



**\* 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 Sep. 30, 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 Sep. 30, 2023:	1,843,141 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)

Nine months ended Sep. 30, 2023:	17,975,117 shares	Nine months ended Sep. 30, 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

The average number of shares during the period, which is the basis for calculating net income per share in the consolidated forecast for the fiscal year ending December 31, 2023, reflects the effect of the acquisition of treasury shares based on the resolution of the Board of Directors meeting held on August 10, 2023.

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 nine months 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.

As a result, the Company reported net sales for the period under review of 25,210 million yen (down 15.3% year-on-year), operating profit of 6,042 million yen (up 63.9% year-on-year), ordinary profit of 5,988 million yen (up 61.5% year-on-year), and profit attributable to owners of parent of 4,678 million yen (up 246.6% year-on-year). As of the end of the period under review, the Company has made steady progress, exceeding the profit attributable to owners of parent of 4,400 million yen in the 2023 consolidated forecast announced on August 10, 2023.

JINUSHI will continue its efforts to achieve the objectives set forth in the medium-term plan, spanning from FY12/22 to FY12/26, as well as in alignment with the ESG Policy and its associated roadmap.

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 23,933 million yen (down 16.3% year-on-year) with segment profit of 8,218 million yen (up 43.7% year-on-year).

ii) Subleasing, Leasing and Fund Fee Businesses

The segment reported net sales of 1,267 million yen (up 10.5% year-on-year) with segment profit of 936 million yen (up 8.5% year-on-year).

iii) Planning and Brokerage Business

The segment reported net sales of 9 million yen (down 34.8% year-on-year) with segment profit of 9 million yen (down 34.8% year-on-year).

### (2) Explanation of Financial Position

#### Assets, Liabilities and Net Assets

Total assets increased 19,917 million yen from the end of the previous fiscal year to 92,070 million yen at the end of the period under review. This increase was attributable mainly to an increase in real estate for sale (up 23,870 million yen) as we made steady purchases, while non-current assets (land) (down 2,491 million yen) decreased.

Total liabilities increased 19,353 million yen from the end of the previous fiscal year to 60,546 million yen. This increase was attributable mainly to an increase in long-term borrowings (up 16,065 million yen), resulting from the purchase of real estate for sale.

Net assets increased 564 million yen from the end of the previous fiscal year to 31,524 million yen. This increase was attributable mainly to an increase of 3,672 million yen in retained earnings and the acquisition of treasury shares of 3,499 million yen. Consequently, the equity ratio at the end of the period under review was 34.1%.

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

There are no revisions to the consolidated forecast for the fiscal year ending December 31, 2023 announced on August 10, 2023.

For more details, please refer to “Results of Operations for the First Nine 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)	Third quarter of FY12/23 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposits	23,140	22,255
Operating accounts receivable	273	223
Real estate for sale	28,192	52,062
Advance payments to suppliers	333	282
Prepaid expenses	131	182
Other	780	99
Total current assets	52,850	75,106
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	562	542
Vehicles, tools, furniture and fixtures, net	84	72
Land	16,066	13,574
Leased assets, net	89	105
Total property, plant and equipment	16,803	14,295
Intangible assets		
Other	116	57
Total intangible assets	116	57
Investments and other assets		
Investment securities	319	364
Shares of subsidiaries and associates	24	-
Investments in capital	973	1,131
Leasehold and guarantee deposits	755	794
Long-term prepaid expenses	102	113
Other	294	291
Allowance for doubtful accounts	(88)	(84)
Total investments and other assets	2,382	2,611
Total non-current assets	19,302	16,963
Total assets	72,153	92,070

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	Third quarter of FY12/23 (As of Sep. 30, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	103	152
Short-term borrowings	-	1,210
Current portion of long-term borrowings	1,843	747
Accounts payable-other	707	367
Income taxes payable	232	2,133
Accrued consumption taxes	58	21
Advances received	-	215
Current portion of guarantee deposits received	1,189	1,755
Other	446	507
<b>Total current liabilities</b>	<b>4,583</b>	<b>7,111</b>
<b>Non-current liabilities</b>		
Long-term borrowings	35,222	51,288
Long-term leasehold and guarantee deposits received	765	850
Provision for execution of assumption of debt	110	110
Provision for loss on liquidation of subsidiaries and associates	-	405
Other	512	780
<b>Total non-current liabilities</b>	<b>36,610</b>	<b>53,434</b>
<b>Total liabilities</b>	<b>41,193</b>	<b>60,546</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	26,702
Treasury shares	(0)	(3,499)
<b>Total shareholders' equity</b>	<b>30,736</b>	<b>30,909</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(22)	18
Foreign currency translation adjustment	191	457
<b>Total accumulated other comprehensive income</b>	<b>169</b>	<b>476</b>
<b>Non-controlling interests</b>	<b>54</b>	<b>138</b>
<b>Total net assets</b>	<b>30,960</b>	<b>31,524</b>
<b>Total liabilities and net assets</b>	<b>72,153</b>	<b>92,070</b>

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

	(Millions of yen)	
	First nine months of FY12/22 (Jan. 1, 2022 – Sep. 30, 2022)	First nine months of FY12/23 (Jan. 1, 2023 – Sep. 30, 2023)
Net sales	29,770	25,210
Cost of sales	22,934	15,995
Gross profit	6,836	9,214
Selling, general and administrative expenses	3,150	3,172
Operating profit	3,685	6,042
Non-operating income		
Interest income	0	6
Foreign exchange gains	516	324
Share of profit of entities accounted for using equity method	36	40
Outsourcing service income	100	-
Other	18	40
Total non-operating income	672	410
Non-operating expenses		
Interest expenses	425	309
Financing expenses	213	137
Other	12	16
Total non-operating expenses	651	463
Ordinary profit	3,707	5,988
Extraordinary income		
Gain on sale of non-current assets	-	1,207
Total extraordinary income	-	1,207
Extraordinary losses		
Impairment losses	1,203	40
Office relocation expenses	46	-
Total extraordinary losses	1,250	40
Profit before distributions of profit or loss on silent partnerships and income taxes	2,456	7,156
Distributions of profit or loss on silent partnerships	0	-
Profit before income taxes	2,456	7,156
Income taxes-current	1,650	2,217
Income taxes-deferred	(545)	234
Total income taxes	1,104	2,451
Profit	1,351	4,704
Profit attributable to non-controlling interests	2	26
Profit attributable to owners of parent	1,349	4,678



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

	(Millions of yen)	
	First nine months of FY12/22 (Jan. 1, 2022 – Sep. 30, 2022)	First nine months of FY12/23 (Jan. 1, 2023 – Sep. 30, 2023)
Profit	1,351	4,704
Other comprehensive income		
Valuation difference on available-for-sale securities	12	40
Foreign currency translation adjustment	627	266
Total other comprehensive income	640	306
Comprehensive income	1,992	5,010
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,990	4,984
Comprehensive income attributable to non-controlling interests	2	26

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Acquisition of treasury shares

JINUSHI acquired 1,843,000 treasury shares based on a resolution of the Board of Directors meeting held on August 10, 2023. As a result, treasury shares increased by 3,499 million yen during the first nine months to 3,499 million yen at the end of the third quarter of FY12/23.

**Segment Information**

I First nine months of FY12/22 (Jan. 1, 2022– Sep. 30, 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	28,608	1,146	15	29,770	-	-	29,770
(2) Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	28,608	1,146	15	29,770	-	-	29,770
Segment profit (loss)	5,717	863	15	6,595	-	(2,909)	3,685

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

(Millions of yen)

	Real Estate Investment Business	Subleasing, Leasing and Fund Fee Business	Planning and Brokerage Business	Total
Impairment losses	-	1,046	-	1,046

II First nine months of FY12/23 (Jan. 1, 2023 – Sep. 30, 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	23,933	1,267	9	25,210	-	-	25,210
(2) Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	23,933	1,267	9	25,210	-	-	25,210
Segment profit (loss)	8,218	936	9	9,164	-	(3,122)	6,042

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.

Impairment losses of 40 million yen was recorded in corporate assets that are not allocated to any of the reportable segments.

**Subsequent Events**

Not applicable.