



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 13, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended December 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: Sou Yamashita, General Manager of Investor Relations and Public Relations Office

Tel: +81-(0)3-5220-2902

Scheduled date of Annual General Meeting of Shareholders: March 22, 2024

Scheduled date of filing of Annual Securities Report: March 25, 2024

Scheduled date of payment of dividend: March 25, 2024

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023

(January 1, 2023 – December 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	%
Fiscal year ended Dec. 31, 2023	31,597	(36.7)	6,154	(4.0)	5,718	(3.8)	4,709	29.3
Fiscal year ended Dec. 31, 2022	49,887	(11.2)	6,411	17.1	5,943	18.8	3,641	16.5

Note: Comprehensive income (million yen) Fiscal year ended Dec. 31, 2023: 4,991 (up 23.5%)

Fiscal year ended Dec. 31, 2022: 4,042 (up 19.0%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
Fiscal year ended Dec. 31, 2023	267.76	-	15.1	6.6	19.5
Fiscal year ended Dec. 31, 2022	199.16	-	12.4	7.5	12.9

Reference: Equity in earnings of associates (million yen) Fiscal year ended Dec. 31, 2023: 40

Fiscal year ended Dec. 31, 2022: (8)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2023	101,482	31,501	30.9	1,915.86
As of Dec. 31, 2022	72,153	30,960	42.8	1,690.17

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 31,365

As of Dec. 31, 2022: 30,905

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Dec. 31, 2023	(25,212)	3,691	21,112	22,747
Fiscal year ended Dec. 31, 2022	19,993	(156)	(13,975)	23,140

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Dec. 31, 2022	-	0.00	-	55.00	55.00	1,005	27.6	3.4
Fiscal year ended Dec. 31, 2023	-	0.00	-	55.00	55.00	904	20.5	3.1
Fiscal year ending Dec. 31, 2024 (forecasts)	-	42.50	-	42.50	85.00		28.0	

3. Consolidated Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)

(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	55,000	74.1	8,200	33.2	7,300	27.7	5,000	6.2	304.09

*** 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) 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: Yes
 4) Restatements: None

Note: For more details, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Estimates.”

(3) Number of outstanding shares (common shares)

- 1) Number of shares outstanding at the end of the period (including treasury shares)
 As of Dec. 31, 2023: 18,285,800 shares As of Dec. 31, 2022: 18,285,800 shares
 2) Number of treasury shares at the end of the period
 As of Dec. 31, 2023: 1,843,141 shares As of Dec. 31, 2022: 141 shares
 3) Average number of shares outstanding during the period
 Fiscal year ended Dec. 31, 2023: 17,588,854 shares Fiscal year ended Dec. 31, 2022: 18,285,659 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023

(January 1, 2023 – December 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Dec. 31, 2023	28,525	(34.2)	5,862	24.3	5,390	(38.1)	4,453	20.1
Fiscal year ended Dec. 31, 2022	43,326	(4.7)	4,717	(1.5)	8,709	100.9	3,707	30.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Dec. 31, 2023	253.17	-
Fiscal year ended Dec. 31, 2022	202.77	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2023	91,453	25,337	27.7	1,540.94
As of Dec. 31, 2022	64,976	25,360	39.0	1,386.92

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 25,337 As of Dec. 31, 2022: 25,360

* The current financial report is not subject to the audit 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. Overview of Results of Operations, (4) Outlook” on page 3 of Attachments for assumptions for forecasts and notes of caution for usage.

How to view supplementary materials for financial results

Supplementary materials to be distributed at the event will be available on the Company's website* on February 13, 2024.

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

Holding of financial results meeting

The Company plans to hold a financial results meeting for institutional investors and analysts on February 19, 2024. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Overview of Results of Operations for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Outlook	3
2. Basic Approach to the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Changes in Accounting Estimates	13
Segment and Other Information	13
Per Share Information	17
Subsequent Events	17
4. Non-consolidated Financial Statements	18
(1) Balance Sheet	18
(2) Statement of Income	20
(3) Statement of Changes in Equity	21

1. Overview of Results of Operations

(1) Overview of Results of Operations for the Fiscal Year under Review

The Company has adopted the management philosophy, “Through our JINUSHI Business ^{note}, we create safe real estate financial products and fulfill our part in protecting the assets of people throughout the world.” In the fiscal year ended 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 31,597 million yen (down 36.7% year-on-year), operating profit of 6,154 million yen (down 4.0% year-on-year), ordinary profit of 5,718 million yen (down 3.8% year-on-year), and profit attributable to owners of parent of 4,709 million yen (up 29.3% year-on-year).

On a contract basis, we purchased 83 properties for a total of 58,800 million yen in the period under review which are increases of 50 properties and 38,300 million yen compared with the previous fiscal year. Acquisitions were made in accordance with the growth strategy that places emphasis on the diversity of tenant business sectors, the expansion of operations to more areas, and the use of off-balance-sheet schemes for land. This significant growth raised the number of contracts for property acquisitions to a record high. For more growth of the JINUSHI Business, we started the JINUSHI CLUB in December 2023, which is a business that serves retail investors.

JINUSHI REIT Private Investment Corporation is Japan’s only private REIT that invests solely in leased land. This REIT has an excellent reputation among pension funds and insurance companies, which are institutional investors with a long-term perspective. JINUSHI REIT has increased its capital every year since operations started eight years ago. As of January 2024, assets under management totaled 221.6 billion yen.

JINUSHI will continue its efforts to achieve the objectives set forth in the Medium-term Management 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 for business use.

Results by business segment were as follows:

i) Real Estate Investment Business

The segment reported net sales of 29,948 million yen (down 37.9% year-on-year) with segment profit of 9,116 million yen (down 0.7% year-on-year).

ii) Subleasing, Leasing, Fund Fee and Retail Investor Businesses

The segment reported net sales of 1,638 million yen (up 12.4% year-on-year) with segment profit of 1,195 million yen (up 11.1% year-on-year).

iii) Planning and Brokerage Business

The segment reported net sales of 10 million yen (down 94.8% year-on-year) with segment profit of 10 million yen (down 94.6% year-on-year).

(2) Overview of Financial Position for the Fiscal Year under Review

Assets, Liabilities and Net Assets

Total assets increased 29,329 million yen from the end of the previous fiscal year to 101,482 million yen at the end of the period under review. This increase was attributable mainly to an increase of 31,867 million yen in real estate for sale as we made steady purchases, while non-current assets (land) decreased 2,094 million yen.

Total liabilities increased 28,787 million yen from the end of the previous fiscal year to 69,980 million yen. This increase was attributable mainly to an increase of 25,117 million yen in long-term borrowings, resulting from the purchase of real estate for sale.

Net assets increased 541 million yen from the end of the previous fiscal year to 31,501 million yen. This increase was attributable mainly to an increase of 3,703 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 30.9%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “net cash”) at the end of the period under review decreased by 392 million yen from the end of the previous fiscal year to 22,747 million yen.

Cash flows from operating activities

Net cash used in operating activities totaled 25,212 million yen (down 45,206 million yen year-on-year) in the period under review. This cash outflow was caused mainly by the booking of profit before income taxes of 7,168 million yen and a 32,176 million yen increase in real estate for sale.

Cash flows from investing activities

Net cash provided by investing activities totaled 3,691 million yen (up 3,847 million yen year-on-year) in the period under review. This increase was attributable mainly to an increase of 4,150 million yen in proceeds from sales of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities totaled 21,112 million yen (up 35,087 million yen year-on-year) in the period under review. This cash inflow was mainly attributable to the repayment of 21,714 million yen of long-term borrowings as a result of the sale of real estate for sale, which was offset by financing of 45,874 million yen through long-term borrowings for purchases of real estate for sale.

(4) Outlook

i) Outlook for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)

We expect that the business climate will remain favorable because of the strong demand among investors for the JINUSHI Business. Based on this outlook, the JINUSHI Group (hereinafter “the Group”) forecasts consolidated sales of 55,000 million yen, operating profit of 8,200 million yen, ordinary profit of 7,300 million yen, and profit attributable to owners of parent of 5,000 million yen for the fiscal year ending December 31, 2024 (January 1, 2024 – December 31, 2024).

To achieve the goals of the Medium-term Management Plan, the Group will continue to focus on purchasing real estate for sale, mainly in the JINUSHI Business, as well as on further expanding the market for land with leasehold interest. The goals for the assets of JINUSHI REIT are 300 billion yen by the end of the current medium-term plan and 500 billion yen as soon as possible afterward.

ii) Shareholder Returns

In prior years, JINUSHI has paid a dividend to shareholders and sent shareholders a gift as an additional benefit. We have decided to abolish this shareholder benefit program with the gift sent to eligible shareholders of record at the end of 2023 and change to a policy of distributing solely the dividends to shareholders.

A summary of the shareholder distribution policy after this change is as follows.

Dividends	<ul style="list-style-type: none"> JINUSHI has a policy of continuing stable dividend payments and aiming to increase dividends through earnings growth based on dividend payments that reflects results of operations. Dividend payments maintain the proper balance between shareholder returns and retained earnings in order to fund investments for growth for continuing to increase corporate value. An interim dividend is paid with the aim of further increasing the liquidity of JINUSHI shares.
Shareholder benefits	<ul style="list-style-type: none"> The shareholder benefit program has been abolished. The dividend is the sole means of distributing earnings to shareholders.

In accordance with this policy for shareholder returns, we plan to pay a dividend of 85 yen per share for the fiscal year ending December 31, 2024, which is 30 yen more than the dividend for the previous fiscal year. This dividend increase is based on steady earnings growth and a favorable business climate. In addition, we plan to pay an interim dividend in the fiscal year ending December 31, 2024 for the purpose of further increasing the liquidity of JINUSHI shares.

Dividends	FY12/24			FY12/23		
	Interim	Year-end	Total	Interim	Year-end	Total
	42.5 yen	42.5 yen	85.0 yen	-	55.0 yen	55.0 yen
Refence: Dividend payout ratio	-	-	28.0%	-	-	20.5%
Shareholder benefits	Abolished			Shareholders of record on June 30 and December 31 can select one item from the Shareholder Gift Catalog, which includes Gourmet Cards, products from all areas of Japan, donations to charities and other items. 300 shares or more: 3,000 yen equivalent 700 shares or more: 6,000 yen equivalent		

For more information, see “Results of Operations for the Fiscal Year Ended December 31, 2023” (to be available on our website* shortly).

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

2. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with the financial data of our peer companies in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	FY12/23 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	23,140	23,092
Operating accounts receivable	273	330
Real estate for sale	28,192	60,060
Advance payments to suppliers	333	263
Prepaid expenses	131	202
Other	780	69
Total current assets	52,850	84,019
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	562	713
Vehicles, tools, furniture and fixtures, net	84	76
Land	16,066	13,971
Leased assets, net	89	97
Total property, plant and equipment	16,803	14,859
Intangible assets		
Trademark right	11	11
Other	104	38
Total intangible assets	116	49
Investments and other assets		
Investment securities	319	343
Shares of subsidiaries and associates	24	-
Investments in capital	973	1,084
Leasehold and guarantee deposits	755	803
Long-term prepaid expenses	102	100
Other	294	305
Allowance for doubtful accounts	(88)	(84)
Total investments and other assets	2,382	2,553
Total non-current assets	19,302	17,462
Total assets	72,153	101,482

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	FY12/23 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Trade accounts payable	103	110
Short-term borrowings	-	1,440
Current portion of long-term borrowings	1,843	886
Accounts payable-other	707	415
Accrued expenses	47	36
Lease obligations	32	33
Income taxes payable	232	2,202
Accrued consumption taxes	58	15
Deposits received	126	212
Advances received	-	169
Unearned revenue	182	210
Current portion of guarantee deposits received	1,189	1,715
Other	58	35
Total current liabilities	4,583	7,483
Non-current liabilities		
Long-term borrowings	35,222	60,339
Long-term leasehold and guarantee deposits received	765	883
Lease obligations	66	75
Deferred tax liabilities	398	587
Provision for execution of assumption of debt	110	110
Provision for loss on liquidation of subsidiaries and associates	-	129
Asset retirement obligations	-	179
Other	47	192
Total non-current liabilities	36,610	62,496
Total liabilities	41,193	69,980
Net assets		
Shareholders' equity		
Share capital	3,048	3,048
Capital surplus	4,657	4,657
Retained earnings	23,030	26,733
Treasury shares	(0)	(3,499)
Total shareholders' equity	30,736	30,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(22)	6
Foreign currency translation adjustment	191	417
Total accumulated other comprehensive income	169	424
Non-controlling interests	54	136
Total net assets	30,960	31,501
Total liabilities and net assets	72,153	101,482

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Millions of yen)	
	FY12/22	FY12/23
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Net sales	49,887	31,597
Cost of sales	39,030	21,098
Gross profit	10,857	10,499
Selling, general and administrative expenses	4,446	4,344
Operating profit	6,411	6,154
Non-operating income		
Interest income	9	7
Dividend income	8	8
Outsourcing service income	95	-
Foreign exchange gains	296	84
Gain on investments in partnership	16	36
Share of profit of entities accounted for using equity method	-	40
Other	8	50
Total non-operating income	435	227
Non-operating expenses		
Interest expenses	598	445
Financing expenses	267	186
Share of loss of entities accounted for using equity method	8	-
Other	28	31
Total non-operating expenses	903	663
Ordinary profit	5,943	5,718
Extraordinary income		
Gain on sale of non-current assets	-	1,207
Gain on liquidation of subsidiaries and associates	-	282
Total extraordinary income	-	1,489
Extraordinary losses		
Impairment losses	1,203	40
Loss on sales of shares of subsidiaries and associates	64	-
Office relocation expenses	63	-
Total extraordinary losses	1,331	40
Profit before distributions of profit or loss on silent partnerships and income taxes	4,612	7,168
Distributions of profit or loss on silent partnerships	0	-
Profit before income taxes	4,612	7,168
Income taxes-current	1,423	2,268
Income taxes-deferred	(456)	162
Total income taxes	967	2,431
Profit	3,644	4,736
Profit attributable to non-controlling interests	3	26
Profit attributable to owners of parent	3,641	4,709

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)	FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)
Profit	3,644	4,736
Other comprehensive income		
Valuation difference on available-for-sale securities	16	28
Foreign currency translation adjustment	380	226
Total other comprehensive income	397	255
Comprehensive income	4,042	4,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,038	4,964
Comprehensive income attributable to non-controlling interests	3	26

(3) Consolidated Statement of Changes in Equity

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,048	4,657	20,302	(0)	28,009
Changes during period					
Dividends of surplus			(914)		(914)
Profit attributable to owners of parent			3,641		3,641
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,727	-	2,727
Balance at end of period	3,048	4,657	23,030	(0)	30,736

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(38)	(189)	(227)	-	27,781
Changes during period					
Dividends of surplus					(914)
Profit attributable to owners of parent					3,641
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	16	380	397	54	451
Total changes during period	16	380	397	54	3,178
Balance at end of period	(22)	191	169	54	30,960

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,048	4,657	23,030	(0)	30,736
Changes during period					
Dividends of surplus			(1,005)		(1,005)
Profit attributable to owners of parent			4,709		4,709
Purchase of treasury shares				(3,499)	(3,499)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,703	(3,499)	204
Balance at end of period	3,048	4,657	26,733	(3,499)	30,940

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(22)	191	169	54	30,960
Changes during period					
Dividends of surplus					(1,005)
Profit attributable to owners of parent					4,709
Purchase of treasury shares					(3,499)
Net changes in items other than shareholders' equity	28	226	255	82	337
Total changes during period	28	226	255	82	541
Balance at end of period	6	417	424	136	31,501

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	FY12/22	FY12/23
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	4,612	7,168
Depreciation	120	206
Impairment losses	1,203	40
Amortization of goodwill	28	-
Gain on sales of non-current assets	-	(1,207)
Loss (gain) on sales of investment securities	-	(17)
Loss (gain) on sale of shares of subsidiaries and associates	64	-
Share of loss (profit) of entities accounted for using equity method	6,669	(59)
Office relocation expenses	37	-
Interest income	(9)	(7)
Dividend income	(9)	(8)
Interest expenses	598	445
Foreign exchange losses (gains)	174	-
Non-deductible consumption taxes	301	8
Decrease (increase) in trade receivables	(67)	(57)
Decrease (increase) in inventories	13,443	(32,176)
Increase (decrease) in trade payables	11	23
Decrease (increase) in advance payments-trade	(164)	69
Decrease (increase) in prepaid expenses	138	(69)
Increase (decrease) in accrued expenses	(32)	(11)
Increase (decrease) in accounts payable-other	213	(301)
Increase (decrease) in accrued consumption taxes	5	(42)
Increase (decrease) in deposits received	11	86
Increase (decrease) in advances received	(440)	169
Increase (decrease) in unearned revenue	59	28
Increase (decrease) in leasehold and guarantee deposits received	(382)	643
Other, net	(595)	(84)
Subtotal	25,992	(25,155)
Interest and dividends received	59	16
Interest paid	(631)	(447)
Income taxes refund (paid)	(5,426)	373
Net cash provided by (used in) operating activities	19,993	(25,212)
Cash flows from investing activities		
Decrease (increase) in time deposits	85	(344)
Purchase of property, plant and equipment	(379)	(663)
Proceeds from sales of property, plant and equipment	-	4,150
Purchase of intangible assets	-	(1)
Payments of leasehold and guarantee deposits	(138)	(131)
Proceeds from refund of leasehold and guarantee deposits	-	83
Payments for investments in capital	(297)	(47)
Proceeds from redemption of investment securities	263	-
Proceeds from sale of investment securities	-	22
Proceeds from sale of shares of subsidiaries and associates	371	-
Other, net	(61)	624
Net cash provided by (used in) investing activities	(156)	3,691

	(Millions of yen)	
	FY12/22	FY12/23
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(930)	1,440
Proceeds from long-term borrowings	31,163	45,874
Repayments of long-term borrowings	(43,291)	(21,714)
Repayments of lease liabilities	(32)	(30)
Purchase of treasury shares	-	(3,499)
Dividends paid	(913)	(1,005)
Other, net	29	48
Net cash provided by (used in) financing activities	(13,975)	21,112
Effect of exchange rate change on cash and cash equivalents	99	16
Net increase (decrease) in cash and cash equivalents	5,960	(392)
Cash and cash equivalents at beginning of period	17,178	23,140
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	0	-
Cash and cash equivalents at end of period	23,140	22,747

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Estimates

Changes in Accounting-based Estimates for Asset Retirement Obligations

In FY12/23, JINUSHI revised estimates for expenses for returning leased real estate to its original condition and estimates for the expected length of the use of real estate. These revisions were made because more reliable estimates are now possible due to the availability of new information involving recent actual expenses for returning property to its original condition and other activities concerning asset retirement obligations involving the return of real estate to its original condition as required in real estate leasing contracts.

As a result of this change, 179 million yen was added to asset retirement obligations.

Since the revision in estimates was made at the end of FY12/23, there is no effect on operating profit, ordinary profit and profit before income taxes in FY12/23.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group is primarily engaged in the real estate business with three reportable segments: Real Estate Investment Business, Subleasing, Leasing, Fund Fee and Retail Investor Business, and Planning and Brokerage Business.

The Real Estate Investment Business uses the JINUSHI Business, which is a business model used by the JINUSHI Group, to sell real estate financial products developed by JINUSHI to JINUSHI REIT and other investors.

The Subleasing, Leasing, Fund Fee and Retail Investor Business has four business units. In the Subleasing Business involves the subleasing to tenants of land that the JINUSHI Group has leased from the owners. The Leasing Business involves the leasing of land owned by the JINUSHI Group to tenants. The Fund Fee Business involves the receipt of fees for the management of property and other services for real estate owned by funds and other investors and fees for managing the assets of funds. The Retail Investor Business involves the development and sale of real estate financial products for retail investors.

The Planning and Brokerage Business includes planning services that use the JINUSHI Group's expertise for consulting support and brokerage services for buying and selling real estate.

Changes in reportable segments

Due to the start of a business that serves Retail Investors, beginning in FY12/23, the Subleasing, Leasing and Fund Fee Business has been renamed the Subleasing, Leasing, Fund Fee and Retail Investor Business.

This change has no effect on the FY12/22 segment information, which uses the new segment name.

2. Calculation methods for net sales, profits or losses, assets, liabilities, and other items for each reportable segment

The accounting methods used for reportable segments are generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are operating profit figures.

Inter-segment sales and transfers between the segments are based on prevailing market prices.

3. Information related to net sales, profits or losses, assets, liabilities, and other items for each reportable segment
 FY12/22 (Jan. 1, 2022 – Dec. 31, 2022) (Millions of yen)

	Reportable segment				Other (Note 1)	Adjustments (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Real Estate Investment Business	Subleasing, Leasing, Fund Fee and Retail Investor Business	Planning and Brokerage Business	Subtotal			
Net sales							
Sales to external customers	48,236	1,457	194	49,887	-	-	49,887
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	48,236	1,457	194	49,887	-	-	49,887
Segment profits (losses)	9,181	1,076	185	10,443	-	(4,031)	6,411
Segment assets	28,736	16,597	-	45,333	30	26,788	72,153
Other items							
Depreciation	28	-	-	28	0	91	120
Amortization of goodwill	28	-	-	28	-	-	28
Increase in property, plant and equipment and intangible assets	-	99	-	99	-	401	500

Notes: 1. The “Other” segment represents businesses not included in any reportable segments and includes the overseas PFI business.

2. The above adjustments are as follows:

To segment profits (Millions of yen)	
Corporate expenses *	(4,031)
Total	(4,031)

* Corporate expenses mainly include selling, general and administrative expenses that cannot be attributed to any reportable segments.

To segment assets (Millions of yen)	
Corporate assets *	26,788
Total	26,788

* Corporate assets mainly include assets which belong to administration department of the Company.

To depreciation and amortization (Millions of yen)	
Corporate expenses *	91
Total	91

* Corporate expenses mainly include expenses which belong to administration department of the Company that cannot be attributed to any reportable segments.

3. Segment profit is adjusted to be consistent with operating profit shown on the consolidated financial statements.

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

(Millions of yen)

	Reportable segment				Other (Note 1)	Adjustments (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Real Estate Investment Business	Subleasing, Leasing, Fund Fee and Retail Investor Business	Planning and Brokerage Business	Subtotal			
Net sales							
Sales to external customers	29,948	1,638	10	31,597	-	-	31,597
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	29,948	1,638	10	31,597	-	-	31,597
Segment profits (losses)	9,116	1,195	10	10,322	-	(4,167)	6,154
Segment assets	60,621	14,554	-	75,176	4	26,301	101,482
Other items							
Depreciation	91	-	-	91	-	115	206
Amortization of goodwill	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	-	643	-	643	-	79	723

Notes: 1. The “Other” segment represents businesses not included in any reportable segments and includes the overseas PFI business.

2. The above adjustments are as follows:

To segment profits		(Millions of yen)
Corporate expenses *		(4,167)
Total		(4,167)

* Corporate expenses mainly include selling, general and administrative expenses that cannot be attributed to any reportable segments.

To segment assets		(Millions of yen)
Corporate assets *		26,301
Total		26,301

* Corporate assets mainly include assets which belong to administration department of the Company.

To depreciation and amortization		(Millions of yen)
Corporate expenses *		115
Total		115

* Corporate expenses mainly include expenses which belong to administration department of the Company that cannot be attributed to any reportable segments.

3. Segment profit is adjusted to be consistent with operating profit shown on the consolidated financial statements.

Related information

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

1. Information by product or service

This information is omitted because the same information is presented in “Segment information, 3. Information related to net sales, profits or losses, assets, liabilities, and other items for each reportable segment.”

2. Information by region

(1) Net sales

This information is omitted because sales to external customers in Japan exceeded 90% of net sales presented in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

(Millions of yen)

Company name	Net sales	Business segment
SMFL MIRAI Partners Co., Ltd.	9,750	Real Estate Investment Business Subleasing, Leasing and Fund Fee Business
JINUSHI Private REIT Investment Corporation	9,164	Real Estate Investment Business Subleasing, Leasing and Fund Fee Business

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

1. Information by product or service

This information is omitted because the same information is presented in “Segment information, 3. Information related to net sales, profits or losses, assets, liabilities, and other items for each reportable segment.”

2. Information by region

(1) Net sales

This information is omitted because sales to external customers in Japan exceeded 90% of net sales presented in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

(Millions of yen)

Company name	Net sales	Business segment
ML ESTATE Co., Ltd.	11,678	Real Estate Investment Business Subleasing, Leasing, Fund Fee and Retail Investor Business
JINUSHI Private REIT Investment Corporation	8,465	Real Estate Investment Business Subleasing, Leasing, Fund Fee and Retail Investor Business
Nomura Real Estate Development Co., Ltd.	3,986	Real Estate Investment Business

Information related to impairment losses on non-current assets for each reportable segment

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

In the Real Estate Investment Business segment, a goodwill impairment loss of 140 million yen was recorded.

In the Subleasing, Leasing, Fund Fee and Retail Investor Business segment, an impairment loss of 1,046 million yen was recorded.

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

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

Information related to amortization and unamortized balance of goodwill for each reportable segment

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

In the Real Estate Investment Business segment, a goodwill amortization of 28 million yen was recorded. There is no unamortized balance of the said goodwill.

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

Not applicable.

Information related to gain on negative goodwill for each reportable segment

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

Not applicable.

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

Not applicable.

Per Share Information

(Yen)

	FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)	FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)
Net assets per share	1,690.17	1,915.86
Net income per share	199.16	267.76

Notes: 1. Diluted net income per share is omitted because there is no potentially dilutive share.

2. The basis for the calculation of net income per share and diluted net income per share is as follows.

	FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)	FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	3,641	4,709
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Millions of yen)	3,641	4,709
Average number of common shares outstanding during the period (Shares)	18,285,659	17,588,854

Subsequent Events

Introduction of restricted stock compensation plan

On February 13, 2024, the JINUSHI Board of Directors approved a resolution to introduce a restricted stock compensation plan for JINUSHI directors (excluding Audit and Supervisory Committee members and outside directors) and a restricted stock compensation plan for JINUSHI employees. As a result, a resolution to introduce the plan for JINUSHI directors (excluding Audit and Supervisory Committee members and outside directors) will be submitted at the 24th Annual General Meeting of Shareholders to be held on March 22, 2024.

For more information, see the “Notice Concerning Introduction of a Restricted Stock Compensation Plan for Directors and Employees of JINUSHI” (Japanese version only) announced on February 13, 2024.

4. Non-consolidated Financial Statements**(1) Balance Sheet**

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	FY12/23 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	17,699	18,533
Trade accounts receivable	10	27
Real estate for sale	22,336	46,873
Advance payments-trade	82	109
Prepaid expenses	118	182
Other	1,728	1,494
Total current assets	41,975	67,220
Non-current assets		
Property, plant and equipment		
Buildings	503	621
Structures	-	3
Tools, furniture and fixtures	57	55
Land	16,066	13,110
Leased assets	85	93
Total property, plant and equipment	16,713	13,884
Intangible assets		
Trademark right	11	11
Software	103	37
Other	0	0
Total intangible assets	115	49
Investments and other assets		
Investment securities	319	342
Shares of subsidiaries and associates	1,008	1,008
Investments in capital of subsidiaries and associates	228	228
Investments in capital	505	505
Long-term loans receivable from subsidiaries and associates	3,200	7,266
Leasehold and guarantee deposits	629	654
Long-term prepaid expenses	89	86
Deferred tax assets	113	141
Other	78	64
Total investments and other assets	6,172	10,299
Total non-current assets	23,001	24,233
Total assets	64,976	91,453

	(Millions of yen)	
	FY12/22 (As of Dec. 31, 2022)	FY12/23 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Trade accounts payable	98	93
Short-term borrowings	-	1,440
Current portion of long-term borrowings	4,322	5,183
Accounts payable-other	477	198
Accrued expenses	43	31
Lease liabilities	31	32
Income taxes payable	18	2,181
Accrued consumption taxes	-	6
Deposits received	86	179
Advances received	-	96
Unearned revenue	121	133
Current portion of guarantee deposits received	1,090	1,373
Provision for bonuses	-	15
Other	55	1
Total current liabilities	6,346	10,966
Non-current liabilities		
Long-term borrowing	32,332	53,981
Long-term leasehold and guarantee received	763	824
Lease liabilities	62	72
Asset retirement obligations	-	149
Allowance for debt assumption	110	110
Other	0	11
Total non-current liabilities	33,269	55,149
Total liabilities	39,615	66,116
Net assets		
Shareholders' equity		
Share capital	3,048	3,048
Capital surplus		
Legal capital surplus	3,026	3,026
Total capital surpluses	3,026	3,026
Retained earnings		
Other retained earnings		
Retained earnings brought forward	19,307	22,754
Total retained earnings	19,307	22,754
Treasury shares	(0)	(3,499)
Total shareholders' equity	25,382	25,330
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(22)	6
Total valuation and translation adjustments	(22)	6
Total net assets	25,360	25,337
Total liabilities and net assets	64,976	91,453

(2) Statement of Income

	(Millions of yen)	
	FY12/22	FY12/23
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Net sales	43,326	28,525
Cost of sales	35,110	19,416
Gross profit	8,216	9,109
Selling, general and administrative expenses	3,499	3,247
Operating profit	4,717	5,862
Non-operating income		
Interest income	24	66
Dividend income	4,587	8
Gain on investments in partnership	16	17
Commission income	40	36
Foreign exchange gains	7	15
Other	4	36
Total non-operating income	4,681	181
Non-operating expenses		
Interest expenses	395	442
Financing expenses	267	184
Other	27	26
Total non-operating expenses	689	653
Ordinary profit	8,709	5,390
Extraordinary income		
Gain on sales of non-current assets	-	1,207
Total extraordinary income	-	1,207
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	3,730	-
Impairment losses	1,062	40
Office relocation expenses	63	-
Total extraordinary losses	4,856	40
Profit before income taxes	3,852	6,557
Income taxes-current	167	2,131
Income taxes-deferred	(23)	(26)
Total income taxes	144	2,104
Profit	3,707	4,453

(3) Statement of Changes in Equity

FY12/22 (Jan. 1, 2022 – Dec. 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	3,048	3,026	3,026	16,513	16,513	(0)	22,589
Changes during period							
Dividends of surplus				(914)	(914)		(914)
Profit				3,707	3,707		3,707
Purchase of treasury shares			-		-		-
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	2,793	2,793	-	2,793
Balance at end of period	3,048	3,026	3,026	19,307	19,307	(0)	25,382

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(38)	(38)	22,550
Changes during period			
Dividends of surplus			(914)
Profit			3,707
Purchase of treasury shares			-
Net changes in items other than shareholders' equity	16	16	16
Total changes during period	16	16	2,810
Balance at end of period	(22)	(22)	25,360

FY12/23 (Jan. 1, 2023 – Dec. 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	3,048	3,026	3,026	19,307	19,307	(0)	25,382
Changes during period							
Dividends of surplus				(1,005)	(1,005)		(1,005)
Profit				4,453	4,453		4,453
Purchase of treasury shares			-		-	(3,499)	(3,499)
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	3,447	3,447	(3,499)	(52)
Balance at end of period	3,048	3,026	3,026	22,754	22,754	(3,499)	25,330

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(22)	(22)	25,360
Changes during period			
Dividends of surplus			(1,005)
Profit			4,453
Purchase of treasury shares			(3,499)
Net changes in items other than shareholders' equity	28	28	28
Total changes during period	28	28	(23)
Balance at end of period	6	6	25,337