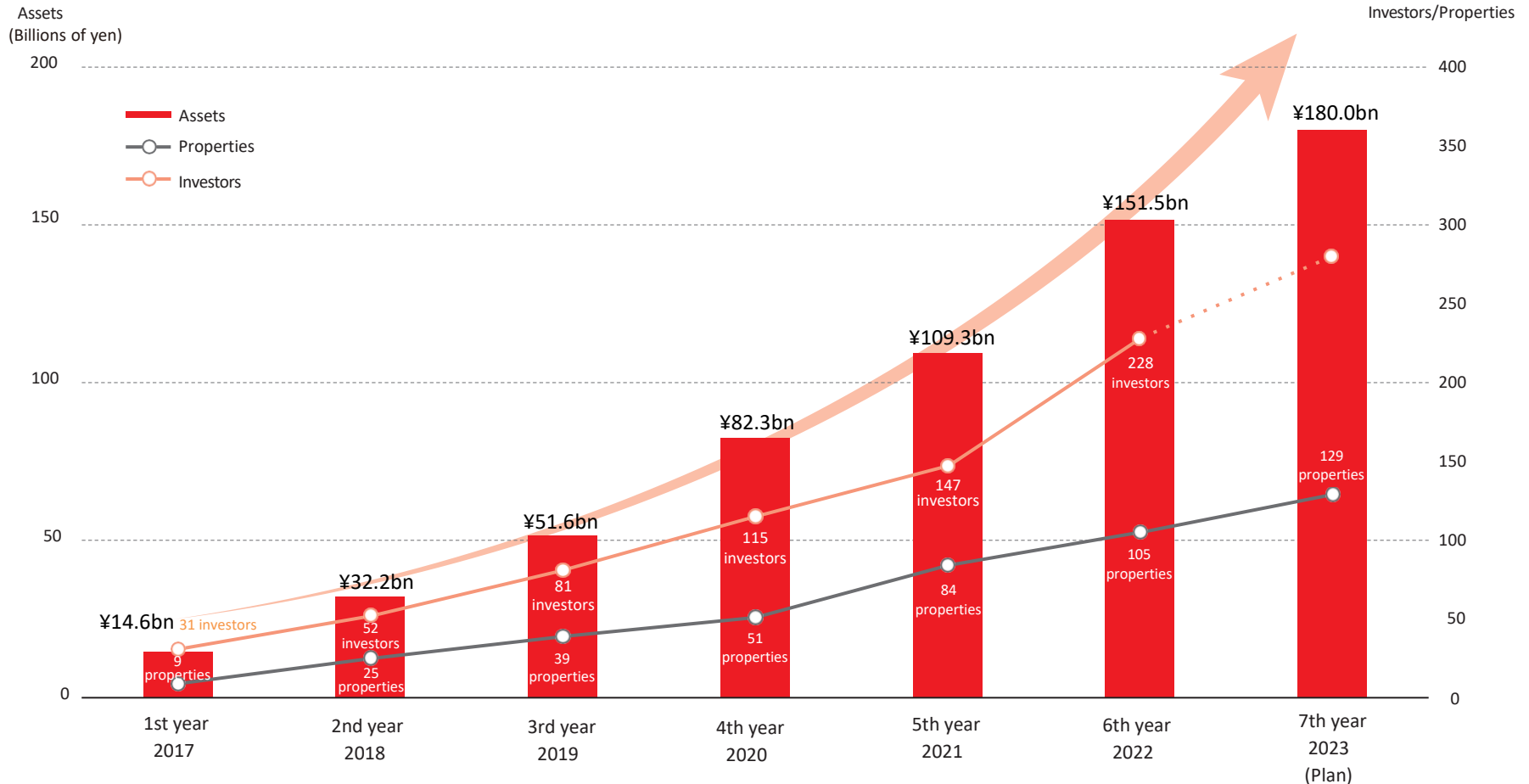
### Funeral halls



TEAR Koshigaya/ Koshigaya, Saitama/1,059㎡

## Asset Growth of JINUSHI Private REIT (Private REIT for Leased Land)

- A private REIT that is largely shielded from capital market volatility risk and that is an excellent match with the JINUSHI Business, which is structured for long-term stability
- Increased capital every year due to sponsor pipeline support and consistently strong demand for real estate investments



\*1 All numbers are as of immediately after each capital increase (assets are based in appraisal values when properties were purchased)

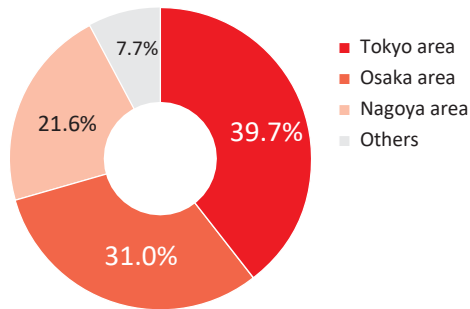
\*2 Numbers for 2023, which are after the seventh capital increase, are for only assets and the number of investors.

# The JINUSHI Private REIT (Private REIT for Leased Land) Portfolio (June 30, 2022)

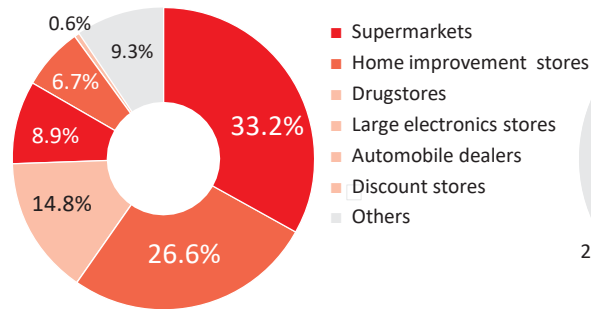
—A balanced portfolio of primarily properties in Japan’s three major metropolitan areas. Tenants operating businesses frequently used by consumers\*1 are about 90% of assets and all properties have long-term leases.

## Portfolio Diversity\*2

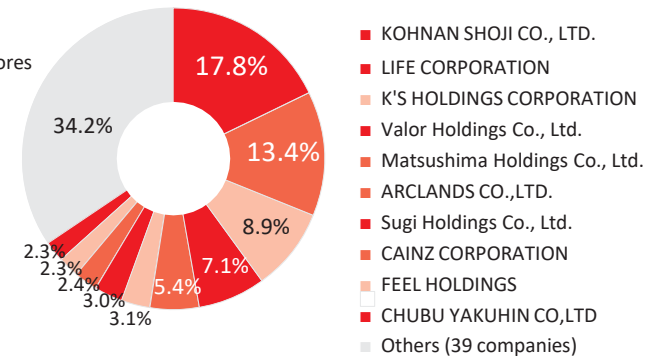
Geographic Diversity (Acquisition prices)



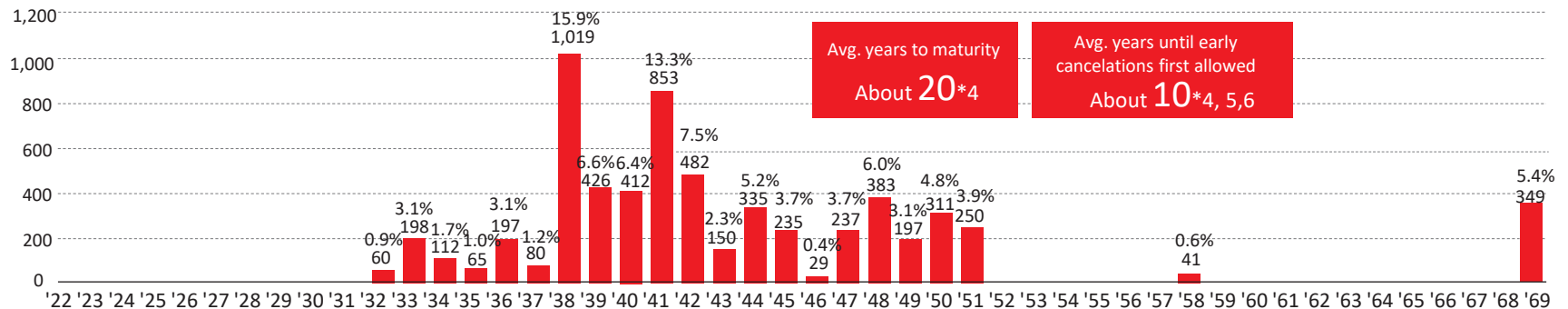
Application Diversity (Lease income)



Tenant Diversity (Lease income)



## Diversity of Lease Maturities (Annual lease payments)\*3



\*1. Businesses frequently used by consumers: Supermarkets, home improvement stores, drug stores, appliance/consumer electronics stores, automobile dealers, discount stores

\*2. As of June 30, 2022

\*3. Percentages at the top of the bar graphs are the pct. of total portfolio lease income. This income reflects revisions to lease payments for 2022 property tax revisions at properties with lease payments that vary with the amount of property tax.

\*4. As of June 30, 2022 (rounded to the first decimal place)

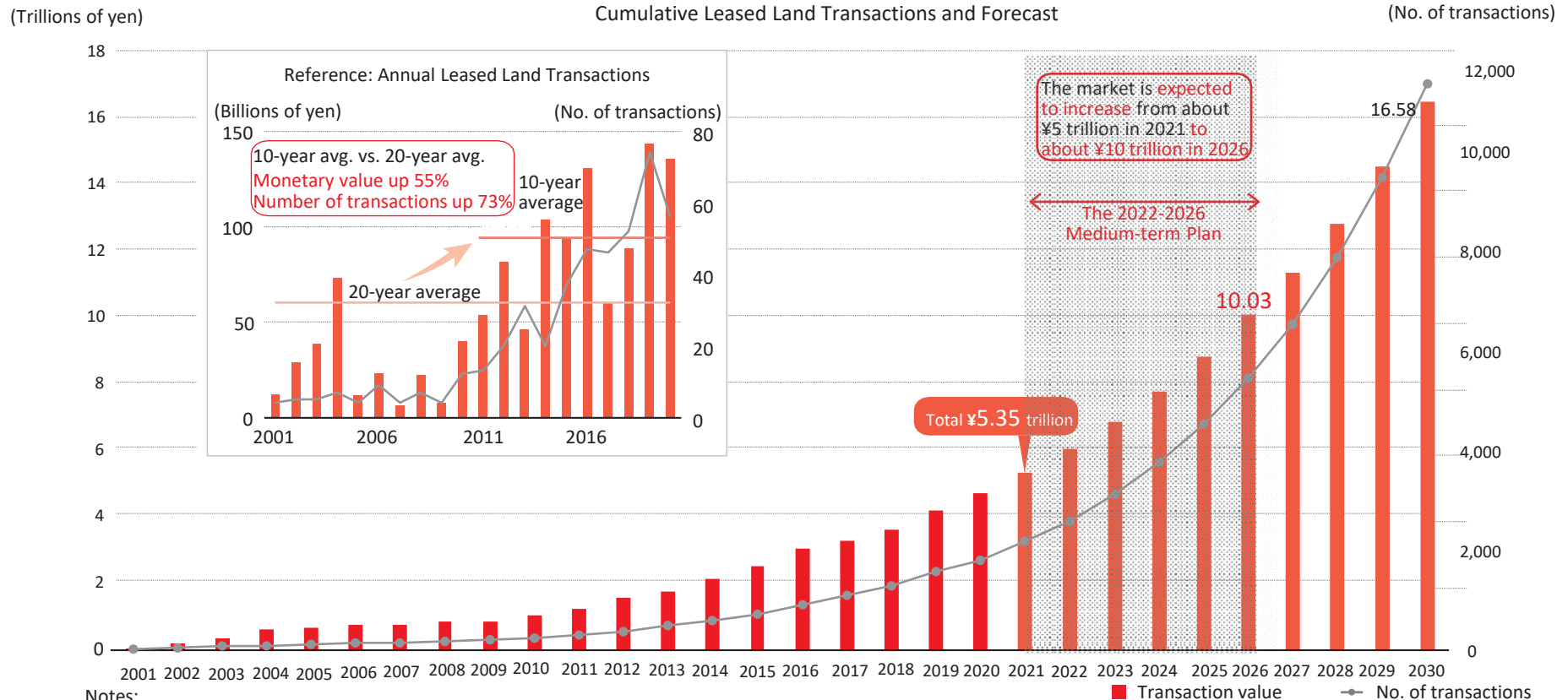
\*5. At properties where early lease termination is possible upon payment of 50% of lease payments for the remaining contract period, half of the contract period is used as the early termination prohibition period.

\*6. At properties where early lease termination is possible upon payment of 100% of lease payments for the remaining contract period, the entire contract period is used as the early termination prohibition period.



# Leased Land Market Growth Forecast (Japan Real Estate Institute survey)

- Liquidity of the market is increasing as more institutional investors recognize the ability of leased land investments to generate stable income for many years with resilience to natural disasters and market volatility.
- According to a survey by the Japan Real Estate Institute, the land market will expand significantly from the current ¥5 trillion market to about ¥10 trillion market in five years



**Notes:**

The figures in these graphs were calculated by the Japan Real Estate Institute using the following assumptions. These projections are not guarantees concerning the future growth of the leased land market in Japan.

**Assumptions**

- (1) Cumulative leased land transaction value is calculated by using publicly announced transactions between 2001 and 2020.
- (2) The forecast starting in 2021 for the growth in the value of leased land transactions assumes that growth will continue at the same pace as the average annual rate of growth between 2016 and 2020 (13.4% for monetary value and 20.3% for the number of transactions).
- (3) The calculation of the volume of the leased land market uses property price index and other data of the Ministry of Land, Infrastructure, Transport and Tourism, conservative assumptions for the percentage of publicly announced transactions that are for leased land, and the forecast for monetary transaction volume including transactions that are not made public.

## Medium-term Management Plan 2022-2026 (Announced on February 14, 2022)

—JINUSHI announced its first medium-term plan in February 2022 and is aiming for growth accompanied by the efficient use of capital and financial soundness.

|                                     | FY12/21 Results                     |   | FY12/26 Plan               |
|-------------------------------------|-------------------------------------|---|----------------------------|
| Net sales                           | ¥56.1 <sub>bn</sub>                 | > | ¥100 <sub>bn</sub>         |
| Net Profit                          | ¥3.1 <sub>bn</sub>                  | > | ¥7 <sub>bn</sub>           |
| JINUSHI REIT* <sub>1</sub><br>asset | ¥151.5 <sub>bn</sub> * <sub>2</sub> | > | Approx. ¥300 <sub>bn</sub> |

### Performance Targets

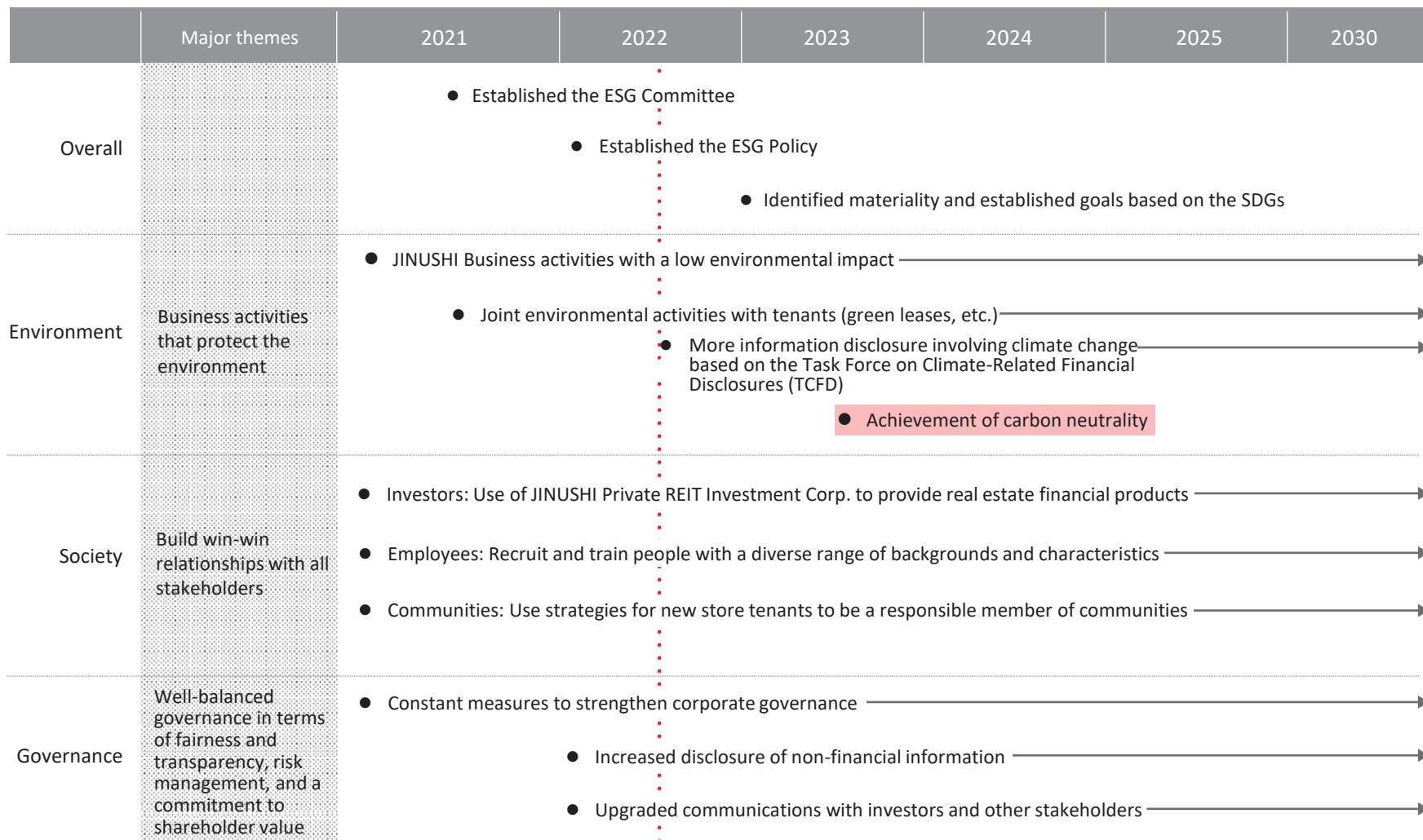
|     |                          |              |                          |
|-----|--------------------------|--------------|--------------------------|
| ROE | Approx. 13%              | Equity ratio | 30% or more              |
|     | (FY12/21 Results: 11.9%) |              | (FY12/21 Results: 32.2%) |

\*1 JINUSHI Private REIT Investment Corporation is operated by JINUSHI Asset Management Co., Ltd., a wholly owned subsidiary of the Company.

\*2 Results for 2021 include properties acquired (appraised values when purchased) using funds procured in January 2022 by the sixth offering of investment units.

# ESG Roadmap

- JINUSHI understands that constant activities involving risk and opportunity concerning the environment, society and governance will be essential for the long-term growth of shareholder value.
- JINUSHI announced an ESG roadmap when the medium-term plan was announced in February 2022. The goal is to use the JINUSHI Business to play a role in the creation of a sustainable society.



## ESG Roadmap (Environmentally Responses)

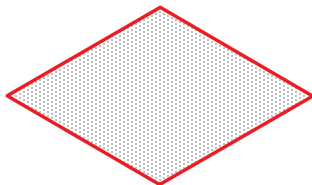
- The JINUSHI Business, which invests only in land, is a business model with almost no greenhouse gas emissions, industrial waste or other harmful effects on the environment.
- JINUSHI aims to become carbon neutral in 2023 and is working with tenants for more reductions of CO2 emissions.

### Carbon neutrality at JINUSHI

The JINUSHI Business is a real estate investment scheme offered only by JINUSHI that allows investing only in land with no need to own buildings. This real estate business model is resistant to natural disasters and has almost no greenhouse gas emissions, industrial waste or other harmful effects on the environment.



JINUSHI  
ビジネス



Aiming for carbon  
neutrality by the end of  
2023

AS a landowner, JINUSHI owns only land.



### Working with tenants for more reductions of CO2 emissions

JINUSHI has established the following model ESG clause for inclusion in business-use land lease contracts for the use greenery and energy conservation measures.

#### ESG Terms for Lease Contracts

Based on discussions by JINUSHI and the tenant concerning the ESG concept and a joint commitment to ESG, the tenant agrees to use at the site and building solar power, an electric car charging system, greenery, and other environmental facilities and measures as much as possible without disrupting the operation of the business on the site.



## 10-Year Financial Data

|  |  | FY3/13 | FY3/14 | FY3/15 | FY3/16 | FY3/17 | FY3/18 | FY3/19 | FY3/20 | FY12/20<br>(9-month fiscal period) | FY12/21 |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|------------------------------------|---------|
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|------------------------------------|---------|

### Statement of Income

| Net sales                 | Millions of yen | 6,572 | 10,828 | 16,252 | 17,378 | 26,614 | 31,260 | 39,834 | 74,187 | 29,886 | 56,177 |
|---------------------------|-----------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross profit              |                 | 1,203 | 2,272  | 4,653  | 7,427  | 7,710  | 6,858  | 8,172  | 9,100  | 5,019  | 9,263  |
| of which one-time income  |                 | -     | -      | -      | -      | -      | -      | 7,060  | 7,032  | 3,874  | 7,753  |
| of which recurring income |                 | -     | -      | -      | -      | -      | -      | 1,111  | 2,068  | 1,144  | 1,509  |
| Operating profit          |                 | 530   | 1,440  | 3,547  | 5,955  | 4,843  | 3,684  | 4,446  | 5,244  | 2,420  | 5,475  |
| Ordinary profit           |                 | 462   | 973    | 2,987  | 5,626  | 5,181  | 3,044  | 4,327  | 4,599  | 2,157  | 5,002  |
| Net Profit                |                 | 317   | 666    | 1,863  | 3,605  | 6,437  | 1,958  | 2,684  | 3,177  | 1,644  | 3,124  |
| Net profit on net sales   |                 | %     | 4.8    | 6.2    | 11.5   | 20.7   | 24.2   | 6.3    | 6.7    | 4.3    | 5.5    |

### Balance Sheets

| Total assets                           | Millions of yen | 6,705 | 20,489 | 24,104 | 38,690 | 56,792 | 67,254 | 99,597 | 75,054 | 71,220 | 86,337 |
|--|-----------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| of which real estate for sale          |                 | 3,593 | 16,682 | 12,640 | 22,610 | 31,639 | 41,049 | 69,516 | 43,493 | 38,387 | 41,995 |
| of which property, plant and equipment |                 | 99    | 76     | 59     | 135    | 231    | 187    | 455    | 522    | 3,436  | 17,488 |
| Total liabilities                      |                 | 5,187 | 18,256 | 15,593 | 26,989 | 36,914 | 46,950 | 77,985 | 51,184 | 46,379 | 58,555 |
| of which interest-bearing debt         |                 | 4,197 | 16,834 | 13,529 | 23,464 | 33,265 | 41,063 | 73,762 | 46,564 | 43,300 | 49,812 |
| Net assets                             |                 | 1,518 | 2,232  | 8,510  | 11,700 | 19,878 | 20,304 | 21,611 | 23,870 | 24,841 | 27,781 |
| of which shareholders' equity          |                 | 1,465 | 2,166  | 8,405  | 11,626 | 17,493 | 20,278 | 21,591 | 23,870 | 24,841 | 27,781 |

### Shareholder Returns

| Dividend per share*1  | Yen | 5.8  | 11.6 | 30.0 | 45.0 | 55.0 | 55.0 | 55.0 | 55.0 | 25.0 | 50.0 |
|-----------------------|-----|------|------|------|------|------|------|------|------|------|------|
| Dividend payout ratio | %   | 24.5 | 24.3 | 23.8 | 21.5 | 15.0 | 50.2 | 36.8 | 31.5 | 27.8 | 29.3 |

### Indicators

| EPS*1                       | Yen   | 23.86 | 48.05 | 125.91 | 209.09 | 366.84 | 109.61 | 149.30 | 174.59 | 89.94 | 170.90 |
|-----------------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|-------|--------|
| Equity ratio                | %     | 21.9  | 10.6  | 34.9   | 30.1   | 30.8   | 30.2   | 21.7   | 31.8   | 34.9  | 32.2   |
| ROE*2                       |       | 23.9  | 36.7  | 35.3   | 36.0   | 44.2   | 10.4   | 12.8   | 14.0   | 6.8   | 11.9   |
| Net D/E ratio*3             | Times | 1.25  | 6.17  | 0.37   | 0.97   | 0.98   | 1.31   | 2.54   | 1.04   | 0.90  | 1.17   |
| DCR (Debt Coverage Ratio)*4 | %     | 174.2 | 534.2 | 125.6  | 157.8  | 201.9  | 239.7  | 354.1  | 205.4  | 175.8 | 141.0  |

\*1. FY3/13 and FY3/14 figures are after stock splits \*2. ROE is net income divided by average equity during the fiscal year

\*3. The net debt-equity ratio is debt minus cash and deposits divided by net assets

\*4. The debt coverage ratio is debt divided by the sum of cash and deposits, investment securities and property, plant and equipment



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