

Results of Operations  
for the First Half of the Fiscal Year  
Ending December 31, 2023

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August 10, 2023



JINUSHI  
BUSINESS

JINUSHI Co., Ltd.

地主株式会社

Securities code: 3252 (TSE/NSE)  
<https://www.jinushi-jp.com/en/>

# Our company business is JINUSHI.

Aiming to be a major landowner in Japan as JINUSHI REIT grows

Since our founding in 2000, JINUSHI (previously Nippon Commercial Development) has been engaged in JINUSHI BUSINESS, which invests only in land by utilizing fixed-term land lease rights.

JINUSHI (landowner) purchases land and then leases the land. We do not construct or own buildings.

We provide the leased land to investors as a real estate financial product that can be expected to generate long-term stable profits.

This business has significant future potential.

The word JINUSHI represents the start of an era with new meaning and value.

We look forward to your continued support of JINUSHI Co., Ltd. in the future.



Company name:	JINUSHI Co., Ltd.
Head office:	Shin Marunouchi building, 13th Floor 1-5-1 Marunouchi, Chiyoda-ku, Tokyo
Established:	April 7, 2000
Capital:	¥3,048 million (as of the end of December 2022)
Organization form:	The Company with an Audit and Supervisory Committee (Company with Nomination and Remuneration Committee)
Listing:	TSE Prime, NSE Premier markets (Securities code: 3252)

Representative:	Hirofumi Nishira, Representative Director and President
Number of Directors:	6 (of which, 4 Independent Outside Directors (Audit and Supervisory Committee members))
Number of employees (consolidated):	99 (As of August 2023)

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1. FY12/23 2Q  
Summary of Consolidated Financial Results

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### (1) FY12/23 2Q Consolidated Financial Results

- Sales were ¥10,373 million (down 61.7% YoY), operating profit was ¥693 million (down 81.5% YoY), and profit attributable to owners of parent ¥1,193 million (down 53.6% YoY). Although sales and earnings were down, performance was in line with the forecast for FY12/23 because the majority of property sales are expected in the third quarter. **Contracts have already been signed for about 95% of all properties that are expected to be sold during FY12/23.**
- Purchase agreements signed for 45 properties at a total cost of ¥34,600 million, which are increases of 32 properties and ¥25,700 million compared with the first half of FY12/22. A big increase in real estate for sale of ¥19,347 million from the end of FY12/22 to ¥47,540 million at the end of the second quarter. **The goal is a record-high number of purchase agreements in FY12/23.**

### (2) Revisions to FY12/23 Consolidated Forecast

- The timing of the sale of some properties was changed to FY12/24 because of the outlook reaching the earnings goal for FY12/23. The FY12/23 sales forecast has been lowered but **the net profit forecast has been raised by ¥200 million to ¥4,400 million.**

### (3) Shareholder Returns

- There is no change in the dividend forecast announced on February 14, 2023. **JINUSHI plans to pay a FY12/23 dividend of ¥55 per share, the same as for FY12/22.**
- Due to the intention of Tetsuya Matsuoka (Director and Founder) to sell part of his holding of JINUSHI shares, **the decision was made to acquire treasury shares worth up to ¥3,500 million** because the acquisition of treasury shares is expected to increase corporate value.

## FY12/23 2Q Summary of Consolidated Financial Results (1) Statements of Income

- First half sales and earnings decreased but the progress is being made steadily as the timing of the sale is expected to be concentrated in the third quarter this year.
- The reputation of the JINUSHI Business\*<sup>1</sup> continues to improve and demand among investors remains very strong. The gross profit of most properties were higher than initially planned.

(Millions of yen)	FY12/22 2Q (6M) (1)	FY12/23 2Q (6M) (2)	Change (2)-(1)	Major reasons
Net sales	27,069	<b>10,373</b>	(16,696)	<ul style="list-style-type: none"> <li>• Due to a smaller number of properties sold in the Flow Business (The timing of the sale is expected to be concentrated in 3Q in FY12/23)</li> </ul>
Operating profit	3,749	<b>693</b>	(3,055)	
Non-operating income	605	<b>290</b>	(314)	
Non-operating expenses	448	<b>273</b>	(174)	
Ordinary profit	3,906	<b>711</b>	(3,195)	<ul style="list-style-type: none"> <li>• Sale of land in Chuo-ku, Osaka (a non-current asset) (recorded in 1Q)</li> </ul>
Extraordinary income	—	<b>1,207</b>	+1,207	
Extraordinary losses	197	—	(197)	
Income taxes	1,138	<b>700</b>	(437)	
Profit attributable to owners of parent	2,569	<b>1,193</b>	(1,375)	
Net income per share (Yen)	140.50	<b>65.26</b>	(75.24)	
Operating profit on net sales (%)	13.9	<b>6.7</b>	(7.2)	
Net profit on net sales (%)	9.5	<b>11.5</b>	+2.0	

\*1. 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.

## FY12/23 2Q Summary of Consolidated Financial Results (2) Balance Sheet

- Property purchases in FY12/23 are going well, resulting in a big increase of ¥19,347 million YoY in real estate for sale to ¥47,540 million at the end of the first half.
- The equity ratio, net debt/equity ratio and DCR remain within proper ranges. The equity ratio remained stable at 35.4% at the end of the first half.

(Millions of yen)	As of Dec. 31, 2022 (1)	As of Jun. 30, 2023 (2)	Change (2)-(1)
Assets	72,153	<b>88,460</b>	+16,306
of which cash and deposits	23,140	<b>23,144</b>	+4
of which real estate for sale	28,192	<b>47,540</b>	+19,347
of which property, plant and equipment	16,803	<b>13,914</b>	(2,889)
Liabilities	41,193	<b>57,044</b>	+15,851
of which borrowings	37,066	<b>51,838</b>	+14,772
Net assets	30,960	<b>31,415</b>	+455
Equity ratio (%)	42.8	<b>35.4</b>	(7.4)
Net D/E ratio (times)*1	0.45	<b>0.92</b>	+0.46
DCR (Debt Coverage Ratio)(%)*2	92.3	<b>138.9</b>	+46.6

\*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

## FY12/23 Revised Consolidated Forecast

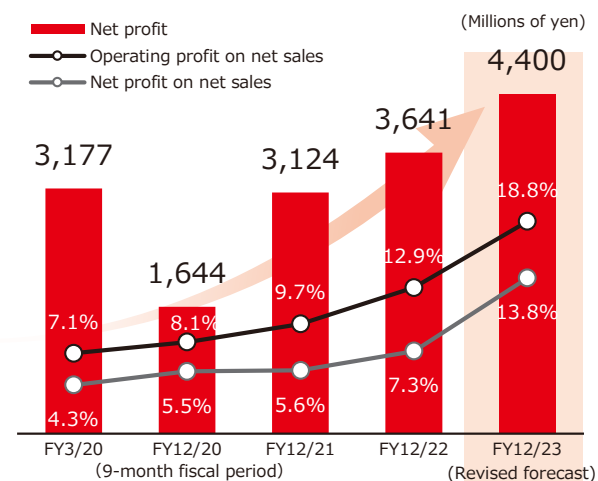
- The timing of the sale of some properties was changed to FY12/24 because of the outlook reaching the earnings goal for FY12/23.
- The FY12/23 sales forecast was lowered by ¥10,000 million to ¥32,000 million and the net profit forecast was increased by ¥200 million to ¥4,400 million.

(Millions of yen)	FY12/22 (Result) (1)	FY12/23 (Revised forecast) (2)	Change (2)-(1)	FY12/23 (Initial forecast) (3)	Change (2)-(3)
Net sales	49,887	<b>32,000</b>	(17,887)	42,000	(10,000)
Operating profit	6,411	<b>6,000</b>	(411)	6,300	(300)
Ordinary profit	5,943	<b>5,500</b>	(443)	5,500	–
Net profit	3,641	<b>4,400</b>	+758	4,200	+200
Net income per share (Yen) <sup>*1</sup>	199.16	<b>250.27</b>	+51.11	229.69	+20.58
Operating profit on net sales (%)	12.9	<b>18.8</b>	+5.9	15.0	+3.8
Net profit on net sales (%)	7.3	<b>13.8</b>	+6.5	10.0	+3.8

\*1 Net income per share in the revised FY12/23 forecast includes the effect of the acquisition of treasury shares.

### Main reasons for the forecast revision

Sales	Profit	Main factors
Increase	Increase	Higher profitability because of the even stronger reputation of the JINUSHI Business and strong demand among investors
Increase	Increase	Increasing income from real estate leasing for sale due to the growing volume of property purchases
Decrease	Decrease	Some properties that were to be sold in FY12/23 will instead be sold in FY12/24

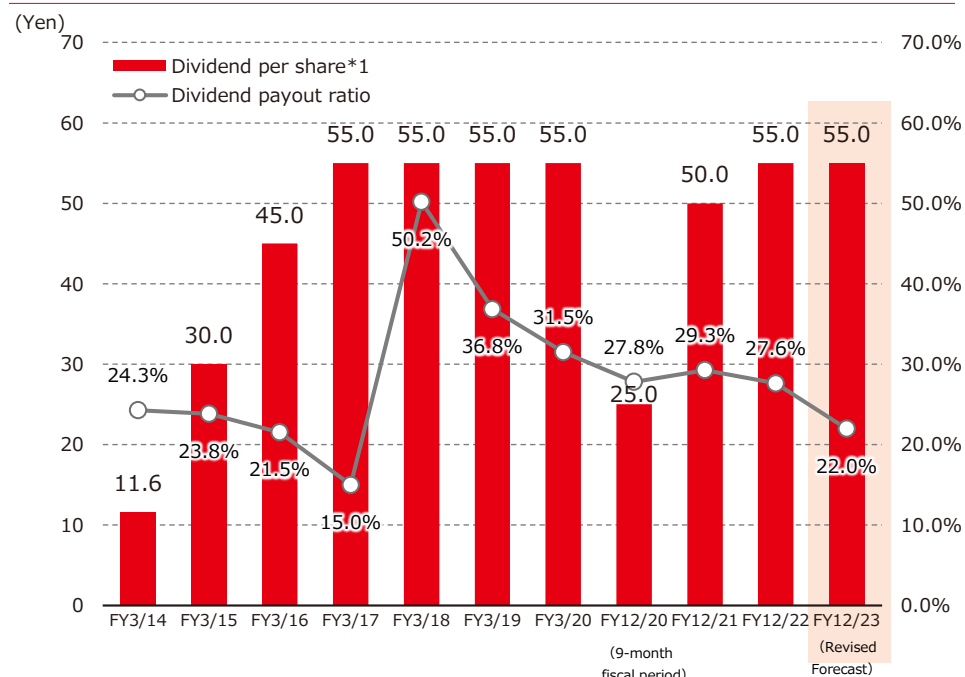




## Shareholder Returns (No change from dividend forecast announced on February 14, 2023)

- 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.
- Dividend stability will remain the basis for the FY12/23 dividend. The forecast is a dividend of 55 yen, the same as for FY12/22 by replacing last year's 5 yen commemorative dividend with a 5 yen increase in the ordinary dividend.

### Dividends



EPS(¥) <sup>*1</sup>	48.05	125.91	209.09	366.84	109.61	149.30	174.59	89.94	170.90	199.16	250.27
Dividend payout ratio <sup>*2,3</sup>	–	1.6%	2.0%	3.0%	3.2%	3.7%	4.1%	2.0%	2.9%	3.0%	–

\*1. FY3/14 dividends are after stock splits. The revised FY12/23 forecast includes the effect of the acquisition of treasury shares.

\*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	Late September
Number of shares held	300 or more but less than 700 shares		One 3,000 yen item in the Gift Catalog	One 3,000 yen item in the Gift Catalog
	700 shares or more		One 6,000 yen item in the Gift Catalog	One 6,000 yen item in the 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.

## TOPICS Decision to Acquire Treasury Shares

- Treasury shares will be acquired because of the intention of Tetsuya Matsuoka (JINUSHI Director and Founder) to sell part of his holding of JINUSHI shares.

### Details of the acquisition of treasury shares

Type of shares to be acquired	Common shares of JINUSHI
Total number of shares to be acquired	Up to 1,843,000 shares (10.1% of total shares outstanding, excluding treasury shares)
Total value of shares to be acquired	Up to 3,500 million yen
Date of acquisition	August 14, 2023
Method of acquisition	Transaction through Off-Auction Own Share Repurchase Trading System of the Tokyo Stock Exchange (ToSTNeT-3)
Announcement of result	The result of the acquisition of treasury shares is to be announced following the completion of the acquisition at 8:45AM on August 14, 2023.

### Reason for the acquisition of treasury shares

#### Assumptions

Sound financial position (As of June 30, 2023)

- Cash and deposits: 23,144 million yen
- Equity ratio: 35.4% (Medium-term plan target is 30% or more)



#### Expected effects of the acquisition of treasury shares

- Increases in EPS and ROE
- Reduction of short-term effects of market sales of JINUSHI shares on the balance between supply and demand and on the price of JINUSHI shares



**JINUSHI has determined that the acquisition of treasury shares will contribute to the growth of corporate value.**

## TOPICS Support for the Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

- JINUSHI supports the TCFD Recommendations and has joined the TCFD Consortium. Information will be disclosed in accordance with the TCFD framework.
- JINUSHI has established targets and performance indicators regarding climate change. We are dedicated to using the JINUSHI Business, which is resilient to climate change and natural disasters, to play a role in solving environmental and social issues.

### Statement of Support for the TCFD Recommendations Climate Change Goals and Performance Indicator

- JINUSHI has declared its support for the TCFD Recommendations and membership in the TCFD Consortium.
- Based on the TCFD Recommendations, JINUSHI will disclose more information about climate change risks and opportunities and use many activities for helping solve environmental and social issues with the goal of playing a role in achieving a sustainable society.



#### Task Force on Climate-related Financial Disclosure

The TCFD is an international initiative that was started by the Financial Stability Board in response to a request from the G20. The purpose is to conduct studies concerning the disclosure of information involving the climate and responses by financial institutions. Activities of this task force resulted in a declaration containing recommendations concerning the monitoring and disclosure of climate-related risks and opportunities with regard to governance, strategies, risk management, and performance indicators and goals.

#### The TCFD Consortium

This consortium was established for the purpose of holding discussions to enable companies, financial institutions and other organizations that support the TCFD work together to achieve the effective disclosure of information by companies. Discussions also cover ways for ensuring that information that is disclosed results in appropriate investment decisions by financial institutions and others.

Information about the JINUSHI Group's sustainability/ESG programs

URL: <https://www.jinushi-jp.com/company/sustainability/>

#### Goals

- Maintain carbon neutrality (Internal emissions: Scope 1, 2\*1)
- Increase pct. of fixed-term land lease agreement with tenants that include ESG provisions\*2: 100%

#### Performance indicator

- Volume of greenhouse gas emissions

Unit: CO2 emissions (tons)

Category		FY12/21 results	Goal for 2030	Goal for 2050
Scope1*1	(+)	32	Carbon-neutral	Carbon-neutral
Scope2*1	(+)	20		
Purchased emission rights	(-)	(52)		
Scope 1, 2 *1 total		0 (Carbon-neutral)		
Scope3*1	(+)	3,434	-	-

- Other indicators

Category	FY12/22 results	Goal for 2030	Goal for 2050
ESG provisions in fixed-term land lease agreement with tenants*2	100%	100%	100%

Scope 1: Direct GHG emissions from internally used energy (fuel of company cars, etc.)  
 Scope 2: Indirect GHG emissions due to internally used electricity, heat, etc. (electricity at offices, etc.)  
 Scope 3: Emissions of other companies associated with business activities (site preparation, building demolition and other operations of partner companies)

\*2 For fixed-term land lease agreement including ESG provisions beginning on June 9, 2022 (only new developments of JINUSHI in Japan)

## 2. Performance

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## FY12/23 2Q Performance

- Sales and earnings of the Flow Business were down YoY. However, market conditions are favorable and a large volume of sales are expected in the third quarter. The gross margins of most properties are expected to be higher than initially planned.
- Sales and earnings of the Stock Business are expected to be higher in FY12/23 backed by steady purchases.

(Millions of yen)	FY12/22 2Q (6M) (1)	FY12/23 2Q (6M) (2)	Change (2) – (1)	FY12/22 (Previous fiscal year)
Net sales	27,069	<b>10,373</b>	(16,696)	49,887
of which Flow Business <sup>*1</sup>	25,566	<b>8,797</b>	(16,768)	47,116
of which Stock Business <sup>*2</sup>	1,503	<b>1,575</b>	+72	2,770
Gross profit	5,964	<b>2,793</b>	(3,171)	10,857
of which Flow Business <sup>*1</sup>	4,663	<b>1,449</b>	(3,214)	8,469
of which Stock Business <sup>*2</sup>	1,301	<b>1,344</b>	+42	2,388
Operating profit	3,749	<b>693</b>	(3,055)	6,411
Gross profit margin (%)	22.0	<b>26.9</b>	+4.9	21.8
of which Flow Business (%) <sup>*1</sup>	18.2	<b>16.5</b>	(1.8)	18.0

\*1. Gains on sales of real estate + Real estate brokerage fees

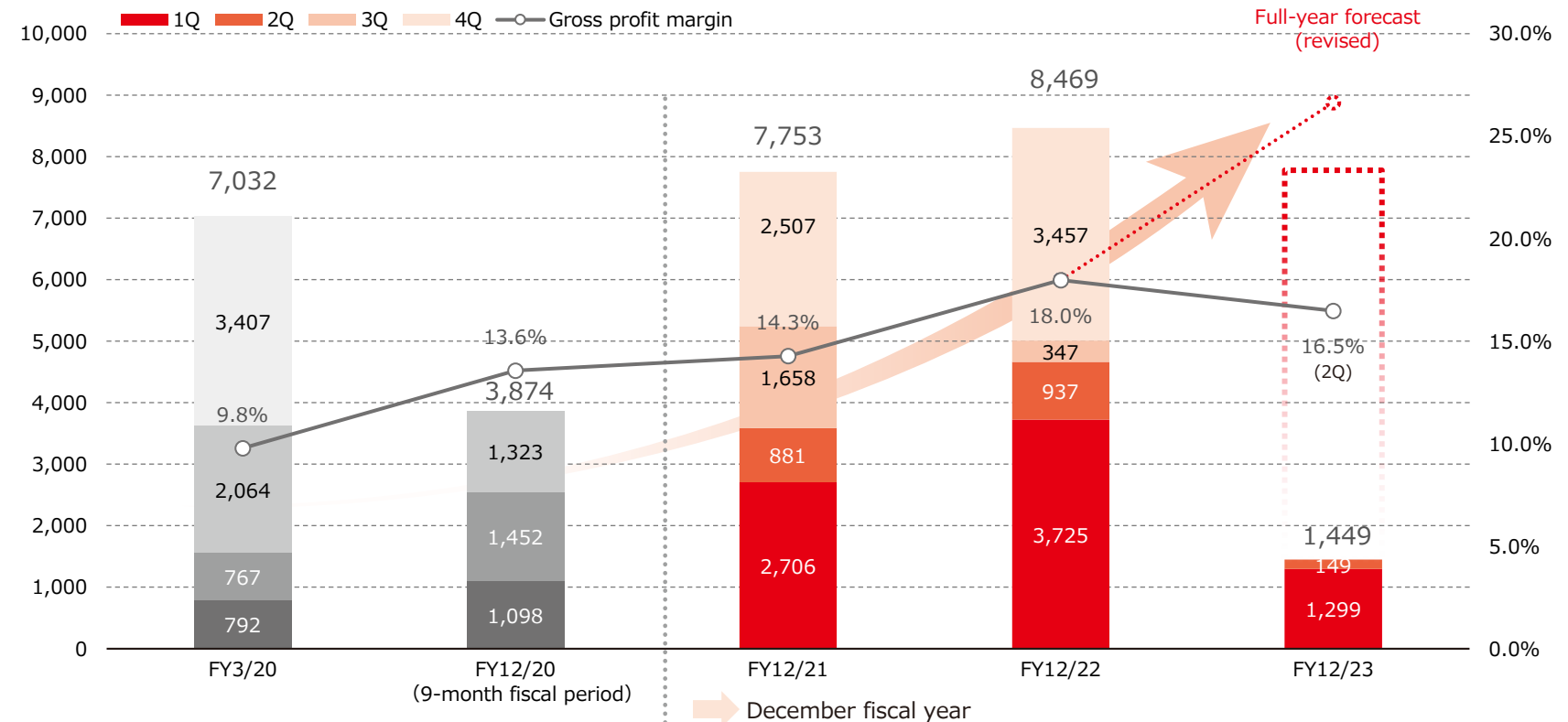
\*2. Income from real estate leasing for sale + Asset management fees + Long-term lease income + Other income (property management/sub-leasing/business management)

## FY12/23 2Q Performance (Flow Business 1)

- The gross profit margin remains high because of the improving reputation of the JINUSHI Business and consistently strong demand among investors for JINUSHI properties.
- The timing of the sale of some properties was changed to FY12/24 because of the outlook reaching the earnings goal for FY12/23. As a result, the flow forecast for FY12/23 has been revised to be lower than FY12/22.

### Quarterly Gross Profit (Flow Business)

(Millions of yen)



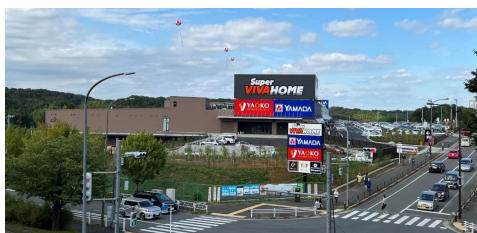
## FY12/23 2Q Performance (Flow Business 2)

- A bridge scheme\*<sup>1</sup> including preferential negotiating rights for JINUSHI REIT was used for sales of some large properties and other properties planned for FY12/23.
- Including these bridge scheme sales, contracts have been signed for about 95% of all property sales incorporated in the revised forecast for FY12/23.

### Sales through the bridge scheme\*<sup>1</sup> (Announced August 10)

- The following four properties were sold to ML ESTATE (Schedule date for sale: September 29, 2023)

Name	Location	Category* <sup>2</sup>	Site area
Super Viva Home Hachioji Tama Bidai Mae store	Hachioji City, Tokyo	Land	70,000.65㎡
DIREX Oyumino store (tentative name)	Midori-ku, Chiba City, Chiba		5,803.14㎡
Super Maruhachi Higashi-Kakogawa store	Kakogawa City, Hyogo		4,970.30㎡
Kohnan PRO Kasugai Inaguchi store (tentative name)	Kasugai City, Aichi		3,471.87㎡



Super Viva Home Hachioji Tama Bidai Mae store



Super Maruhachi Higashi-Kakogawa store

Buyer

**ML ESTATE Co., Ltd.**

(Wholly owned subsidiary of Mizuho Leasing Company, Limited)

- Properties sold by ML ESTATE have preferential negotiating rights for JINUSHI REIT.

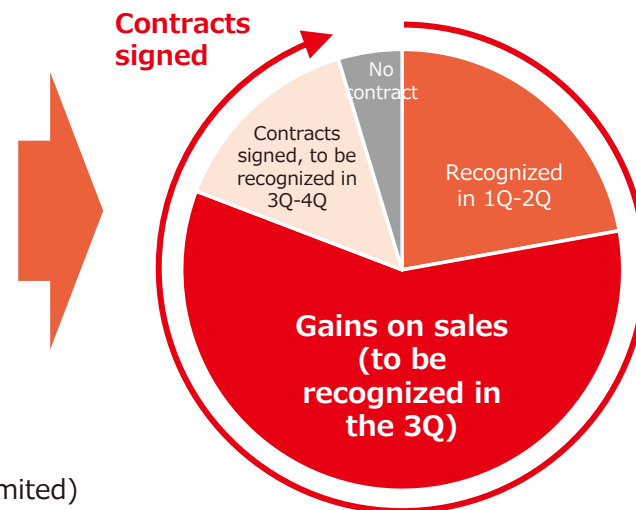
\*<sup>1</sup> When JINUSHI or a group company sells a property, the buyer of the property gives a third party designated by JINUSHI Asset Management (usually JINUSHI REIT, but may be another buyer) preferential negotiating rights.

\*<sup>2</sup> The type of trust asset is shown for trust beneficiary rights.

\*<sup>3</sup> Based on gross profit on real estate sales expected in FY12/23.

### Status of Sales Expected in FY12/23

**Approx. 95% of contracts are signed** \*<sup>3</sup>

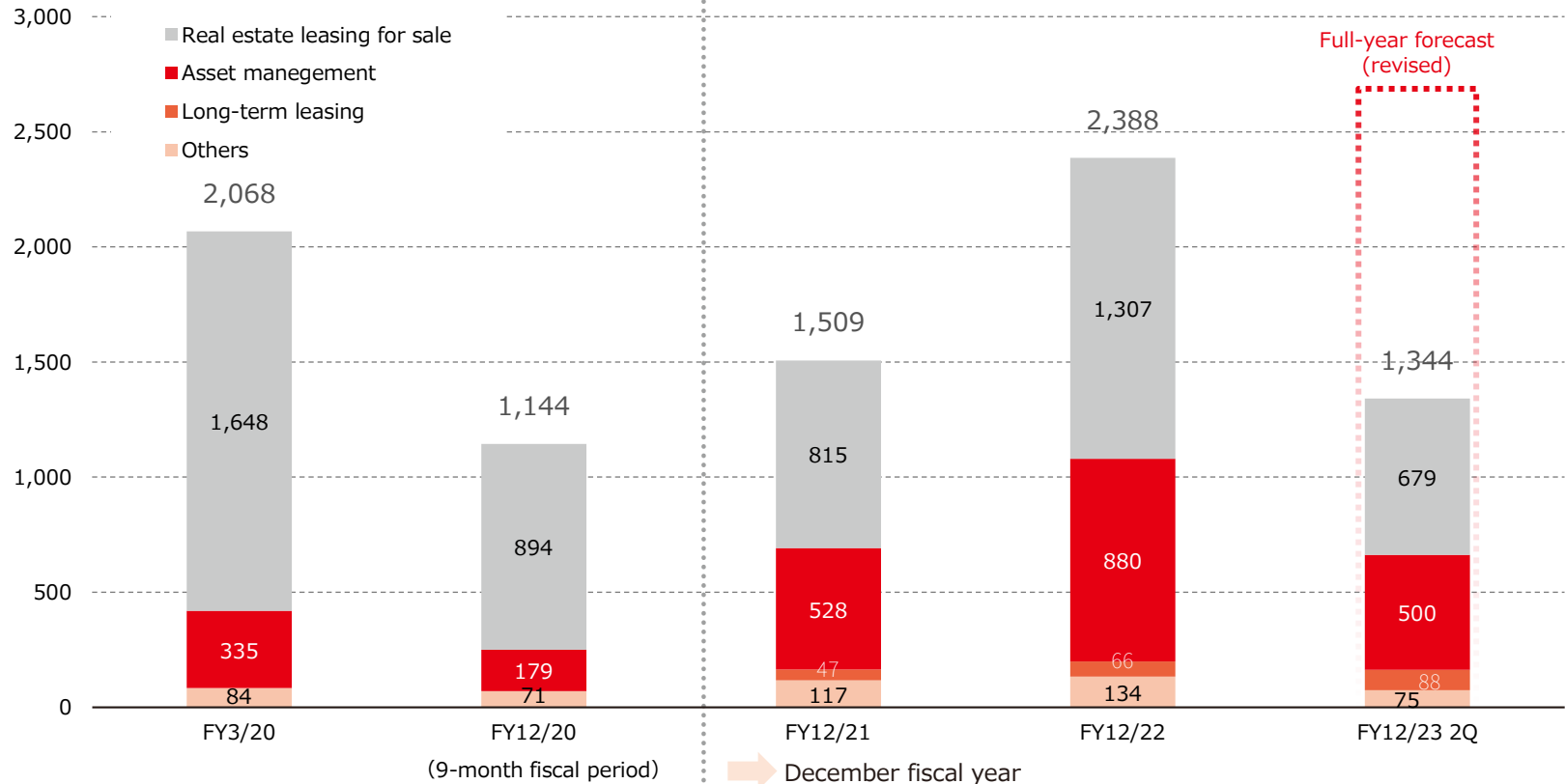


## FY12/23 2Q Performance (Stock Business)

- Stock Business gross profit, which is mainly leasing income and asset management fees, is a stable source of cash flows.
- Income from real estate leasing for sale is increasing as more properties are acquired. Revenue in the Stock Business is expected to be higher than in FY12/22.

### Gross Profit from Stock Business

(Millions of yen)



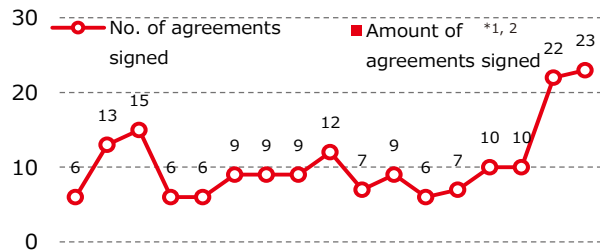


## FY12/23 2Q Performance (Land Purchases 1)

- 45 agreements for purchases totaling ¥34,600 million in the first half; aiming for a record-high number of agreements in FY12/23
- Steady increase in new tenants in social infrastructure sectors such as hospices, nursing homes, funeral halls and other facilities.

### Purchases (Agreements signed) <sup>\*1</sup>

(Agreements)



1H FY12/23

**45** agreements

+32 YoY

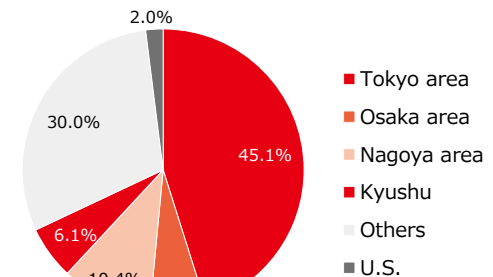
**¥34,600**  
million

+¥25,700 million  
YoY

Changed the company name to JINUSHI Co., Ltd. (Jan. 2022)

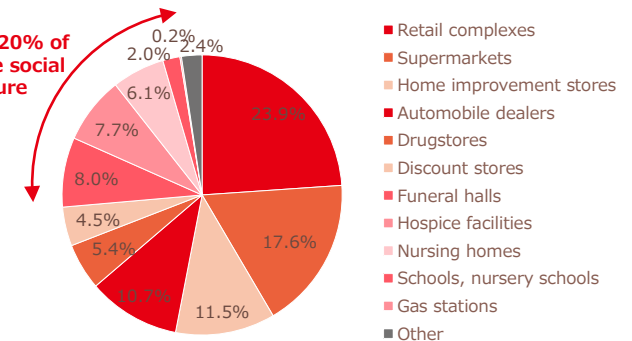
### Breakdown of Purchases (Agreements signed in the First half of FY12/23) <sup>\*1</sup>

#### Diversification of Areas <sup>\*3</sup>



#### Diversification of Use

More than 20% of tenants are social infrastructure



\*1. The number and amount of agreements signed are calculated for purchases related to the real estate investment and other businesses.

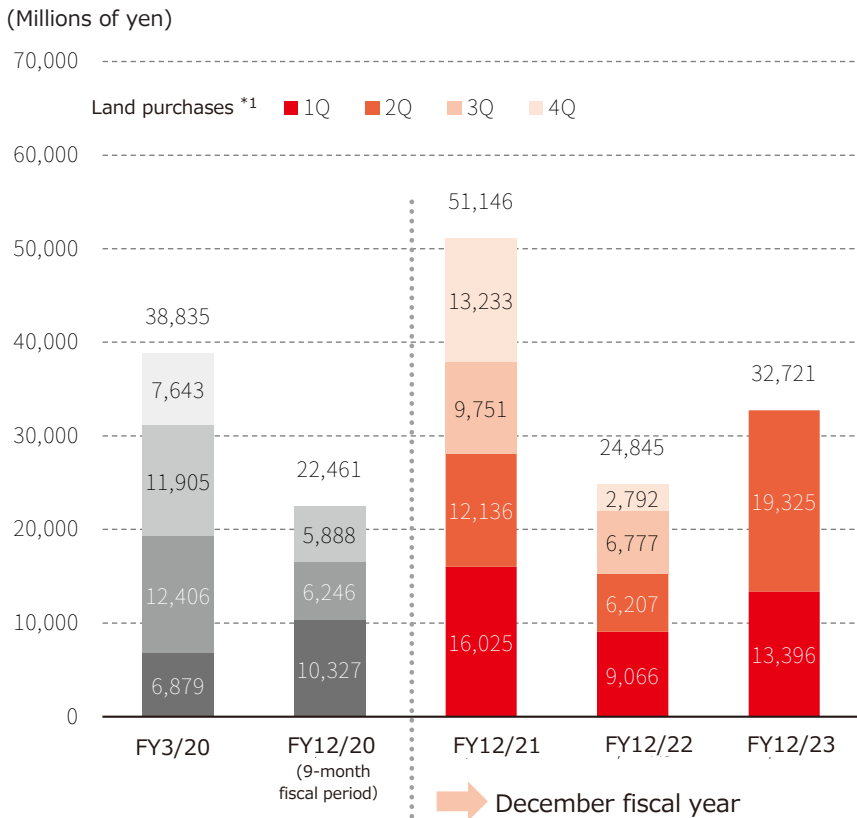
\*2. Planned total investment (rounded down to the nearest 100 million yen, includes expenses related to purchases) as of the time purchase decisions were approved by JINUSHI.

\*3. Definitions for geographic diversification (Tokyo, Osaka and Nagoya areas and other terms) are on page 39.

## FY12/23 2Q Performance (Land Purchases 2)

- Real estate for sale continues to increase. Purchases of ¥32,721 million were recorded in the first half of FY12/23, raising real estate for sale to ¥47,540 million at the end of the second quarter.

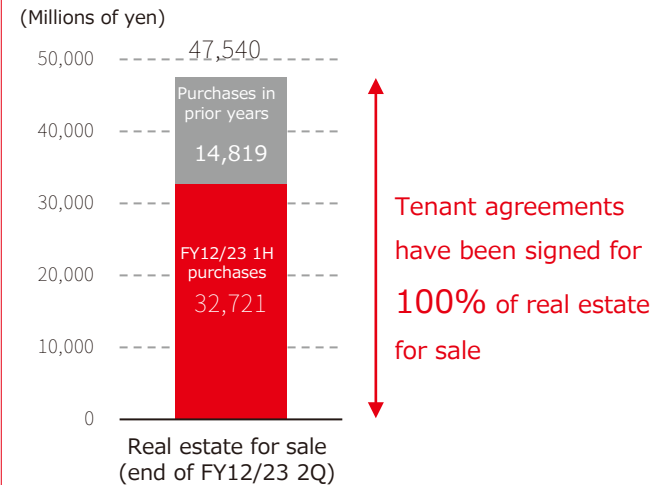
### Land Purchases (Amount recorded on Balance Sheet)



\*1. Real estate for sale added to the balance sheet in each quarter  
(End-of-quarter balance - Prior quarter balance + Flow business cost of sales + Transfers of non-current assets to real estate for sale, and other items)

### Confirmed Long-term Cash Flows at Time of Purchase

- As a rule, properties are purchased only after signing a reservation contract with the tenant concerning a long-term fixed-term land leasing contract.
- A consistent cash flow for 20 to 50 years is added when land is purchased.



### 3. Medium-term Management Plan

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## Medium-term Management Plan 2022-2026

- 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 result		FY12/26 plan	CAGR
Financial targets				
Net sales	¥ 56.1 billion	>	¥ 100.0 billion	12.2%
Net profit	¥ 3.1 billion	>	¥ 7.0 billion	17.5%
JINUSHI REIT asset *1	¥ 151.5 billion *2	>	Approx. ¥ 300.0 billion	14.6%
Performance targets				
ROE	11.9 %	>	Approx. 13 %	
Equity ratio	32.2 %	>	30 % or more	

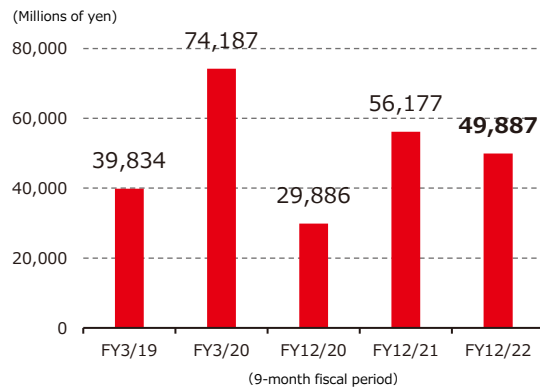
\*1. JINUSHI Private REIT Investment Corporation is operated by JINUSHI Asset Management Co., Ltd., a wholly owned subsidiary of the Company.

\*2. Results for FY12/21 include properties purchased (appraised values when purchased) using funds procured in January 2022 by the sixth offering of investment units.

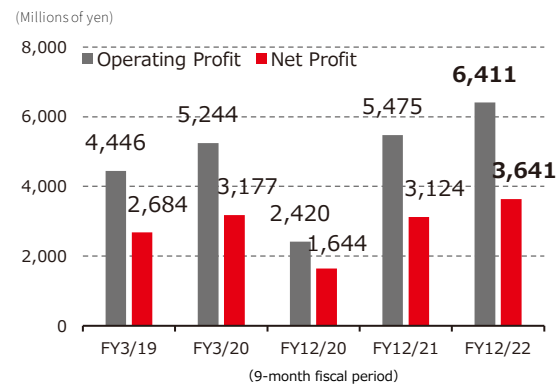
## Major Financial Indicators

- Net profit, JINUSHI’s key earnings indicator, increased for the second consecutive year.
- The ROE was higher largely due to the continued improvement in the reputation of the JINUSHI Business. The equity ratio remained above 30%, which is the company’s financial discipline.

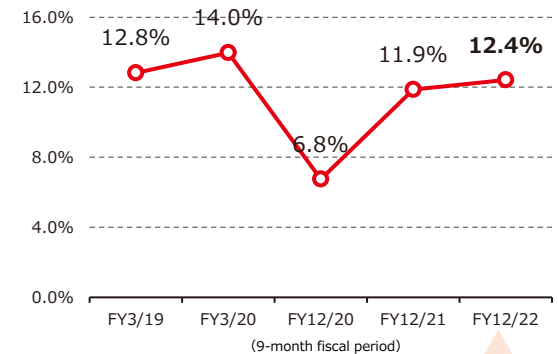
### Net Sales



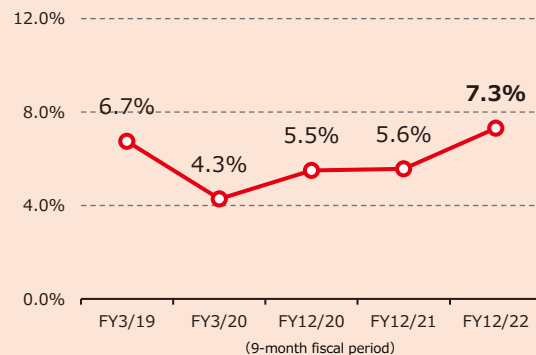
### Operating Profit / Net Profit



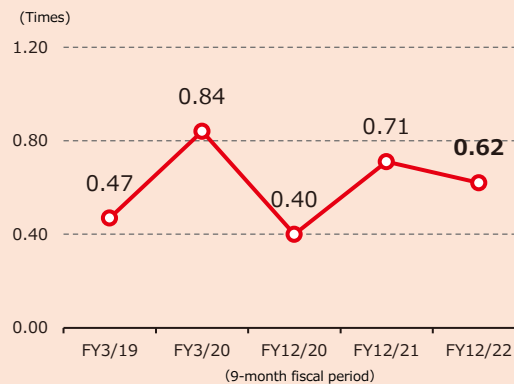
### ROE



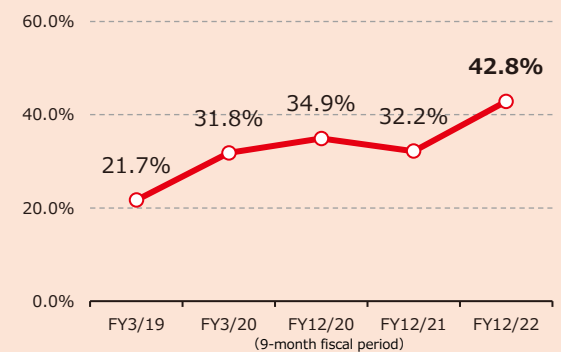
### Net Profit on Net Sales



### Total Asset Turnover



### Equity Ratio



## Growth Strategy Growth of JINUSHI Business and JINUSHI REIT

- The growth strategy is to aim for the growth of both the JINUSHI Business and JINUSHI REIT.
- Aiming for more growth by adding tenants in an even broader range of business sectors, expanding operations to more areas of Japan and the U.S., using off-balance-sheet schemes.

### Growth of JINUSHI Business



	<u>Tenant business sector diversification</u>	<u>Expand to more areas</u>	<u>Off-balance-sheet schemes for land</u>
Goals	<ul style="list-style-type: none"> <li>• Add tenants in a broad range of business sectors</li> <li>• Reduce the impact of changes in store requirements in specific market categories</li> <li>• Many sales activities targeting tenants opening stores or planning on more growth</li> </ul>	<ul style="list-style-type: none"> <li>• Business activities anywhere that population density is high</li> <li>• Focusing operations outside Japan on the U.S., where the real estate market is large and consistent economic growth is expected</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals for off-balance-sheet land at existing properties in order to improve financial soundness and for other benefits</li> <li>• Emphasize JINUSHI's policy of being a stable landowner that is not aiming for a redevelopment project or other upside</li> </ul>
Initiatives (as of FY12/23 2Q)	<ul style="list-style-type: none"> <li>• More tenants in sectors that will continue to grow that perform an important role in society, such as hospice facilities and nursing homes</li> <li>• Use senior executives to build relationships with tenants</li> </ul>	<ul style="list-style-type: none"> <li>• Opened the Kyushu Branch in Fukuoka (December 2022)</li> <li>• Investments in the U.S. total about ¥3 billion. Business operations are growing as JUNISHI's track record increases</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the use of banks and securities companies to contact potential customers (Hold seminars about JINUSHI's business activities and use other activities)</li> <li>• Many sales activities and proposals for companies that own high-quality real estate but where the pandemic or other events caused financial soundness to decline</li> </ul>

JINUSHI Business reputation and awareness



Provide real estate financial products with long-term stability

### Growth of JINUSHI REIT



- Many investors want a JINUSHI Business that is resilient to natural disasters and market volatility and capable of generating stable, long-term income.
- Benefits as the first in this market sector as Japan's only REIT specializing in leased land; AUM of ¥180 billion (9th in the industry) and a dividend yield of about 4%
- Aiming to achieve AUM to ¥500 billion as soon as possible, with the medium-term plan goal of ¥300 billion as an intermediate step.

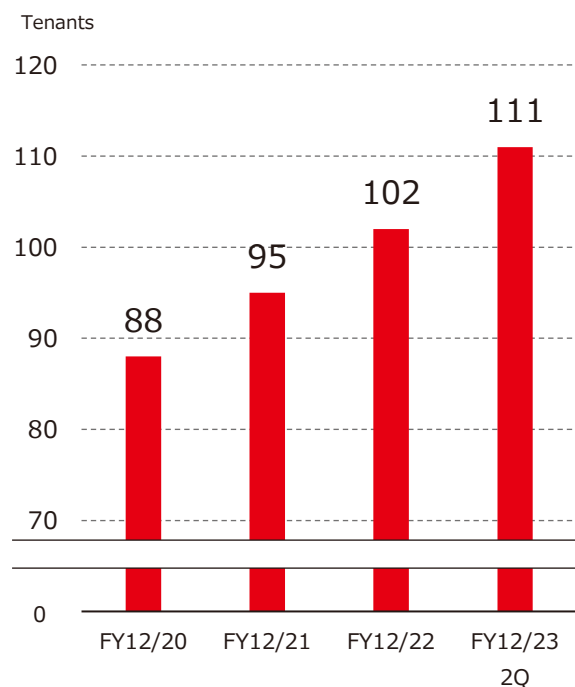
## Tenant Business Sector Diversification

- The JINUSHI Business encompasses tenants in many business sectors. The name change to JINUSHI eliminated the perception of being mainly a commercial real estate company.
- In the second quarter of FY12/23, there were 111 tenant companies and many more potential tenants. Currently, the number of hospice facility and funeral hall tenants is increasing.

### Tenants\*1

Number of tenants: **111** companies

Tenants with more than one lease: **42** companies



### Tenant Diversity

Tenant Categories	No. of Companies	Tenant Categories	No. of Companies	Tenant Categories	No. of Companies
Supermarkets	23	Schools, nursery schools	4	Hospice facilities	1
Drugstores	10	Hospitals, medical centers	3	Nursing homes	1
Home improvement stores	8	Fitness clubs	3	Discount stores	1
Restaurants	8	Bridal facilities	3	Automobile maintenance stores	1
Large electronics stores	6	Service stations	2	Golf driving ranges	1
Automobile dealers	7	Housing exhibition	2	Convenience stores	1
Funeral halls	7	Retail complexes	1	Others	7
Hotels	5	Shopping malls	1	<b>Total</b>	<b>111</b>
Logistics, factories, warehouses	4	Automobile exhibition	1		

### Main Tenants\*2

Name of Tenants	No. of Properties	Name of Tenants	No. of Properties
KOHNAN SHOJI CO., LTD.	33	WELCIA YAKKYOKU CO., LTD.	13
LIFE CORPORATION	21	CHUBU YAKUHIN CO., LTD.	11
Sugi Holdings Co., Ltd.	17		

\*1. The number of tenants and properties is based on development activities as of the end of June 2023.

\*2. Tenants at 10 or more JINUSHI properties

## Tenant Business Sector Diversification (Hospice facilities)

- The JINUSHI Business is increasing tenant diversity as one way to continue growing. In August 2022, the business added its first property in the hospice facility sector.
- By working with Amvis Holdings, which provides end-of-life medical care, the JINUSHI Business is helping increase the number of hospice facilities, which is a major social issue in Japan.

### Tenant needs

Quickly build more hospice facilities to meet an important social need in Japan  
Hold down the investment spending needed for these new facilities



### The value of the JINUSHI Business

A long-term, stable landowner that can support the business plans of tenants  
A source of information about suitable land for new hospice facilities



Amvis is guided by the mission of “creating a vibrant, happy society through medical and health care with an ambitious vision.” The company operates the Ishinkan hospice to meet the needs of people who require a high level of nursing care by providing chronic care and end-of-life care.

Listing: TSE Prime Market (7071)  
Established: October 2016  
Business results (FY9/22): Net sales ¥23,070 million  
Operating profit ¥6,130 million  
Employees (Sep. 30, 2022): 2,756  
Business activities: Nursing homes, home nursing care, in-home care support and other businesses

Hospice  
(Ishinkan)

医心館

70 locations  
(as of Jul. 31, 2023)



More opportunities

Increasing diversity of tenants  
Opportunities in 5 central Tokyo wards  
Conversion of residential land to commercial use



Joint projects: 6 properties<sup>\*1</sup>

### Main Joint Projects

Business area	Tenant	Site area	Scheduled to start operating
Shinjuku-ku, Tokyo	Ishinkan	About 210 tsubo	2024
Toyonaka-shi, Osaka		About 580 tsubo	2024
Tokorozawa-shi, Saitama		About 340 tsubo	2024
Shinjuku-ku, Tokyo		About 210 tsubo	2024
Koshigaya-shi, Saitama		About 320 tsubo	2024
Nakano-ku, Tokyo		About 210 tsubo	2025

\*1. Properties where purchase agreements were signed by July 31, 2023.



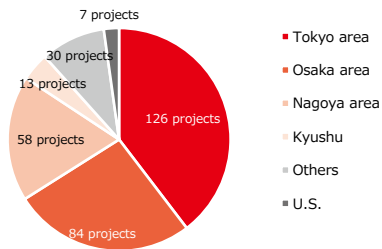
## Expand to More Areas

- The JINUSHI Business, which invests solely in land, operates in many types of areas, but primarily areas with a high population density.
- Operating in the Tokyo, Osaka and Nagoya areas and the U.S. (a subsidiary), the JINUSHI Business added a fifth area by opening the Kyushu Branch in Fukuoka in December 2022.

## JINUSHI Business Development Projects (as of the end of FY12/23 2Q)

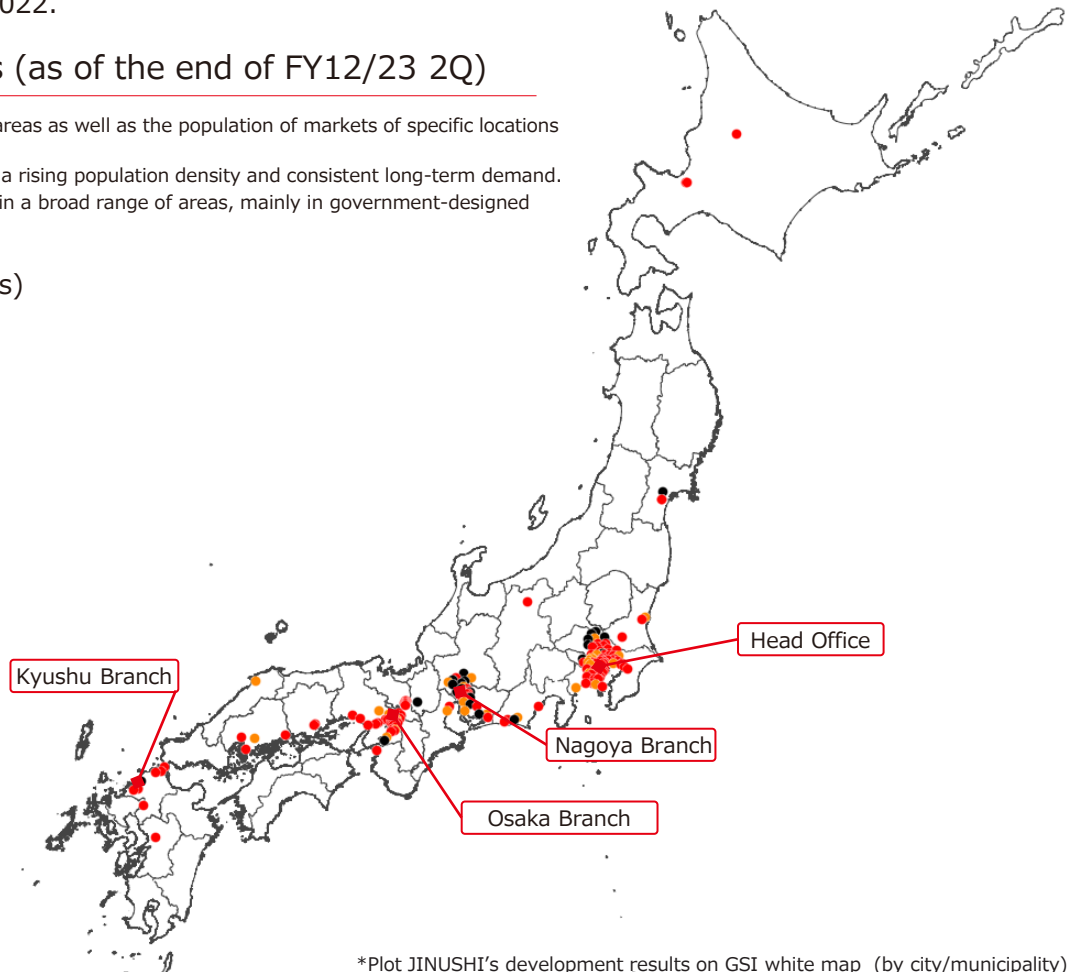
- The JINUSHI Business places priority on populations of targeted areas as well as the population of markets of specific locations and other factors.
- Within each area, JINUSHI carefully selects land in locations with a rising population density and consistent long-term demand.
- There are many opportunities in Japan for the JINUSHI Business in a broad range of areas, mainly in government-designed municipalities.

## Diversification of Areas (Based on no. of projects)



## Development Projects by Population

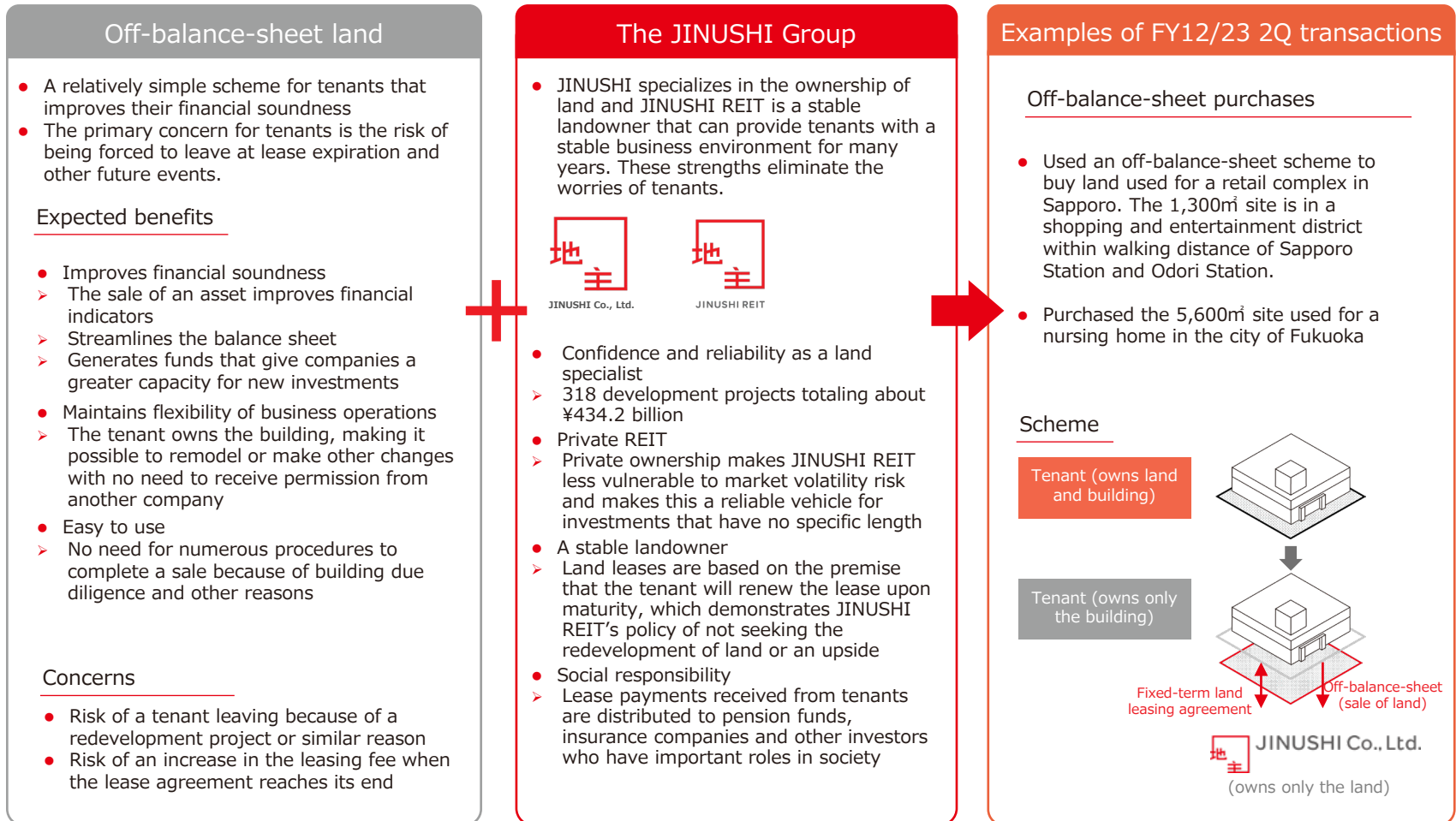
City/Municipality	Development projects		
	Yes (Number)	No	
● Population 200,000+/ Government-designed municipalities	124 cities (241 projects)	166 cities	
● 100,000 to 199,999	30 cities (37 projects)	124 cities	
● 20,000 to 99,999	27 cities (31 projects)	788 cities	
United States	— (7 projects)	—	
<b>Total</b>	<b>181 cities (316 projects)</b>	<b>1,078 cities</b>	



\*Plot JINUSHI's development results on GSI white map (by city/municipality)

# Off-balance-sheet Schemes for Land

- Off-balance-sheet proposals for land that can help improve the financial soundness of tenants and support highly flexible business operations
- Tenants know that JINUSHI REIT, a privately owned REIT that is Japan’s only REIT specializing in leased land, will be a stable and reliable landowner.



## Financial Strategy

- JINUSHI implements financial measures that support growth of the JINUSHI Business while maintaining financial soundness in order to withstand challenges like the global financial crisis and rigorously managing risk.

### Financial Discipline

- An equity ratio of at least 30%
  - Sufficient equity for business continuity even during difficulties like the global financial crisis
  - The basic policy is to use earnings growth to increase retained earnings
  - Proper control of the net D/E ratio, DCR and other financial indicators that financial institutions watch closely

	As of Dec. 31, 2022	As of Jun. 30, 2023
Equity ratio (%)	42.8	35.4
Net D/E ratio (times) <sup>*1</sup>	0.45	0.92
DCR (Debt Coverage Ratio) (%) <sup>*2</sup>	92.3	138.9

### Loans

- Establishment of a sound network of bank support
  - Strong relationships with major banks as well as with prominent regional banks in areas where JINUSHI operates
- Combined credit line of ¥52 billion for loans and committed credit facility
  - Contractual agreements for a credit line and credit facility to enable activities with speed and flexibility. Also established a credit line in April 2023 for U.S. and other activities.

Credit line	Syndicated loan agreement (Arranged by Sumitomo Mitsui Bank)	¥22 billion
	Loan agreements with individual banks (Mizuho Bank and others)	¥17 billion
Committed credit facility agreement (Tokyo Star Bank and others)		¥13 billion

- Long-term loans that reflect the characteristics of JINUSHI's business operations
  - To provide resilience against changes in real estate market conditions, JINUSHI uses long-term loans and interest rates are variable due to the characteristics of the high-turnover Flow Business.

Method:	Loans received and repaid for individual projects
Interest rate:	Variable
Length:	Long (at least 8 years for most loans)
Other:	No financial covenants

### Exit Strategy

- JINUSHI REIT
  - Operated by the JINUSHI Group, this is Japan's only REIT specializing in leased land and is largely shielded from securities market volatility due to its private ownership. A sale to JINUSHI REIT is the primary exit strategy, with this REIT receiving preferential negotiation rights.
  - JINUSHI REIT is capable of procuring funds as needed; the REIT has increased its capital every year since starting operations seven years ago.
  - Very strong demand for investments in JINUSHI REIT; the REIT has received investments from pension funds, insurance companies and other organizations that make long-term investments.
- JINUSHI has a ¥60 billion transaction facility with leasing companies
  - In 2019, JINUSHI signed basic agreements for the establishment of comprehensive transaction facilities with two leasing companies: SMFL Mirai Partners and ML Estate.
  - The transaction facility is a bridge scheme with JINUSHI REIT and others\*3 receiving preferential negotiation rights. Using this scheme enables balance sheet management and helps maintain the stability of cash flows due to the ability to sell properties with speed and flexibility.

\*1. Net debt/equity ratio = Net interest-bearing liabilities (Interest-bearing liabilities – cash and deposits) / Net assets

\*2. Debt coverage ratio = Interest-bearing liabilities / (Cash and deposits + Investment securities + Property, plant and equipment)

\*3. When selling real estate acquired using this transaction facility, a third party designated by JINUSHI Asset Management (usually JINUSHI REIT, but not always) receives a preferential right for purchase negotiations.

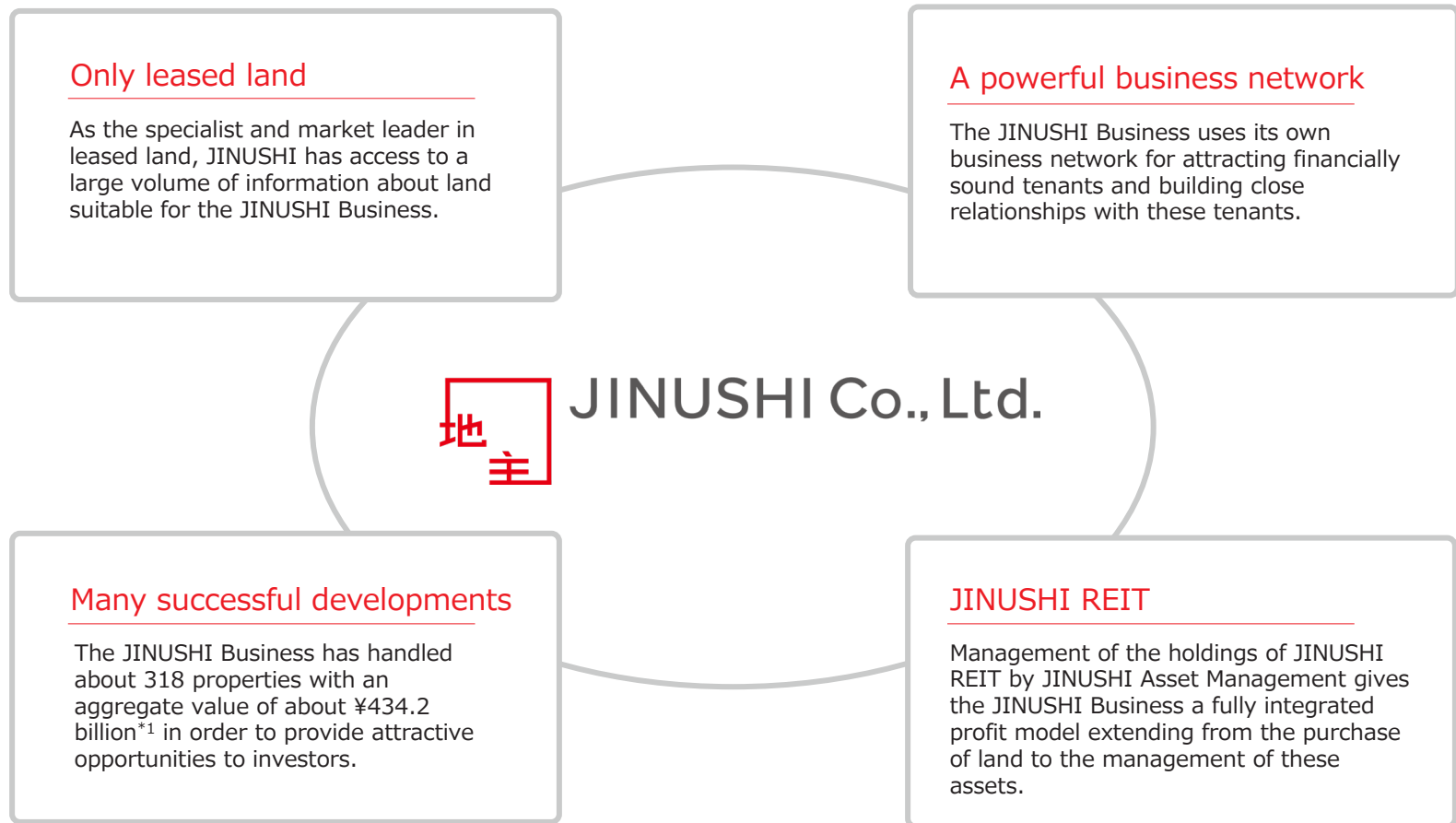
# APPENDIX

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- P30 Financial Results
- P31 The JINUSHI Business
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## Defining Characteristics of JINUSHI

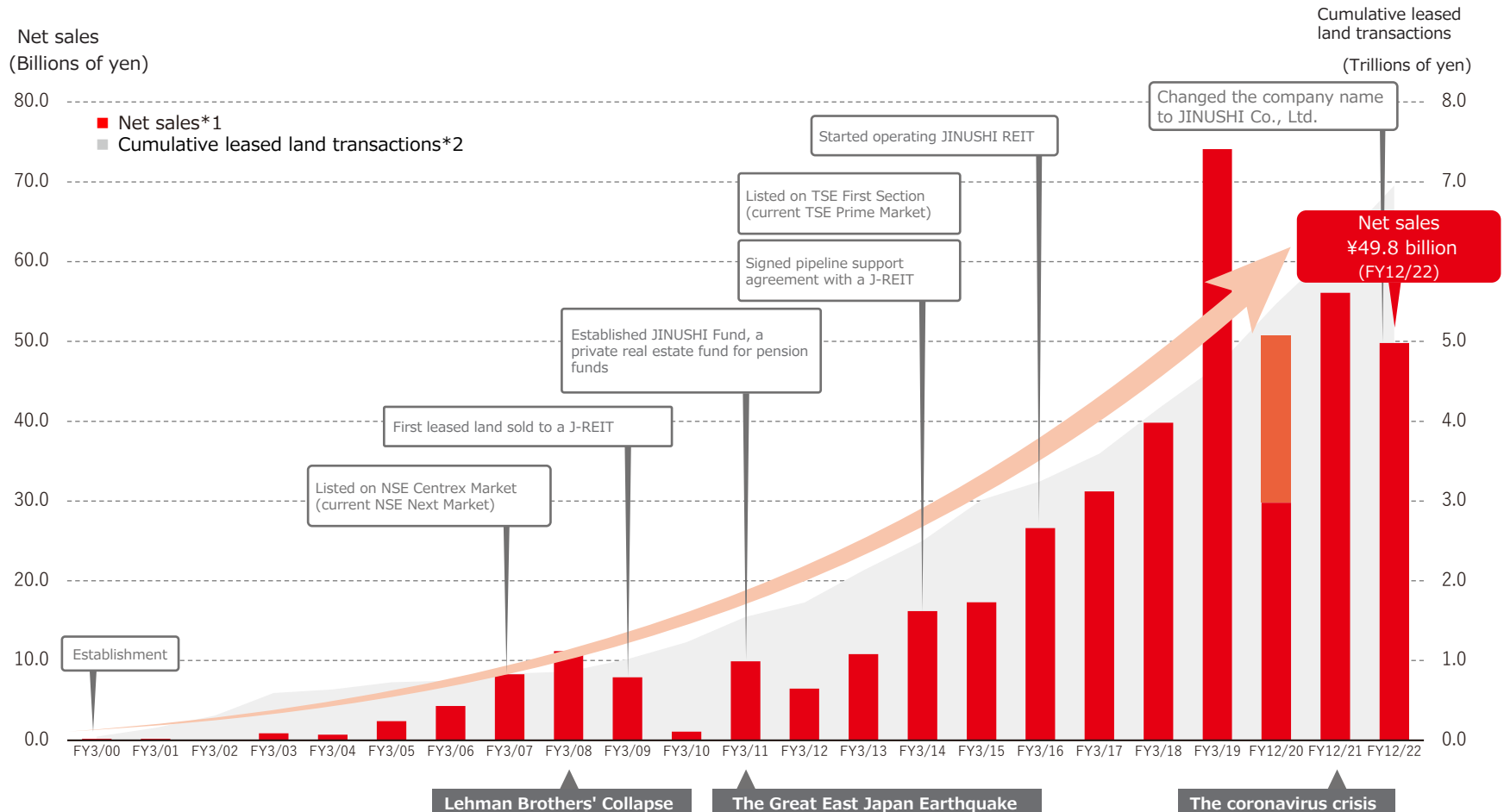
- JINUSHI created Japan's market for leased land as the producer of real estate financial products using solely the JINUSHI Business.



\*1. Based on monetary value as of the end of June 2023

## 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.

\*2. Cumulative leased land transactions use the data of the Japan Real Estate Institute. More information is on page 41.

## The JINUSHI Business (1) History

- The JINUSHI Business was created by overcoming the many difficulties and failures of prior years.
- We started this business after learning difficult lessons about risk involving the ownership of buildings. We realized that leasing only land and not owning buildings would not result in failures.

### Failures of the Founder Prior to Establishing JINUSHI

#### Late 1990s (before establishing JINUSHI)

Tetsuya Matsuoka, founder of JINUSHI, and Hirofumi Nishira, president of JINUSHI, were employed by Kanematsu Urban Development, a member of the Kanematsu Group. They were involved with the development of a general merchandise store in Shiga prefecture and with the building leasing business.

#### Failures

Leased land and developed a commercial facility to the specifications of a tenant with sales of ¥1 trillion, but the tenant had financial problems and vacated the property. Although another tenant was found due to the prime location of the building, this incident created the following problems.

- The need for additional investments for building renovations
- Reduction of lease payments by the tenant
- Reduction of lease payments to the owner of the land

### The Start of the JINUSHI Business

#### Key points

- The business must avoid risk associated with owning a building designed for a specific industry or tenant because buildings can become out of date due to changes in market conditions.
- Leasing only land without owning the building on the land is likely to prevent failures.
- Always adhere to the fundamental rule of purchasing only land where there will be demand in the future too and that can be leased to another tenant or sold.

#### The start of the JINUSHI Business



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.

# The JINUSHI Business (2) Four Steps

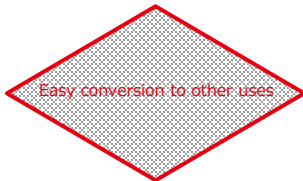
- Purchase and lease land and sell leased land. Management of the funds of investors.
- An innovative business model which invests only in land by utilizing fixed-term land lease rights.

## The 4 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, commercial characteristics, location (highway frontage, etc.), the surrounding area and other characteristics are examined to select investments.

- Purchase of land easy to convert to other uses



#### Purchase of land easy to convert 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.

#### Smaller risk involving purchases

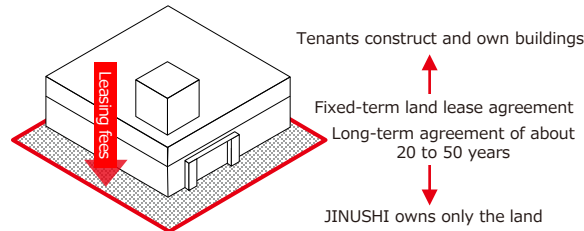
##### POINT Purchase made only after finding a tenant

To minimize risk involving land purchases, as a rule, land is purchased only after a tenant has agreed to lease the land. Lease agreements require the tenant to start making land lease payments when construction starts (or when the agreement is signed or some other date).

### STEP 2 Lease land

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

- Land used for supermarkets and other stores; hospice and other business sectors have been increasing in recent years
- Tenants construct and own buildings on the leased land



#### Fixed-term land lease agreement

##### POINT Fixed-term land lease agreement

In principle, fixed-term business-use land leases are used that require returning the site to its original condition, regardless of whether or not the lease is extended. At the end of the lease agreement, the tenant does not have the right to require JINUSHI to purchase the building. Lease agreements with similar terms are signed with tenants for ordinary fixed-term land leases too.

##### POINT Long-term agreement with the tenant

JINUSHI uses expertise acquired over more than 20 years as a specialist in leased land to establish long-term leasing agreements with tenants.

- Most lease agreements are for about 20 to 50 years.
- As a rule, a lease cannot be canceled for at least the first 10 years in order to reduce early termination risk.
- As a rule, tenants are not allowed to ask for a revision of the lease fee after an agreement has been signed.\*1

This real estate financial product is highly resistant to natural disasters and market

#### Three Strengths of the JINUSHI Business



- 1 No need for additional investment**  
This business invests in land only. 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 50 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 a lease, the tenant is required to return the site as a vacant lot, which can be easily leased again or sold. This characteristic of the JINUSHI Business makes it unlikely that the asset value of the land will decline.

\*1. Discussions with tenants about raising or lowering the lease fee are possible when, due to a dramatic change in the economy or some other major event, the lease fee has become significantly out of line with a reasonable amount.



## The JINUSHI Business (2) Four Steps

- Lease payments from tenants are packaged as financial products with long-term stability that are provided to investors.
- Utilizing our position as a producer of real estate financial products, we aim to be a major landowner in Japan as JINUSHI REIT grows.

### The 4 steps of the JINUSHI Business

#### STEP 3 Sell the land being leased

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

- Sold to JINUSHI REIT and other buyers
- Many investors want to own leased land as a source of a stable return for many years



A product producing safe interest yield; many successful developments

**POINT** More than 20 years of experience as a leased land specialist

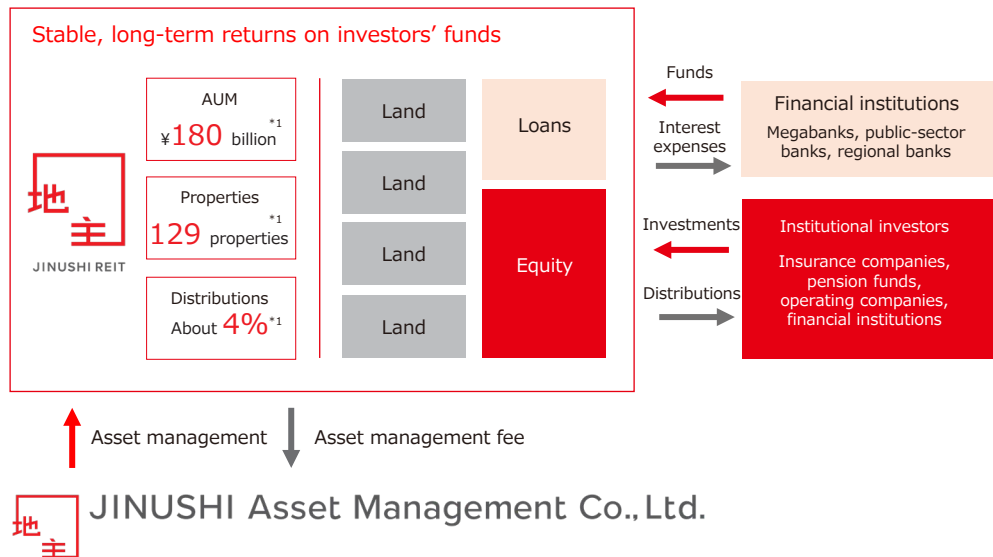
As a specialist in leased land for more than 20 years, the JINUSHI Business has a long list of accomplishments and not one tenant that has terminated a lease early. This demonstrates the outstanding stability and reliability of the return provided by JINUSHI financial products.

JINUSHI Business development operations*2	Tenant departures before maturity*1	Reductions of lease payments*1
318 projects About ¥434.2 bn	0	Only 1 (Temporary reduction due to the pandemic)

#### STEP 4 Management of the funds of investors

JINUSHI REIT, a privately owned REIT that is Japan's only REIT specializing in leased land, has earned a reputation as a stable landowner. This REIT provides the stable management of the funds of long-term investors and supports the operations of tenants that want reliable business continuity.

- Many long-term investments received from insurance companies, pension funds and other institutions
- JINUSHI REIT has increased its capital for seven consecutive years since starting operations in 2017.



\*1. As of July 3, 2023 (Figures are the number of past and present projects owned by the Company, group companies, and JINUSHI REIT)

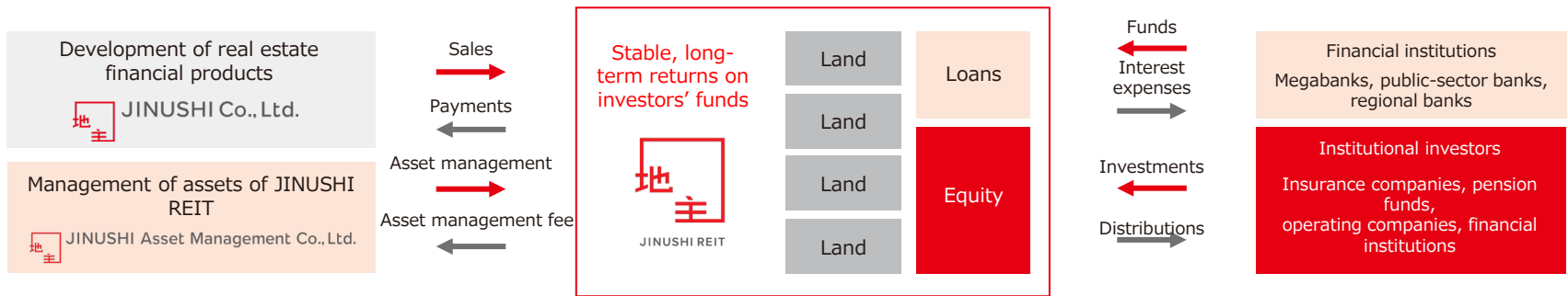
\*2. Based on prices as of the end of June 2023.

## The JINUSHI Business (3) JINUSHI REIT (Private REIT for leased land)

- JINUSHI Private REIT Investment Corporation (JINUSHI REIT), which is operated by JINUSHI, safely manages the funds for long-term investments received from client investors.
- JINUSHI REIT is Japan's only private REIT specializing in leased land and its operations are an excellent match with the long-term stability of the JINUSHI Business.

### Structure

Many long-term investments received from insurance companies, pension funds and other institutions to earn stable income from investments overseen by JINUSHI Asset Management



### JINUSHI REIT summary (as of July 3, 2023)

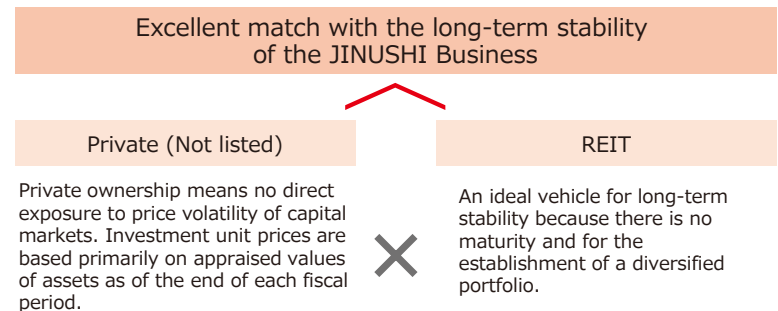
JINUSHI REIT started operations in 2017 and is now well known as Japan's only REIT specializing in leased land.

AUM	¥180 billion*1 (9th of 46 funds)	Distributions	About 4%
Properties	129 properties*1 (1st of 46 funds)	Number of investors	276 companies
Assets	Only leased land (only fund of this type in Japan)	Credit rating (JCR)	A+ (Stable)

\*1. JINUSHI data

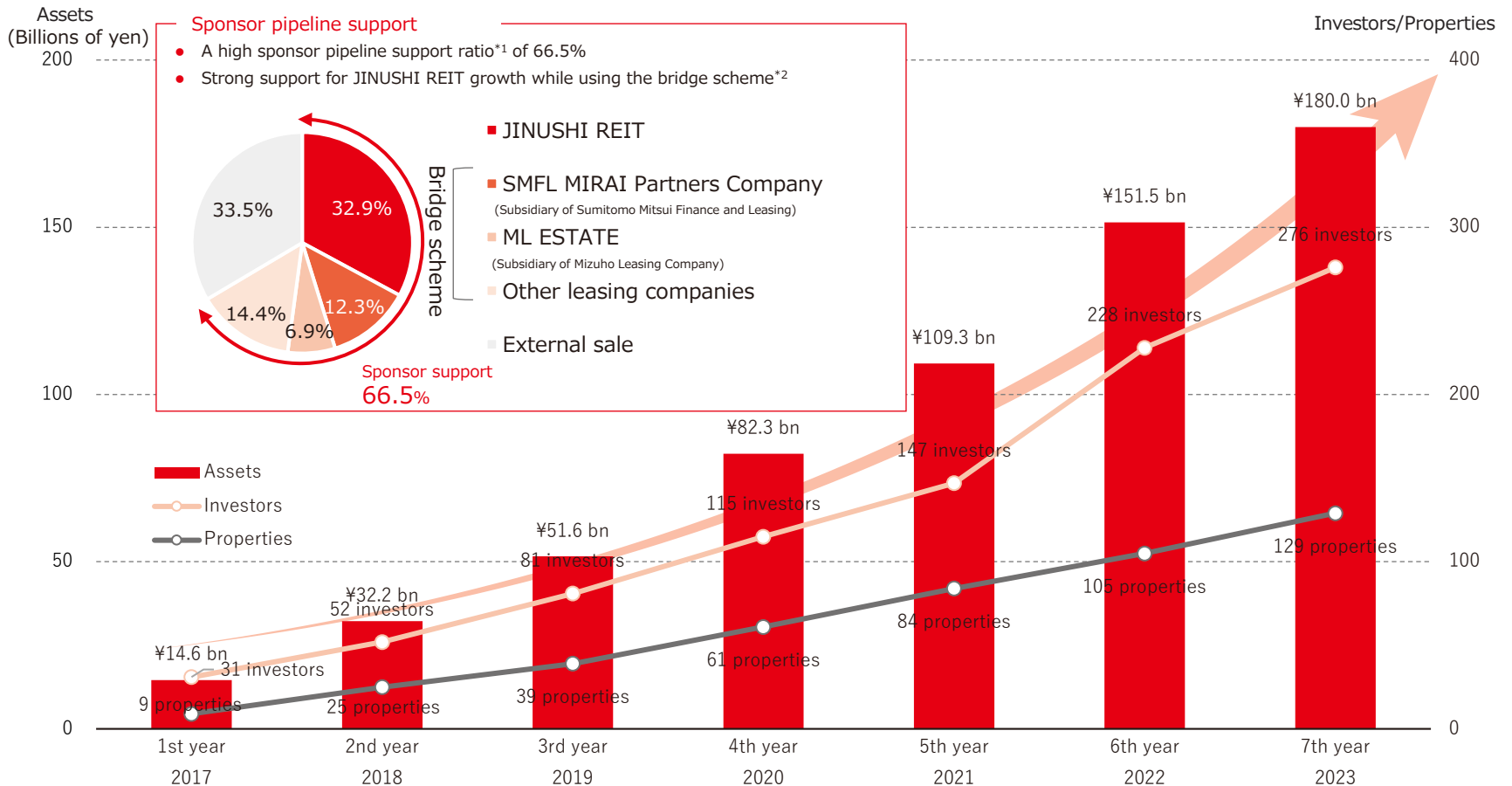
### Private REIT structure reduces price volatility risk

A private REIT is a superior structure that facilitates the safe management of funds received from investors.



## The JINUSHI Business (3) Asset Growth of JINUSHI REIT (Private REIT for leased land)

— Increased capital for seven consecutive years due to sponsor pipeline support and consistently strong demand for real estate investments.



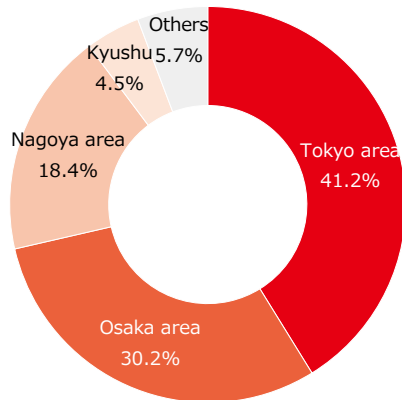
\*1. The percentage of sales by JINUSHI and group companies between FY3/17 and FY12/23 2Q of properties that were to JINUSHI REIT or that used the bridge scheme based on monetary value.  
 \*2. Sales of properties by JINUSHI and group companies where the buyer is a third party designated by JINUSHI Asset Management (usually JINUSHI REIT, but not always) that has a preferential negotiation right.  
 \*3. All numbers in this graph are the amounts immediately after each offering. (Assets in each year are based on appraised values when acquired. Only the data for 2023 is as of July 3, 2023.)

## The JINUSHI Business (3) JINUSHI REIT (Private REIT for leased land) Portfolio/Investors

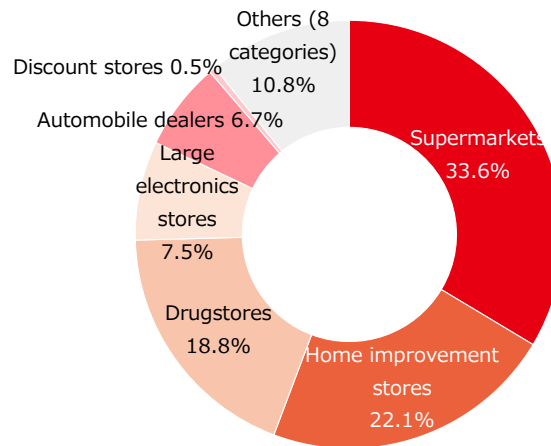
- JINUSHI REIT holds a geographically balanced portfolio of properties, mainly located in Japan’s three major metropolitan areas, that are leased to a large number of tenants that sell household necessities.
- A large number of long-term investors have invested in JINUSHI REIT due to expectation for receiving steady income for many years. Currently, the number of pension funds and central financial institutions is increasing.

### Portfolio Diversity <sup>\*1</sup>

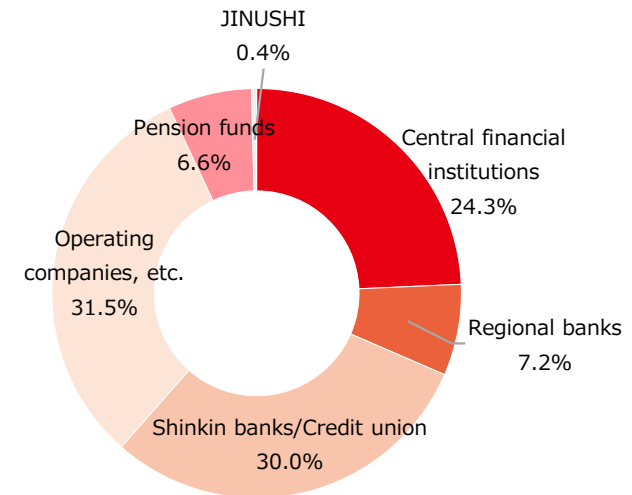
Geographic Diversity  
(Purchase prices)



Application Diversity  
(Lease income)



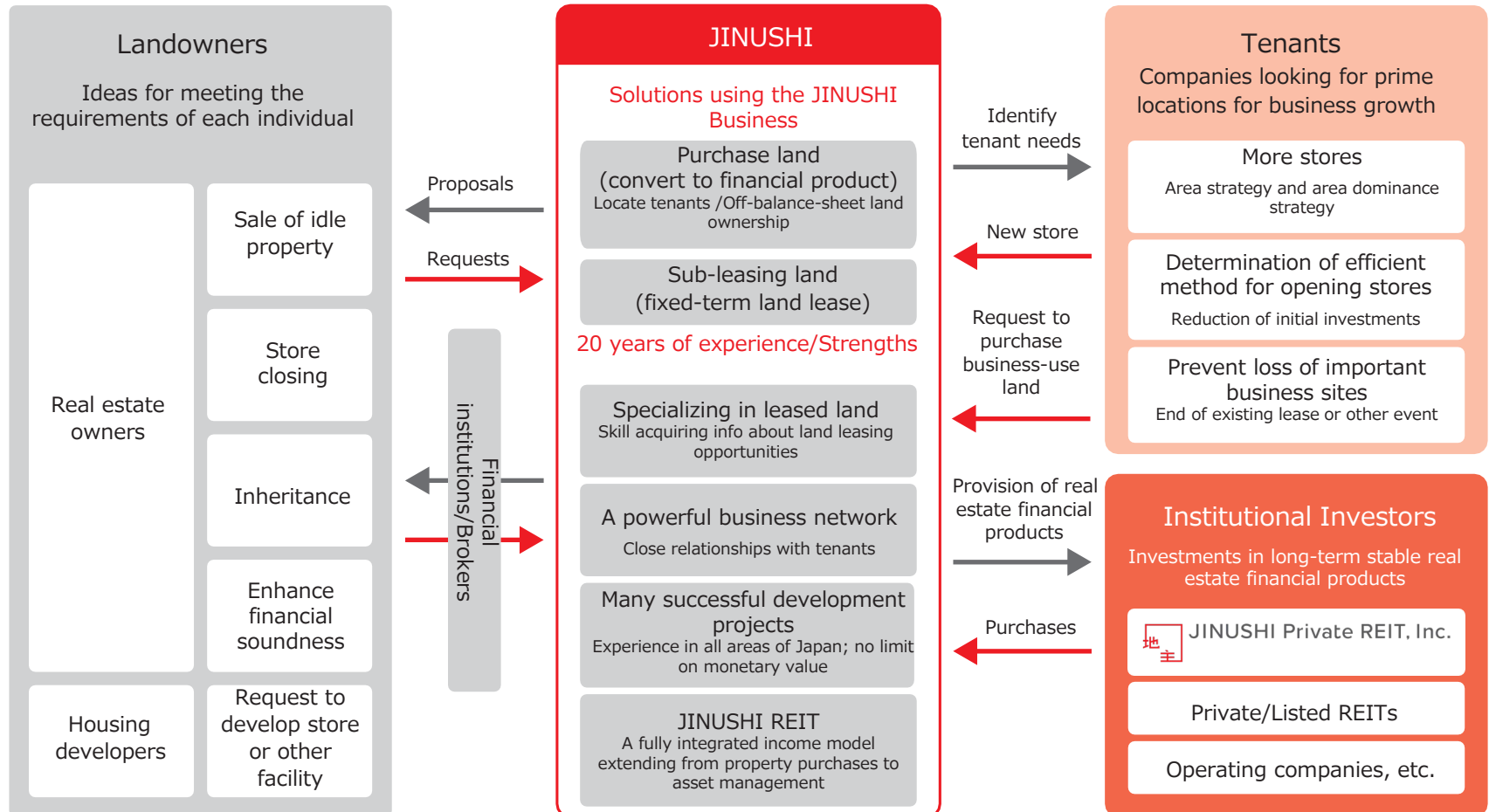
### JINUSHI REIT Investors <sup>\*1</sup>



\*1 Portfolio diversity and investors are as of July 3, 2023.

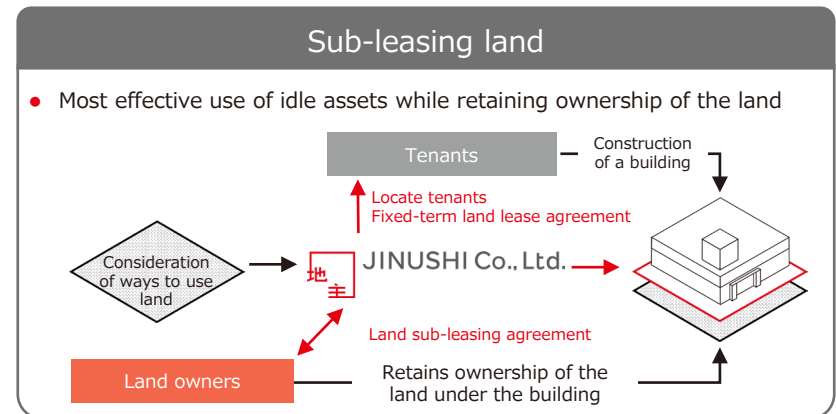
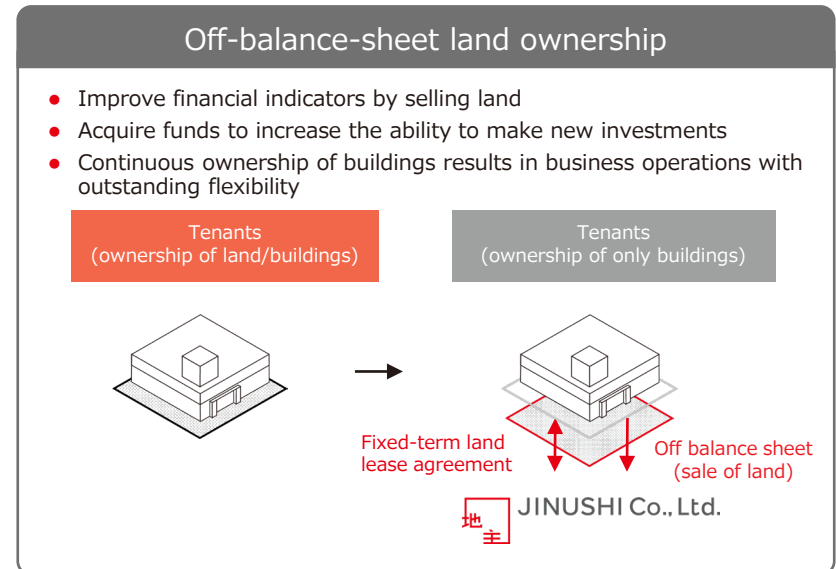
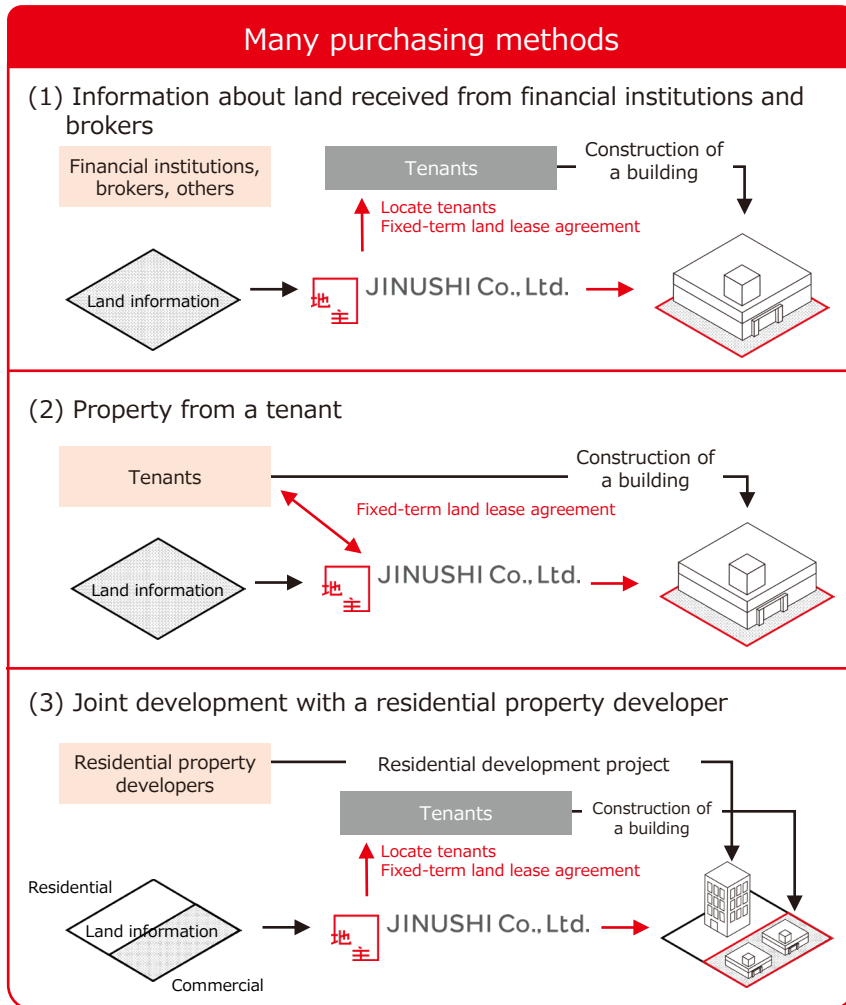
## The JINUSHI Business (4) The Roles of the JINUSHI Business

- 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.



# The JINUSHI Business (5) Many Methods for Purchasing and Resolving Issues

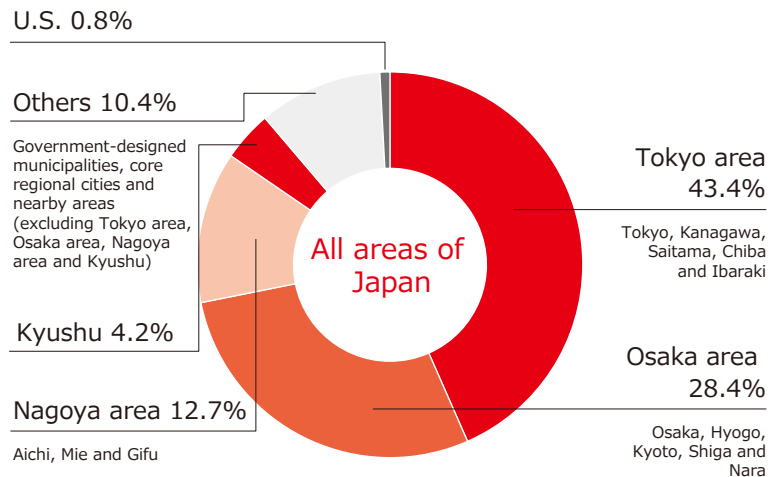
— The JINUSHI Business uses many ways to purchase properties. Many sellers ask JINUSHI to be the buyer because of expertise about leased land. JINUSHI has the knowledge to meet a variety of needs of tenants and landowners.



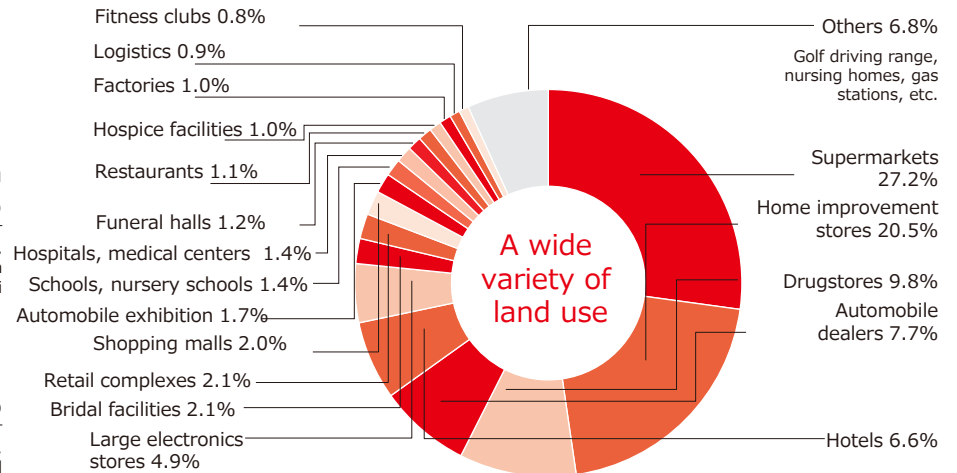
## Achievements in the JINUSHI Business

- The JINUSHI Business operates in all areas of Japan. Started further diversifying the types of tenants following the change of the company name to JINUSHI.

### Diversification of Areas



### Diversification of Use



Cumulative JINUSHI Business developments are  
**318** properties and about **¥434.2** billion\*1

\*1. Based on monetary value as of the end of June 2023



## Growth of the JINUSHI Business (Major tenants)

- The majority of tenants are supermarkets and other stores handling daily necessities. Tenants in the social infrastructure sector (hospice facilities, funeral halls, etc.) are increasing too.

### Tenants handling daily necessities

- Supermarkets
- Home improvement stores
- Drugstores
- Large electronics stores



### Tenants in the social infrastructure sector

- Hotels
- Funeral halls
- Logistics
- Schools/Nursery schools
- Hospice facilities

### Supermarkets



### Drugstores



### Home improvement stores



### Hospice facilities



### Funeral halls



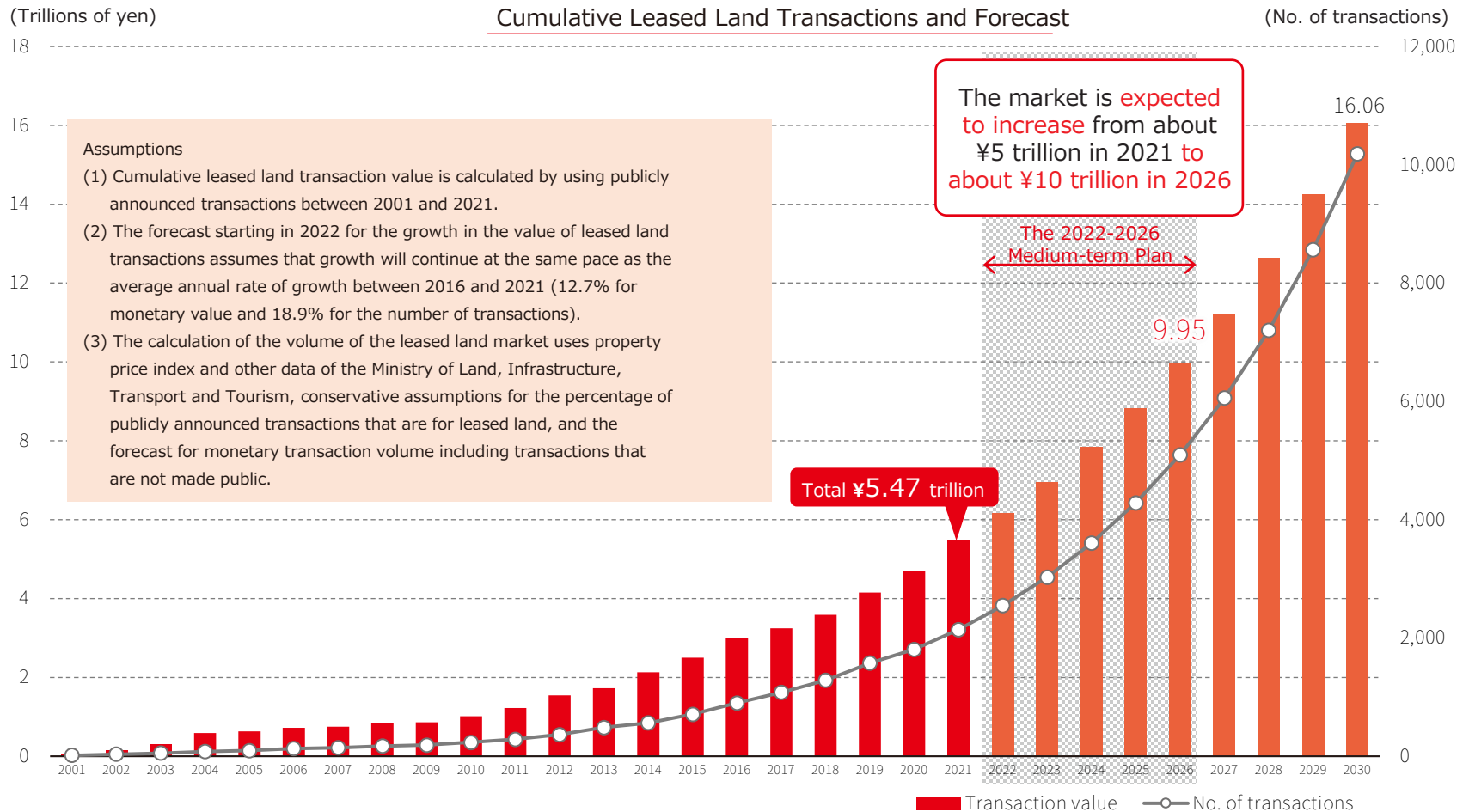
### School/Nursery schools





## 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.
- 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 in five years.



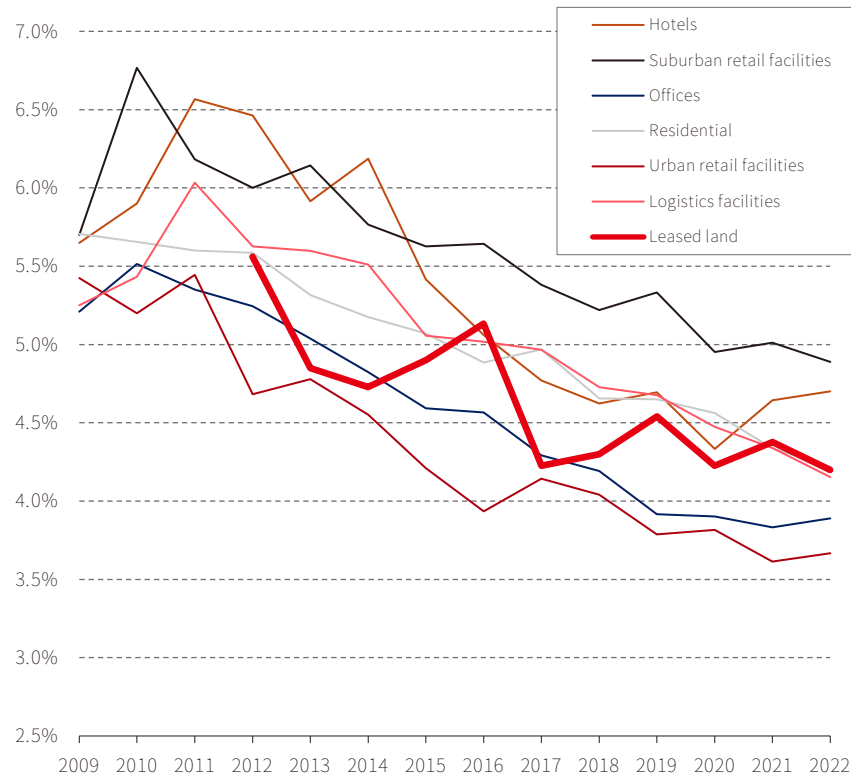
\*1. The figures in these graphs were calculated by the Japan Real Estate Institute using the above assumptions. These projections are not guarantees concerning the future growth of the leased land market in Japan.

## Leased Land Market Data (J-REIT transactions)

- The cap rate of leased land (using the appraised value) when purchased by J-REITs has been declining steadily because of the strength of Japan’s real estate market.
- The liquidity of leased land is increasing steadily, resulting in the positioning of leased land as a new investment asset type.

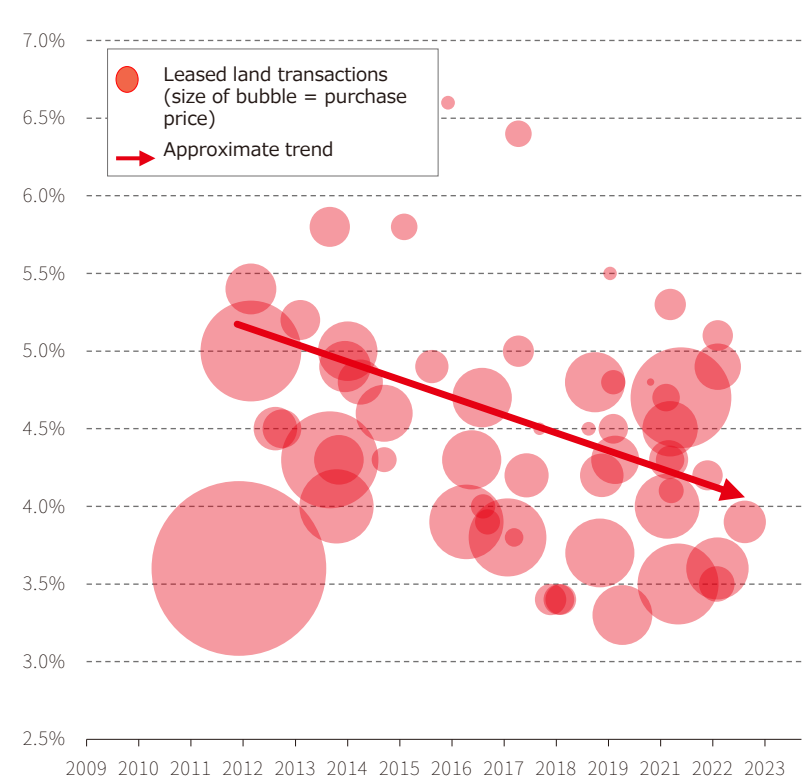
### J-REIT Cap Rate (Appraisal value)

(Appraisal CAP rate as of purchase)



### J-REIT Leased Land Transactions (Bubble chart)

(Appraisal CAP rate as of purchase)



\*1. JINUSHI estimates using information disclosed by J-REITs. Cap rates using appraisal values are the simple averages for each asset class.

## 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.
- Carbon neutrality (based on FY12/21 JINUSHI emissions) was achieved in FY12/22, ahead of the target year. JINUSHI plans to maintain carbon neutrality.
- In August 2023, JINUSHI announced its support for the TCFD and began disclosing information in accordance with these guidelines. Next, there will be activities for determining materiality and other measures.

	Major themes	FY12/21	FY12/22	FY12/23	FY12/24	FY12/25	FY12/30
Overall			<ul style="list-style-type: none"> <li>Established the ESG Committee</li> <li>Established the ESG Policy</li> </ul>	<ul style="list-style-type: none"> <li>Identified materiality and established goals based on the SDGs</li> </ul>			
Environment	Business activities that protect the environment	<ul style="list-style-type: none"> <li>JINUSHI Business activities with a low environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Joint environmental activities with tenants (green leases, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>More information disclosure involving climate change based on the Task Force on Climate-Related Financial Disclosures (TCFD)</li> </ul>			
			<div style="border: 1px solid red; padding: 2px; color: red;">Carbon neutrality for JINUSHI's emissions was achieved ahead of the target year</div>	<ul style="list-style-type: none"> <li>Achievement of carbon neutrality</li> </ul>			
Society	Build win-win relationships with all stakeholders	<ul style="list-style-type: none"> <li>Investors: Use of JINUSHI Private REIT Investment Corp. to provide real estate financial products</li> </ul>					
		<ul style="list-style-type: none"> <li>Employees: Recruit and train people with a diverse range of backgrounds and characteristics</li> <li>Communities: Use strategies for new store tenants to be a responsible member of communities</li> </ul>					
Governance	Well-balanced governance in terms of fairness and transparency, risk management, and a commitment to shareholder value	<ul style="list-style-type: none"> <li>Constant measures to strengthen corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Increased disclosure of non-financial information</li> <li>Upgraded communications with investors and other stakeholders</li> </ul>				

## E: Environment First Listed Japanese Real Estate Company To Be Carbon Neutral (JINUSHI emissions)

- Even in the 1990s, prior to the start of operations, we were aware of the importance of lowering our environmental impact due to our close relationships with commercial tenants that require high-volume HVAC systems.
- JINUSHI is the first listed real estate company in Japan to achieve carbon neutrality based on the company's own emissions.
- Having achieved internal carbon neutrality, JINUSHI is speeding up activities with tenants. Land leases include ESG terms in order to encourage tenants to use environmentally responsible equipment.

### Carbon Neutrality (JINUSHI emissions)

- First carbon neutrality for a listed real estate company in Japan\*1
- Main reason is a business model with almost no CO2 emissions

FY12/21 results (t-CO2)	Scope 1*2	Scope 2*2
	32	20

> Carbon neutral

#### Superiority of the JINUSHI Business that invests only in land

A business model with almost no greenhouse gas emissions, industrial waste or other harmful effects on the environment.

- Even including Scope 3 (indirect emissions), CO2 emissions are only 3,486 tons\*2
- Only 0.06 tons of CO2 emissions per million yen of sales

### Activities with Tenants (Inclusion of ESG terms)

- Since June 2022, JINUSHI has included the following model ESG clause in land lease agreements for the use of greenery and energy conservation measures.

#### ESG Terms for Land Lease Agreements

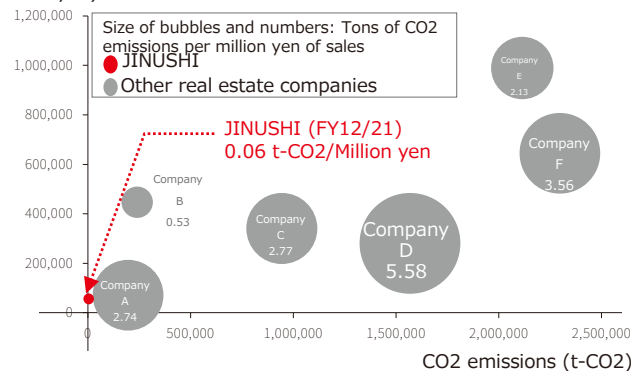
Based on discussions by JINUSHI and the tenant concerning the ESG concept and a joint commitment to ESG, the tenant agrees to use at the site and building solar power, an electric car charging system, greenery, and other environmental facilities and measures as much as possible without disrupting the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



Solar power generation system    EV charging stations    Wall vegetation and rooftop greenery

**34 projects                      19 projects                      24 projects**

Net sales (Millions of yen)      CO2 Emissions of JINUSHI and Other Real Estate Companies (Scope 1, 2, 3)\*3



\* As of the end of June 2023

\*1. Data collected by JINUSHI

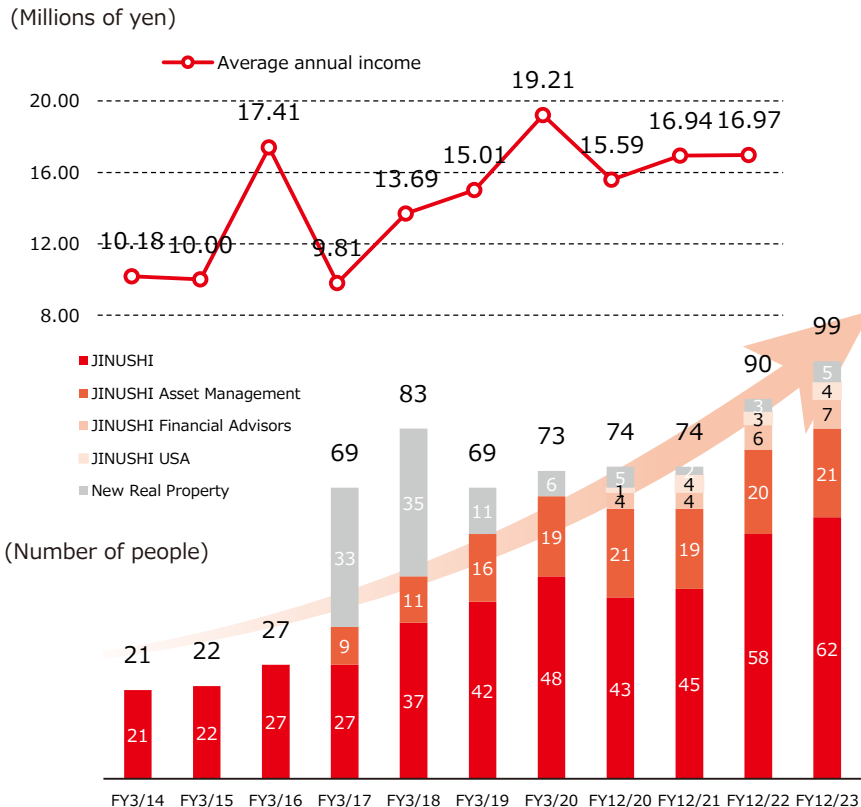
\*2. More information about Scope 1, 2 and 3 is in the financial data remarks on page 46.

\*3. JINUSHI data based on information announced by companies disclosing data for Scope 1, 2 and 3; sales and CO2 emissions are for FY12/21 (or FY3/22)

## S: Recruiting Activities / G: Corporate Governance Framework

- Hire a large number of people with the right skills. The distinctive strengths and growth potential of the JINUSHI Business, as well as compensation system that recognizes employees who contribute to the performance and other measures give JINUSHI a competitive edge for recruiting activities.
- Outside directors are the majority of the Board of Directors. JINUSHI is always on the lookout for suitable candidates for election as outside directors from a diversity perspective.

### JINUSHI Group Employees/Average Salary\*1



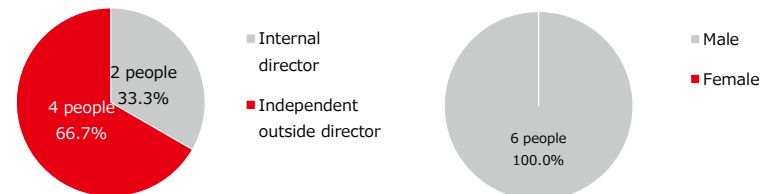
\*1. For only JINUSHI.

(As of Aug.)

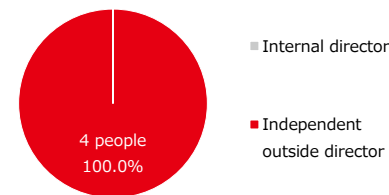
### Corporate Governance Framework

- Company with an Audit and Supervisory Committee governance system
- Nomination and Remuneration Committee
- Independent outside directors are 4 of the 6 directors
- Independent outside directors are the majority of the Audit and Supervisory Committee and the Nomination and Remuneration Committee

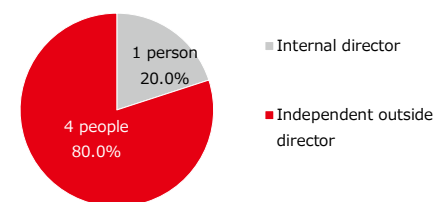
#### Composition of the Board of Directors (Outside directors and gender)



#### Composition of the Audit and Supervisory Committee



#### Composition of the Nomination and Remuneration Committee



## 10-year Summary

		FY3/14	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY12/20 (9-month fiscal)	FY12/21	FY12/22
<b>Statement of Income</b>											
Net sales	Millions of yen	10,828	16,252	17,378	26,614	31,260	39,834	74,187	29,886	56,177	49,887
Gross profit		2,272	4,653	7,427	7,710	6,858	8,172	9,100	5,019	9,263	10,857
of which, Flow Business		-	-	-	-	-	7,060	7,032	3,874	7,753	8,469
of which, Stock Business		-	-	-	-	-	1,111	2,068	1,144	1,509	2,388
Operating profit		1,440	3,547	5,955	4,843	3,684	4,446	5,244	2,420	5,475	6,411
Ordinary profit		973	2,987	5,626	5,181	3,044	4,327	4,599	2,157	5,002	5,943
Profit		666	1,863	3,605	6,437	1,958	2,684	3,177	1,644	3,124	3,641
Net profit on net sales	%	6.2	11.5	20.7	24.2	6.3	6.7	4.3	5.5	5.6	7.3
<b>Balance Sheet</b>											
Total assets	Millions of yen	20,489	24,104	38,690	56,792	67,251	99,597	75,054	71,220	86,337	72,153
of which, real estate for sale		16,682	12,640	22,610	31,639	41,049	69,516	43,493	38,387	41,995	28,192
of which, property, plant and equipment		76	59	135	231	187	455	522	3,436	17,488	16,803
Total liabilities		18,256	15,593	26,989	36,914	46,947	77,985	51,184	46,379	58,555	41,193
of which, interest-bearing debt		16,834	13,529	23,464	33,265	41,063	73,762	46,564	43,300	49,812	37,165
Net assets		2,232	8,510	11,700	19,878	20,304	21,611	23,870	24,841	27,781	30,960
of which, shareholders' equity	2,166	8,405	11,626	17,493	20,278	21,591	23,870	24,841	27,781	30,905	
<b>Shareholder Returns</b>											
Dividend per share* <sup>1</sup>	Yen	11.6	30.0	45.0	55.0	55.0	55.0	55.0	25.0	50.0	55.0
Dividend payout ratio	%	24.3	23.8	21.5	15.0	50.2	36.8	31.5	27.8	29.3	27.6
<b>Indicators</b>											
EPS* <sup>1</sup>	Yen	48.05	125.91	209.09	366.84	109.61	149.30	174.59	89.94	170.90	199.16
Equity ratio	%	10.6	34.9	30.1	30.8	30.2	21.7	31.8	34.9	32.2	42.8
ROE* <sup>2</sup>		36.7	35.3	36.0	44.2	10.4	12.8	14.0	6.8	11.9	12.4
Net D/E ratio* <sup>3</sup>	Times	6.17	0.37	0.97	0.98	1.31	2.54	1.04	0.90	1.17	0.45
DCR (Debt Coverage Ratio)* <sup>4</sup>	%	534.2	125.6	157.8	201.9	239.7	354.1	205.4	175.8	141.0	92.3
Number of employees		21	22	27	69	83	69	73	74	74	90
CO2 emissions Scope 1* <sup>5</sup>	t-CO2	-	-	-	-	-	-	-	-	32	To be calculated
Scope 2* <sup>5</sup>	t-CO2	-	-	-	-	-	-	-	-	20	To be calculated
Scope 3* <sup>5</sup>	t-CO2	-	-	-	-	-	-	-	-	3,434	To be calculated

\*1. FY3/14 figure is after stock splits

\*2. ROE is net profit 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

\*5. Scope 1: GHG emissions directly from company operations (gasoline for company vehicles, etc.)

Scope 2: GHG emissions indirectly from company operations, such as for electricity and heat (electricity at offices, etc.)

Scope 3: Indirect GHG emissions not included in Scope 2 that include activities of suppliers, customers and others (emissions due to soil remediation by customers, building demolition, etc.)



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