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May 12, 2023

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2023 (Three Months Ended March 31, 2023)

[Japanese GAAP]

Company name: JINUSHI Co., Ltd. Listing: TSE/NSE  
 Securities code: 3252 URL: <https://www.jinushi-jp.com/en/>  
 Representative: Hirofumi Nishira, Representative Director and President  
 Contact: Yuya Kitagawa, General Manager of Finance and Accounting Divisions Tel: +81-(0)3-6895-0070  
 Scheduled date of filing of Quarterly Securities Report: May 15, 2023  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes (English translation will be available shortly)  
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 31, 2023	8,130	(58.6)	914	(72.2)	879	(72.8)	1,350	(35.3)
Three months ended Mar. 31, 2022	19,661	(6.2)	3,290	42.5	3,236	36.8	2,086	20.7

Note: Comprehensive income (million yen) Three months ended Mar. 31, 2023: 1,349 (down 46.8%)  
 Three months ended Mar. 31, 2022: 2,538 (up 26.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2023	73.86	-
Three months ended Mar. 31, 2022	114.13	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2023	77,082	31,259	40.5
As of Dec. 31, 2022	72,153	30,960	42.8

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 31,225 As of Dec. 31, 2022: 30,905

### 2. Cash dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec. 31, 2022	-	0.00	-	55.00	55.00
Fiscal year ending Dec. 31, 2023	-	-	-	-	-
Fiscal year ending Dec. 31, 2023 (forecasts)	-	0.00	-	55.00	55.00

Note: Revisions to the most recently announced dividend forecast: None

### 3. Consolidated Forecast for the Fiscal Year Ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	42,000	(15.8)	6,300	(1.7)	5,500	(7.5)	4,200	15.3	229.69

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Newly added: – Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury shares)

As of Mar. 31, 2023:	18,285,800 shares	As of Dec. 31, 2022:	18,285,800 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2023:	141 shares	As of Dec. 31 2022:	141 shares
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3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended Mar. 31, 2023:	18,285,659 shares	Three months ended Mar. 31, 2022:	18,285,659 shares
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\* The current quarterly financial report is not subject to quarterly review by an auditing firm.

\* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Earnings forecasts regarding future performance in this material are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of Attachments for assumptions for forecasts and notes of caution for usage.

How to view supplementary materials for quarterly financial results

Supplementary materials to be distributed at the event will be available on the Company’s website\*.

\* <https://www.jinushi-jp.com/en/ir.html/> (IR Information, News Release)

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Company has adopted the management philosophy, “Through our JINUSHI Business <sup>note</sup>, we create safe real estate financial products and fulfill our part in protecting the assets of people throughout the world.” In the first quarter of the fiscal year ending December 31, 2023 (hereinafter, “the period under review”), we continued to promote purchases and sales of real estate for sale under the basic strategy of JINUSHI Business, which is resilient to natural disasters and market volatility and able to generate stable profits over the long term because landowners do not own the building.

JINUSHI owns non-current assets (land) in the long-term leasing business. In response to the strong desire of a tenant with fixed-term land lease rights and in order to maintain a good relationship with this tenant, land was sold in the first quarter to a third party designated by the tenant. As a result, there was extraordinary income of 1,207 million yen due to the gain on the sale of non-current assets.

The Company reported net sales for the period under review of 8,130 million yen (down 58.6% year-on-year), operating profit of 914 million yen (down 72.2% year-on-year), ordinary profit of 879 million yen (down 72.8% year-on-year), and profit attributable to owners of parent of 1,350 million yen (down 35.3% year-on-year). Although sales and profit were lower than one year earlier, first quarter performance was generally consistent with the 2023 forecast for profit attributable to owners of parent of 4,200 million yen.

Activities are continuing with the goals of accomplishing the targets of the medium-term plan, which began in 2022 and ends in 2026, and the ESG roadmap in accordance with the ESG Policy.

Note: 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.

JINUSHI aims to be a major landowner in Japan as JINUSHI Private REIT Investment Corporation (JINUSHI REIT) grows. JINUSHI REIT has achieved capital increase for seven consecutive years since the start of its operation, with the size of assets under management as of January 2023 amounting to approximately 180 billion yen. The Company has entered into the Sponsor Support Agreement with JINUSHI Asset Management Co., Ltd. and JINUSHI REIT, and will continue to strengthen support for JINUSHI REIT as a sponsor, focusing on the sale of real estate financial products through JINUSHI Business.

Results by business segment were as follows:

- i) Real Estate Investment Business  
The segment reported net sales of 7,580 million yen (down 60.1% year-on-year) with segment profit of 1,544 million yen (down 58.9% year-on-year).
- ii) Subleasing, Leasing and Fund Fee Business  
The segment reported net sales of 540 million yen (down 15.9% year-on-year) with segment profit of 448 million yen (down 20.6% year-on-year).
- iii) Planning and Brokerage Business  
The segment reported net sales of 9 million yen (down 35.5% year-on-year) with segment profit of 9 million yen (down 35.5% year-on-year).

### (2) Explanation of Financial Position

#### Assets, Liabilities and Net Assets

Total assets increased 4,929 million yen from the end of the previous fiscal year to 77,082 million yen at the end of the period under review. This increase was attributable mainly to increases in real estate for sale (up 7,371 million yen) and cash and deposits (up 311 million yen), while non-current assets (land) (down 2,872 million yen) decreased.

Total liabilities increased 4,629 million yen from the end of the previous fiscal year to 45,822 million yen. This increase was attributable mainly to increases in long-term borrowings (up 4,657 million yen), current portion of guarantee deposits received (up 417 million yen) and income taxes payable (up 391 million yen), while current portion of long-term borrowings (down 1,223 million yen) decreased.

Net assets increased 299 million yen from the end of the previous fiscal year to 31,259 million yen. This increase was attributable mainly to the recording of profit attributable to owners of parent of 1,350 million yen and the distribution of dividends of surplus of 1,005 million yen.

Consequently, the equity ratio at the end of the period under review was 40.5%.

### **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

There is no change from the consolidated forecast announced on February 14, 2023.

For more details, please refer to “Results of Operations for the First Three Months of the Fiscal Year Ending December 31, 2023” (to be available on our website\* shortly).

\* <https://www.jinushi-jp.com/en/ir.html/> (IR Information, News Release)

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY12/22 (As of Dec. 31, 2022)	First quarter of FY12/23 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	23,140	23,451
Operating accounts receivable	273	168
Real estate for sale	28,192	35,563
Advance payments to suppliers	333	505
Prepaid expenses	131	224
Other	780	738
Total current assets	52,850	60,651
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	562	556
Vehicles, tools, furniture and fixtures, net	84	79
Land	16,066	13,193
Leased assets, net	89	94
Total property, plant and equipment	16,803	13,924
Intangible assets		
Other	116	109
Total intangible assets	116	109
Investments and other assets		
Investment securities	319	307
Shares of subsidiaries and associates	24	-
Investments in capital	973	1,075
Leasehold and guarantee deposits	755	725
Long-term prepaid expenses	102	140
Other	294	237
Allowance for doubtful accounts	(88)	(88)
Total investments and other assets	2,382	2,397
Total non-current assets	19,302	16,431
Total assets	72,153	77,082

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	First quarter of FY12/23 (As of Mar. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	103	98
Current portion of long-term borrowings	1,843	620
Accounts payable-other	707	409
Income taxes payable	232	623
Accrued consumption taxes	58	40
Advances received	-	108
Current portion of guarantee deposits received	1,189	1,607
Other	446	553
<b>Total current liabilities</b>	<b>4,583</b>	<b>4,062</b>
<b>Non-current liabilities</b>		
Long-term borrowings	35,222	39,880
Long-term leasehold and guarantee deposits received	765	760
Provision for execution of assumption of debt	110	110
Provision for loss on liquidation of subsidiaries and associates	-	420
Other	512	589
<b>Total non-current liabilities</b>	<b>36,610</b>	<b>41,760</b>
<b>Total liabilities</b>	<b>41,193</b>	<b>45,822</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,048	3,048
Capital surplus	4,657	4,657
Retained earnings	23,030	23,374
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>30,736</b>	<b>31,081</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(22)	(34)
Foreign currency translation adjustment	191	179
<b>Total accumulated other comprehensive income</b>	<b>169</b>	<b>144</b>
<b>Non-controlling interests</b>	<b>54</b>	<b>33</b>
<b>Total net assets</b>	<b>30,960</b>	<b>31,259</b>
<b>Total liabilities and net assets</b>	<b>72,153</b>	<b>77,082</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Three-month Period)**

	(Millions of yen)	
	First three months of FY12/22 (Jan. 1, 2022 – Mar. 31, 2022)	First three months of FY12/23 (Jan. 1, 2023 – Mar. 31, 2023)
Net sales	19,661	8,130
Cost of sales	15,121	6,117
Gross profit	4,540	2,012
Selling, general and administrative expenses	1,249	1,098
Operating profit	3,290	914
Non-operating income		
Interest income	0	2
Share of profit of entities accounted for using equity method	170	40
Outsourcing service income	32	-
Foreign exchange gains	-	28
Other	1	4
Total non-operating income	204	75
Non-operating expenses		
Interest expenses	126	74
Financing expenses	126	32
Foreign exchange losses	3	-
Other	1	4
Total non-operating expenses	258	111
Ordinary profit	3,236	879
Extraordinary income		
Gain on sale of non-current assets	-	1,207
Total extraordinary income	-	1,207
Extraordinary losses		
Impairment loss of goodwill	140	-
Total extraordinary losses	140	-
Profit before distributions of profit or loss on silent partnerships and income taxes	3,096	2,086
Distributions of profit or loss on silent partnerships	0	-
Profit before income taxes	3,095	2,086
Income taxes-current	1,648	581
Income taxes-deferred	(639)	130
Total income taxes	1,008	712
Profit	2,087	1,374
Profit attributable to non-controlling interests	0	23
Profit attributable to owners of parent	2,086	1,350



**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Three-month Period)**

	(Millions of yen)	
	First three months of FY12/22 (Jan. 1, 2022 – Mar. 31, 2022)	First three months of FY12/23 (Jan. 1, 2023 – Mar. 31, 2023)
Profit	2,087	1,374
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(12)
Foreign currency translation adjustment	429	(12)
Total other comprehensive income	450	(24)
Comprehensive income	2,538	1,349
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,537	1,325
Comprehensive income attributable to non-controlling interests	0	23

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information**

I First three months of FY12/22 (Jan. 1, 2022– Mar. 31, 2022)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Adjustment (Note 2)	Amount shown on the quarterly consolidated statement of income (Note 3)
	Real Estate Investment Business	Subleasing, Leasing and Fund Fee Business	Planning and Brokerage Business	Total			
Net sales							
(1) Sales to external customers	19,004	641	14	19,661	–	–	19,661
(2) Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	19,004	641	14	19,661	–	–	19,661
Segment profit (loss)	3,763	564	14	4,342	–	(1,052)	3,290

- Notes: 1. The “Other” segment represents businesses not included in any reportable segments and includes the overseas PFI business.  
 2. The adjustment to segment profit (loss) includes corporate expenses that mainly consist of selling, general and administrative expenses that cannot be attributed to any reportable segments.  
 3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses on fixed assets

In the “real estate investment business” segment, a goodwill impairment loss of 140 million yen was recorded.

Significant changes in the amount of goodwill

In the “real estate investment business” segment, the amount of goodwill decreased due to an impairment loss.

II First three months of FY12/23 (Jan. 1, 2023 – Mar. 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Adjustment (Note 2)	Amount shown on the quarterly consolidated statement of income (Note 3)
	Real Estate Investment Business	Subleasing, Leasing and Fund Fee Business	Planning and Brokerage Business	Total			
Net sales							
(1) Sales to external customers	7,580	540	9	8,130	–	–	8,130
(2) Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	7,580	540	9	8,130	–	–	8,130
Segment profit (loss)	1,544	448	9	2,003	–	(1,088)	914

- Notes: 1. The “Other” segment represents businesses not included in any reportable segments and includes the overseas PFI business.  
 2. The adjustment to segment profit (loss) includes corporate expenses that mainly consist of selling, general and administrative expenses that cannot be attributed to any reportable segments.  
 3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Matters related to changes in reportable segments, etc.

Not applicable.

**Subsequent Events**

Not applicable.