

Translated on February 16
Accurate translation is in progress.

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

February 13, 2024



JINUSHI
BUSINESS

JINUSHI Co., Ltd.

地主株式会社

Securities code: 3252 (TSE)
<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 (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):	100 (As of February 2024)

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1. FY12/23 Summary of Consolidated Financial Results

(1) FY12/23 Consolidated Financial Results

- Sales were ¥31,597 million (down 36.7% YoY), operating profit was ¥6,154 million (down 4.0% YoY), and profit attributable to owners of parent ¥4,709 million (up 29.3% YoY). **Exceeded full-year net profit forecast of ¥4,400 million.**
- Purchases totaled 83 agreements for ¥58,800 million (up 50 agreements YoY/ ¥38,300 million YoY). Achieved a record-high number of purchase agreements per year. The balance of real estate for sale doubled from the end of the previous year to 60,060 million yen (up ¥31,867 million YoY).

(2) FY12/24 Consolidated Financial Results Forecast

- Strong demand from investors for JINUSHI Business continues. Due to an increase in the number of real estate for sale, **the company plans to increase sales and profits** despite the absence of extraordinary income from the sale of a fixed asset like in the previous fiscal year. Net sales of ¥55,000 million, operating profit of ¥8,200 million, and net profit of ¥5,000 million. **Steady profit growth is expected.**

(3) Shareholder Returns

- Abolish the shareholder benefit program after the last offer at the end of FY 12/23. Changed to a policy of returning profits through cash dividends.
- JINUSHI plans to pay a FY12/23 dividend of ¥55 per share as planned.
- In FY12/24 JINUSHI forecast **a large increase in dividend to 85 yen/share (+¥30 YoY). Interim dividends will also be introduced.**

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

- In FY 23/12, sales declined, and earnings increased year-on-year. Controlled number of the sale of properties in light of large, high-profit margin sales projects and extraordinary income.
- Net income exceeded the full-year forecast announced in August 2023 (4,400 million yen), mainly due to an increase in income from real estate leasing for sale with the growing volume of property purchases.
- The reputation of the JINUSHI Business*¹ continues to improve and demand among investors remains very strong.

(Millions of yen)	FY12/22 (1)	FY12/23 (2)	Change (2)-(1)	Major reasons	FY12/23 Forecast * ² (3)	Vs. Forecast (2)-(3)
Net sales	49,887	31,597	(18,290)	• Sales decreased due to control of the sale of properties (as planned)	32,000	(402)
Operating profit	6,411	6,154	(256)	• Landed at the same level as the previous Fiscal year due to higher profitability of properties sold and increase in earnings from leases	6,000	+154
Non-operating income	435	227	(207)		—	—
Non-operating expenses	903	663	(239)		—	—
Ordinary profit	5,943	5,718	(225)		5,500	+218
Extraordinary income	—	1,489	+1,489	• Sale of land in Chuo-ku, Osaka (a non-current asset)	—	—
Extraordinary losses	1,331	40	(1,291)		—	—
Income taxes	967	2,431	+1,464		—	—
Profit attributable to owners of parent	3,641	4,709	+1,067		4,400	+309
Net income per share (Yen)	199.16	267.76	+68.60		250.16	+17.60
Operating profit on net sales (%)	12.9	19.5	+6.6		18.8	+0.7
Net profit on net sales (%)	7.3	14.9	+7.6		13.8	+1.2

*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.

*2. Announced in August 2023.

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

- Property purchases in FY12/23 are going well, resulting in a double in real estate for sale of FY12/22 to ¥60,060 million (up ¥31,867 million YoY) at the end of FY 12/23.
- The equity ratio, net debt/equity ratio, and DCR remain within proper ranges. The equity ratio as of the end of FY 12/23 was 30.9%, maintaining the financial discipline (more than 30%).

(Millions of yen)	As of Dec. 31, 2022 (1)	As of Dec. 31, 2023 (2)	Change (2)-(1)
Assets	72,153	101,482	+29,329
of which cash and deposits	23,140	23,092	(47)
of which real estate for sale	28,192	60,060	+31,867
of which property, plant and equipment	16,803	14,859	(1,943)
Liabilities	41,193	69,980	+28,787
of which borrowings	37,066	62,666	+25,599
Net assets	30,960	31,501	+541
Equity ratio (%)	42.8	30.9	(11.9)
Net D/E ratio (times)*1	0.45	1.26	+0.81
DCR (Debt Coverage Ratio)(%)*2	92.3	163.9	+71.6

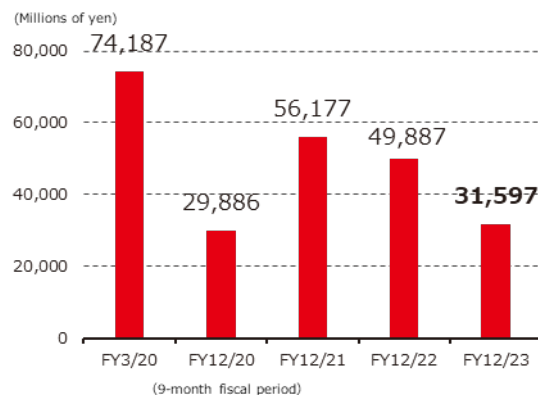
*1. Net D/E ratio: Net interest-bearing debt (interest-bearing debt minus cash and deposits) divided by net assets

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

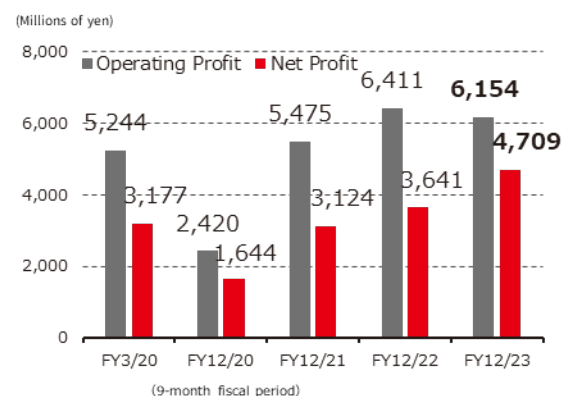
Major Financial Indicators

- Net profit, JINUSHI's key earnings indicator, increased for the third 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.

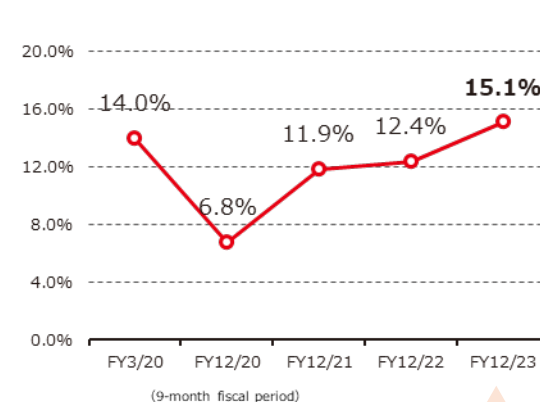
Net Sales



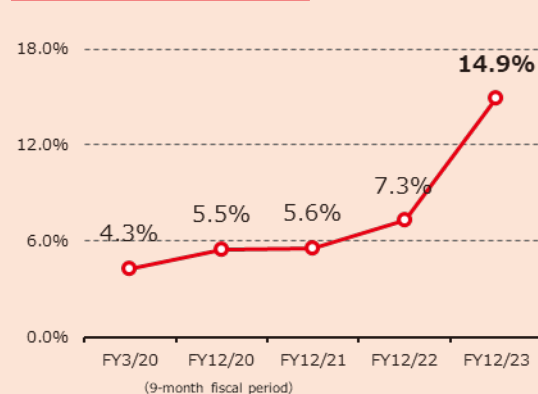
Operating Profit / Net Profit



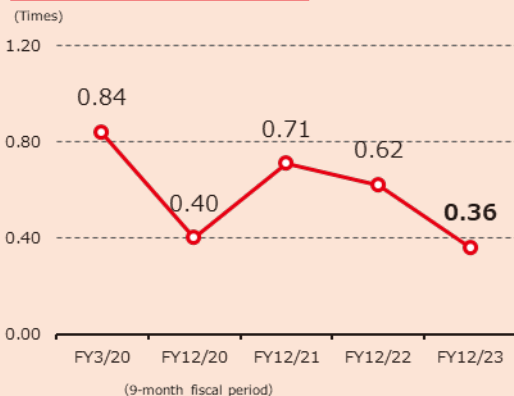
ROE



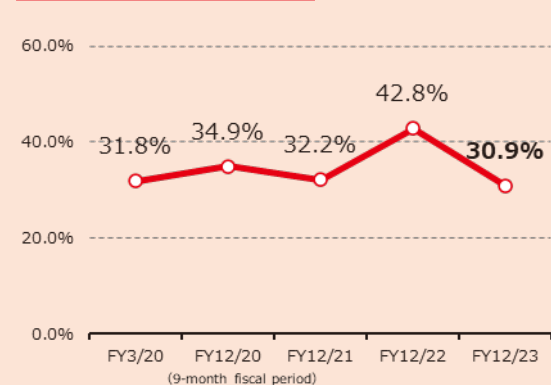
Net Profit on Net Sales



Total Asset Turnover



Equity Ratio



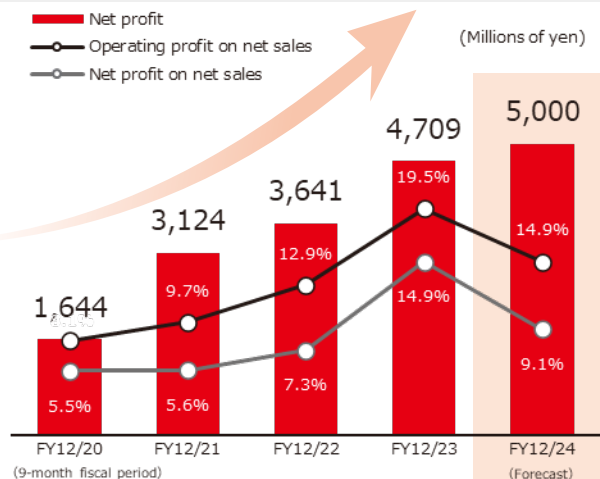
FY12/24 Consolidated Forecast

- In FY12/24, increase in the number of properties to be sold based on steady procurement status. Despite the absence of extraordinary income from the sale of fixed assets like in the previous fiscal year, we plan to increase sales and earnings.
- Profit margin is expected to remain high but will decline from the previous fiscal year because it was due to large, high-profit margin sales projects and extraordinary gains in the previous fiscal year.
- Steady progress toward achieving a Net profit of 7,000 million yen as stated in the mid-term management plan (FY12/26).

(Millions of yen)	FY12/23 (Result) (1)	FY12/24 (Forecast) (2)	change (2)-(1)
Net sales	31,597	55,000	+23,402
Operating profit	6,154	8,200	+2,045
Ordinary profit	5,718	7,300	+1,581
Net profit	4,709	5,000	+290
Net income per share (Yen)	267.76	304.09	+36.33
Operating profit on net sales (%)	19.5	14.9	(4.6)
Net profit on net sales (%)	14.9	9.1	(5.8)

Management Policy and Forecasts of FY12/24

- Focus on diversification of tenant types and expansion of purchasing through off-balance-sheet proposals for land, etc.
- Increase the sale of properties in light of continued strong demand for JINUSHI BUSINESS and favorable purchasing conditions.
- The stock business income will also increase due to asset management income and an increase in income from real estate leasing for sale with expanded purchases.



Shareholder Returns

- Abolish the shareholder benefit program after the last offer at the end of FY 12/23. Changed to a policy of returning profits through cash dividends.
- Based on steady profit growth and a favorable business environment, we forecast a large dividend increase of 85 yen/share (+¥30 from FY12/23).

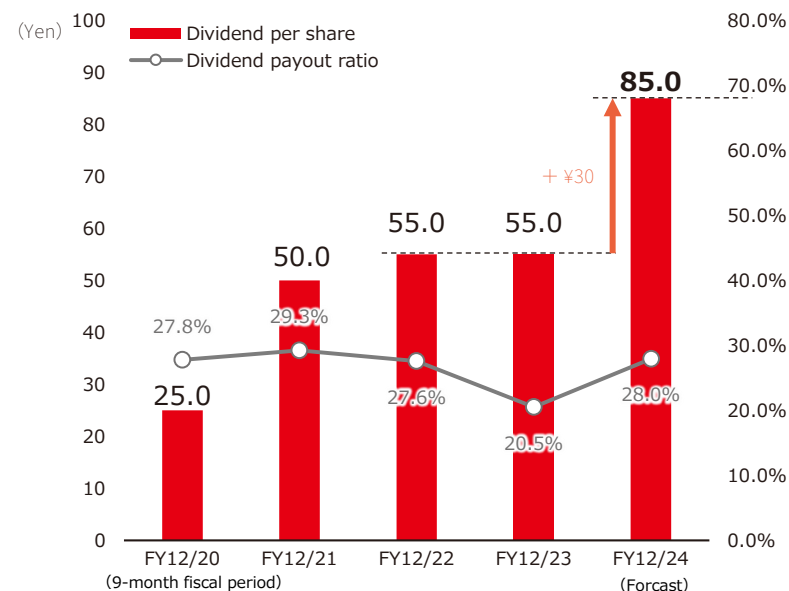
Change of shareholder returns policy (Prioritize cash dividends)

- Abolished shareholder benefit program and **changed to a policy of returning profits to shareholders in the form of cash dividends.**
- Continue a stable dividend policy. Maintain a balance between investment in growth and shareholder returns, **Aim to increase dividends through profit growth.**
- **Introduce interim dividend paid** to further increase the liquidity of the Company's shares.

	FY12/24 (Forecast)			FY12/23		
	1Q-end	2Q-end	Total	1Q-end	2Q-end	Total
cash dividend	¥42.5	¥42.5	¥85.0 (+¥30)	—	¥55.0	¥55.0
Shareholders benefit	Abolition			Select one item from the catalog or choose a gourmet card. Conducted twice, once at midterm and once at the Year-end. (300 shares or more: ¥3,000 equivalent, 700 shares or more: ¥6,000 equivalent)		

Cash dividend

- In FY12/24, we forecast a large dividend increase of **85 yen/share (+¥30 from FY12/23)**. This increase exceeds the amount by which shareholder benefits are eliminated.



EPS(¥)	89.94	170.90	199.16	267.76	304.09
Dividend payout ratio ^{*1,2}	2.0%	2.9%	3.0%	2.5%	—

*1. The dividend payout ratio is based on the stock closing price at the end of each FY.

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

TOPICS Introduction of Stock Compensation Plan

- Introduction of Stock Compensation Plan for company director and all employees^{*1・2}
- Aim for profit growth and achievement of the medium-term management plan by further motivating the company to continuously increase corporate value.

Purpose of Introduction

- Provide incentives for contributions to sustainable corporate value enhancement

Grant policy is "favorable business environment (purchasing, business performance, etc.)" and "for directors and all employees" to further motivate directors and employees.

- Sharing Values with Shareholders

Remuneration system after the introduction of the plan

- Add stock compensation. To promote business with a greater awareness of stock price.

	After	Before
Director	Cash Reward + Stock Compensation	Cash Reward
Employee	Annual salary + Incentive bonus + Stock Compensation	Annual salary + Incentive bonus

Outline of the Plan

Eligibility	<ul style="list-style-type: none"> • Director (Excluding Audit Committee Members and Outside Directors) • All employees^{*1}
Design of plan	<ul style="list-style-type: none"> • Restricted Stock Compensation Plan • Plans to utilize treasury stock at time of grant
Term of restricted transfer	<ul style="list-style-type: none"> • Until the time of leaving the company (expiration of term of office) <ul style="list-style-type: none"> ➢ Designs that prohibit transfer, etc. to third parties (except for justifiable reasons) ➢ In the case of certain events, the Company may acquire the granted shares without compensation.
start date	<ul style="list-style-type: none"> • April 2024 onward

*1. For regular employees. Excludes some contract employees, part-time employees, etc.

*2. The plan for directors is subject to approval at the 24th General Meeting of Shareholders to be held in March 2024.

2. Performance

FY12/23 Performance

- The Flow Business in FY12/23 landed as expected. Controlled the volume of sales in light of the large, high-profit margin properties and extraordinary gains recorded.
- The Stock business in FY12/23 steadily accumulated on the back of steady purchases.

(Millions of yen)	FY12/22	FY12/23	Change
	(1)	(2)	(2) – (1)
Net sales	49,887	31,597	(18,290)
of which Flow Business ^{*1}	47,116	28,386	(18,730)
of which Stock Business ^{*2}	2,770	3,211	+440
Gross profit	10,857	10,499	(358)
of which Flow Business ^{*1}	8,469	7,732	(736)
of which Stock Business ^{*2}	2,388	2,766	+378
Operating profit	6,411	6,154	(256)
Gross profit margin (%)	21.8	33.2	+11.5
of which Flow Business (%) ^{*1}	18.0	27.2	+9.3

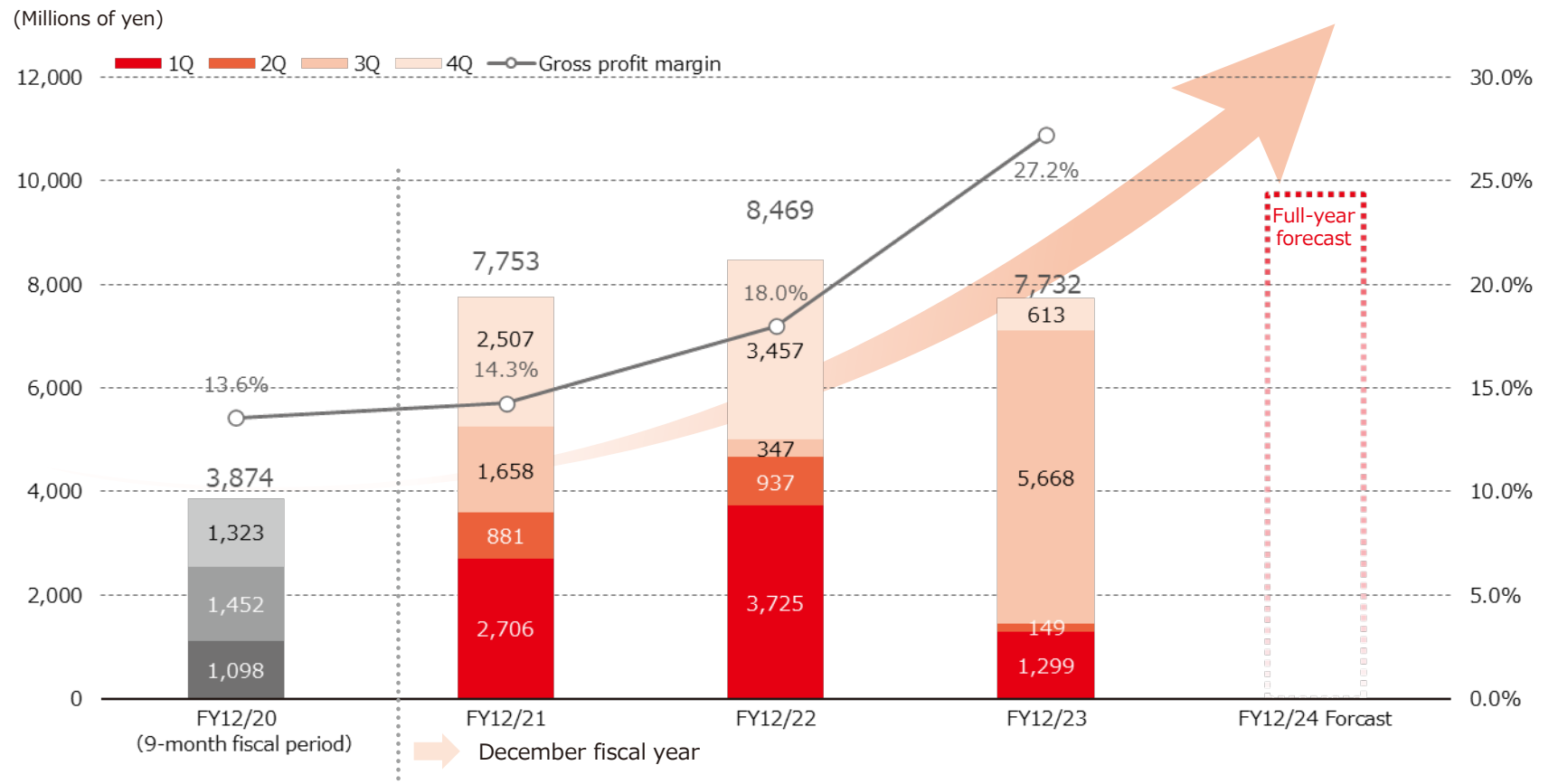
*1. Gains on sales of real estate + Real estate brokerage fees

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

FY12/23 Performance (Flow Business)

- In the Flow Business in FY12/23, profit margins were high due to large and high-profit margin sales properties (Land in Hachioji, Tokyo purchased in 2018).
- In FY12/24, we plan to increase the number of properties for sale based on the steady procurement situation. The gross profit margin is expected to be slightly below 20%, with plans for increased sales and profit.

Flow Business(Quarterly Gross Profit)

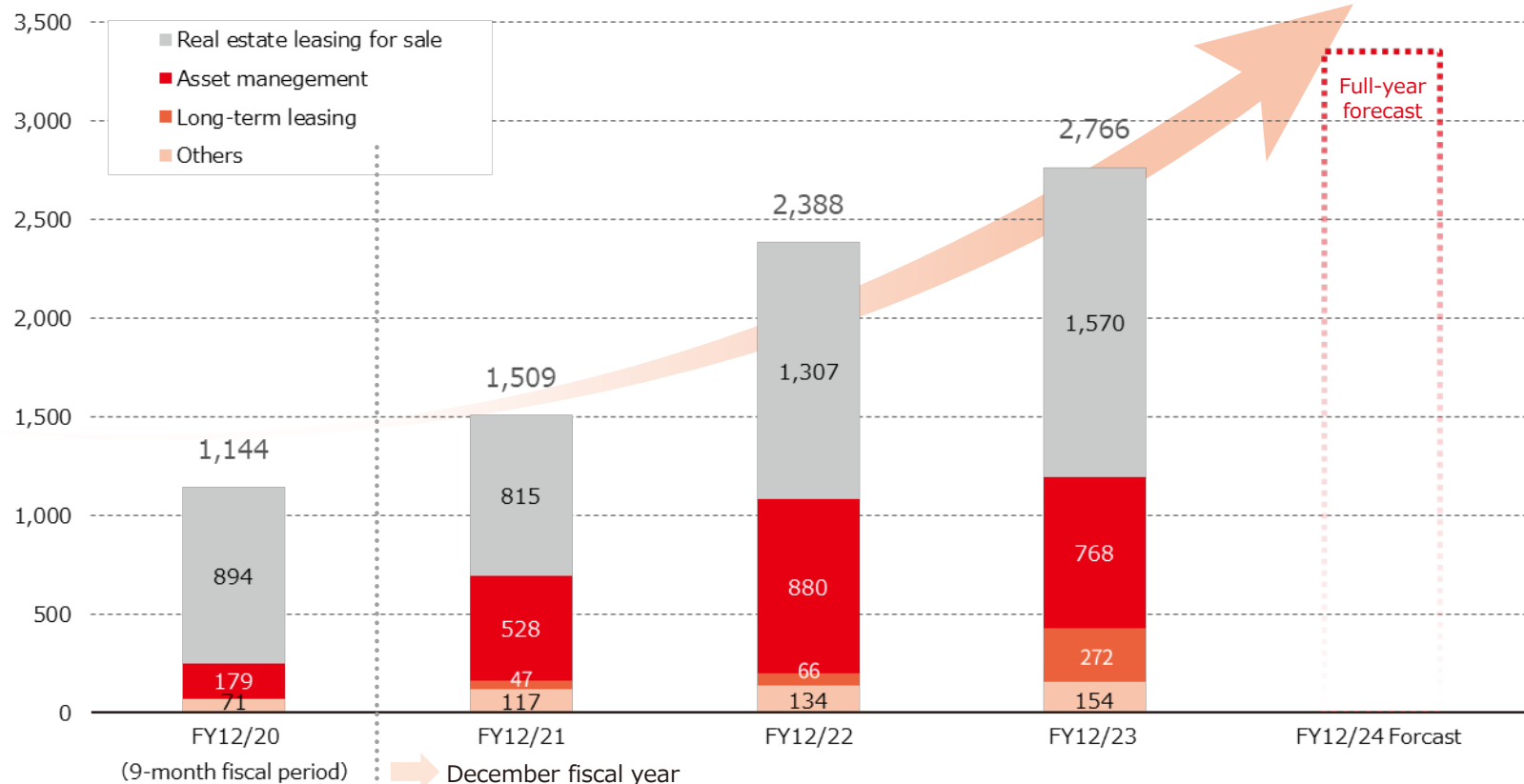


FY12/23 Performance (Stock Business)

- In FY12/23, income from real estate leasing for sale increased with the steady purchases. Both sales and income landed increased.
- For FY12/24, sales and income are expected to decline due to a decrease in income with Real estate leasing for sale, despite an increase in asset management income. Aiming for the same level as the previous year by expanding purchases.

Gross Profit from Stock Business

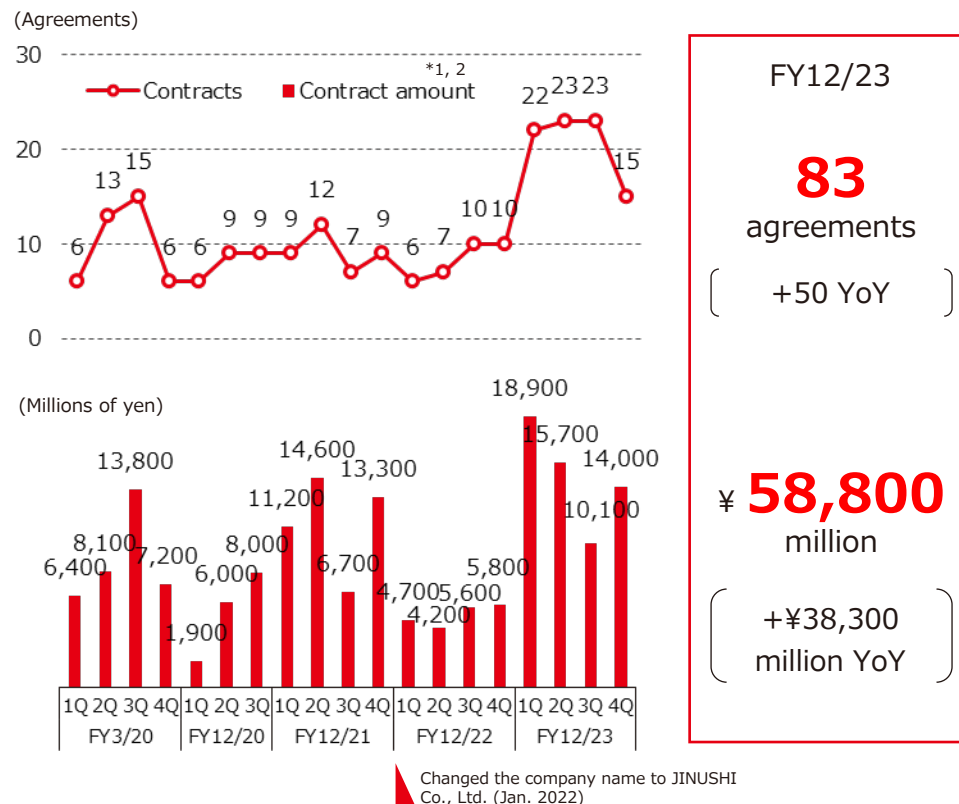
(Millions of yen)



FY12/23 Performance (Land Purchases 1)

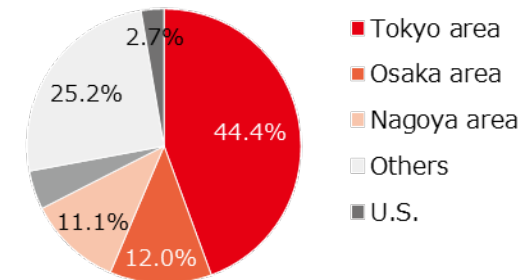
- 83 agreements for purchases totaling ¥58,800 million; Achieved a record-high number of purchase agreements per year.
- Steady increase in new tenants in social infrastructure sectors such as hospices, nursing homes, funeral halls, and other facilities.

Purchases (Agreements signed) *1

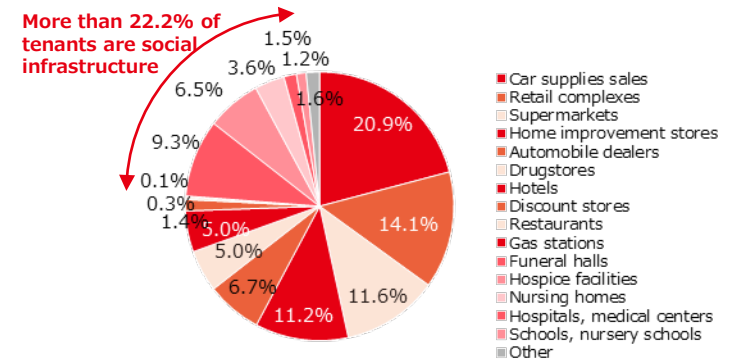


Breakdown of Purchases (Agreements signed in FY12/23) *1

Diversification of Areas *3



Diversification of Use



*1. The number and monetary amount of contracts also include the real estate investment business, long-term leasing business and other categories.

*2. Planned investment at the internal budgeting stage. Figures are rounded down to the nearest 100 million yen, so totals for each quarter may not equal cumulative totals. The above figures include acquisition-related expenses, etc.

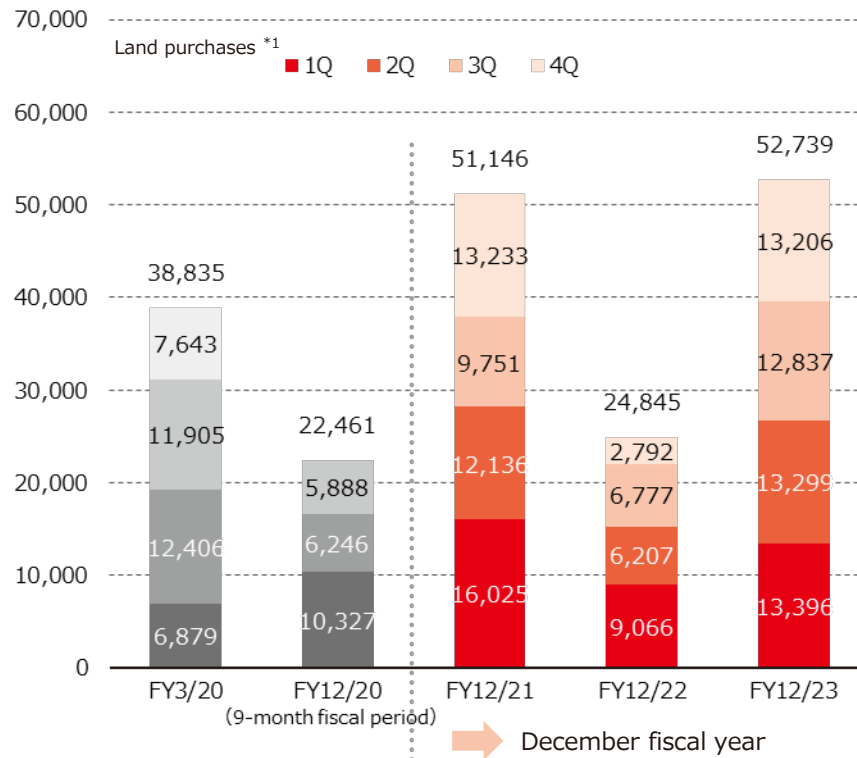
*3. Definitions for geographic diversification (Tokyo, Osaka and Nagoya areas and other terms) are on page 33.

FY12/23 Performance (Land Purchases 2)

- Real estate for sale steadily increased. Purchases of ¥52,739 million were recorded in FY12/23, The balance of real estate for sale at the end of FY 12/23 was 60,060 million yen, double the amount at the end of the previous year.

Land Purchases (Amount recorded on Balance Sheet)

(Millions of yen)

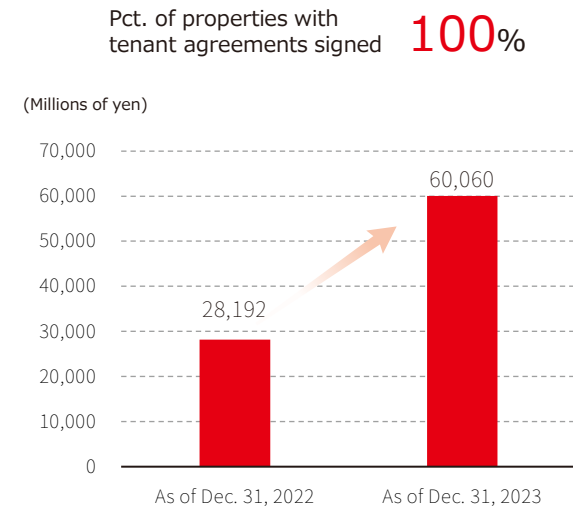


*1. Real estate for sale added to the balance sheet in each quarter
(End-of-quarter balance - Prior quarter balance + Flow business cost of sales + Transfers of non-current assets to real estate for sale, and other items)

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.

Real Estate for Sale



3. Medium-term Management Plan

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.

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



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

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 ¥221.6 billion (7th in the industry/ out of 54 total ^{*1}) 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.

*1. According to our research (as of January 10, 2024. Others are based on data as of December 31, 2023)

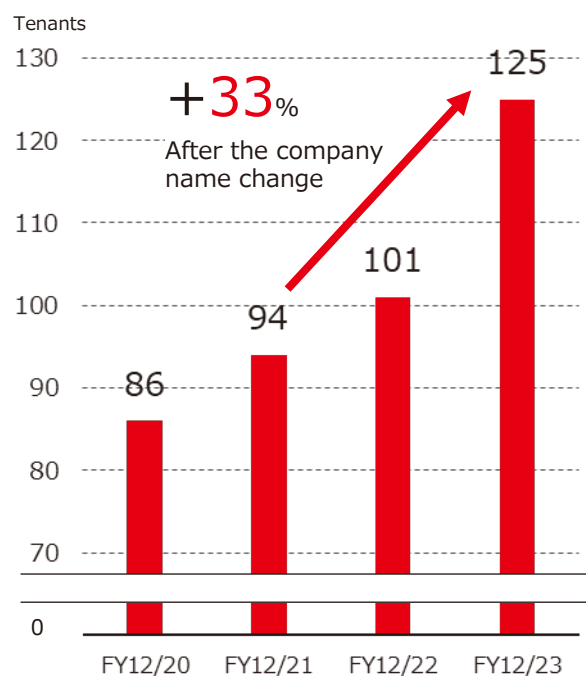
Tenant Business Sector Diversification

- 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.
- At the end of FY12/23, there were 125 tenant companies and many more potential tenants. Currently, the number of hospice facility and funeral hall tenants is increasing.

Tenants*1

Number of tenants: **125** companies

Tenants with more than one lease: **49** companies



Tenant Diversity

Tenant Categories	No. of Companies	Tenant Categories	No. of Companies	Tenant Categories	No. of Companies
Supermarkets	24	Hospitals, medical centers	4	Retail complexes	1
Drugstores	11	Schools, nursery schools	4	Shopping malls	1
Automobile dealers	11	Fitness clubs	3	Automobile exhibition	1
Restaurants	10	Bridal facilities	3	Nursing homes	1
Home improvement stores	8	Discount stores	3	Automobile maintenance stores	1
Funeral halls	7	Logistics, Data centers	2	Automotive supplies storees	1
Large electronics stores	6	Service stations	2	Golf driving ranges	1
Hotels	5	Housing exhibition	2	Convenience stores	1
factories, warehouses	4	Hospice facilities	2	Others	6
		Total		125	

Main Tenants*2

Name of Tenants	No. of Properties	Name of Tenants	No. of Properties
KOHNAN SHOJI CO., LTD.	34	WELCIA YAKKYOKU CO., LTD.	13
LIFE CORPORATION	21	CHUBU YAKUHIN CO., LTD.	11
Sugi Holdings Co., Ltd.	18		

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

*2. Tenants at 10 or more JINUSHI properties

Tenant Business Sector Diversification (Tenants in the social infrastructure sector)

- The JINUSHI Business is increasing tenant diversity as one way to continue growing.
- Efforts have greatly expanded by capturing the growth of hospices, nursing homes, funeral halls, and other tenants that play an important role in the infrastructure of the super-aging society.

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

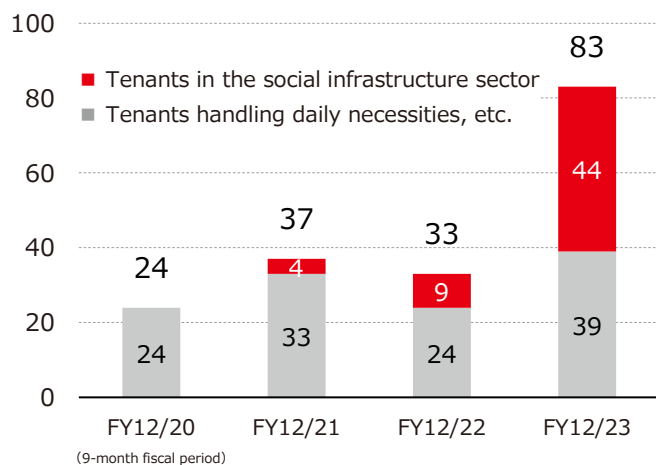


The value of the JINUSHI Business

A long-term, stable landowner that can support the business plans of tenants

Purchases (Agreements signed) ^{*1,2}

- Tenants in the social infrastructure sector were largely increased.



Transition of contract amount

	FY12/20	FY12/21	FY12/22	FY12/23
■ the social infrastructure	–	3,400	4,000	13,200
■ handling daily necessities	16,000	42,500	16,400	45,500
Total Purchases	16,000	46,000	20,400	58,800

Major tenants and achievements (cumulative)

- The cumulative development of tenants in the social infrastructure sector reaches 65 projects, worth 38.9 billion yen

Hospices



Funeral halls



Tenants in the social infrastructure sector	Achievements (cumulative) ^{*3}	
	Number of cases	Total
Hospices	8	¥ 38,917 million
Nursing home	1	
Funeral halls	41	
Hospital, medical center	5	
Schools, nurse schools	8	
Logistics, Data centers	2	

*1. The number and monetary amount of contracts also include the real estate investment business, long-term leasing business and other categories.

*2. Planned investment at the internal budgeting stage. Figures are rounded down to the nearest 100 million yen, so totals for each quarter may not equal cumulative totals. The above figures include acquisition-related expenses, etc.

*3. Development Achievements as of Dec. 31, 2023, plus projects already contracted for purchase as of Jan. 31, 2024

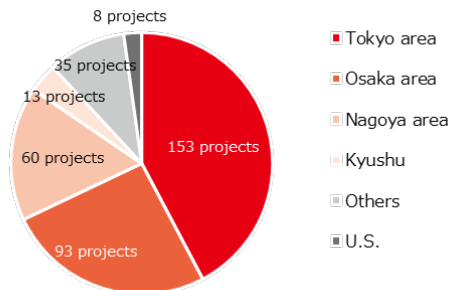
Expand to More Areas

- 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)

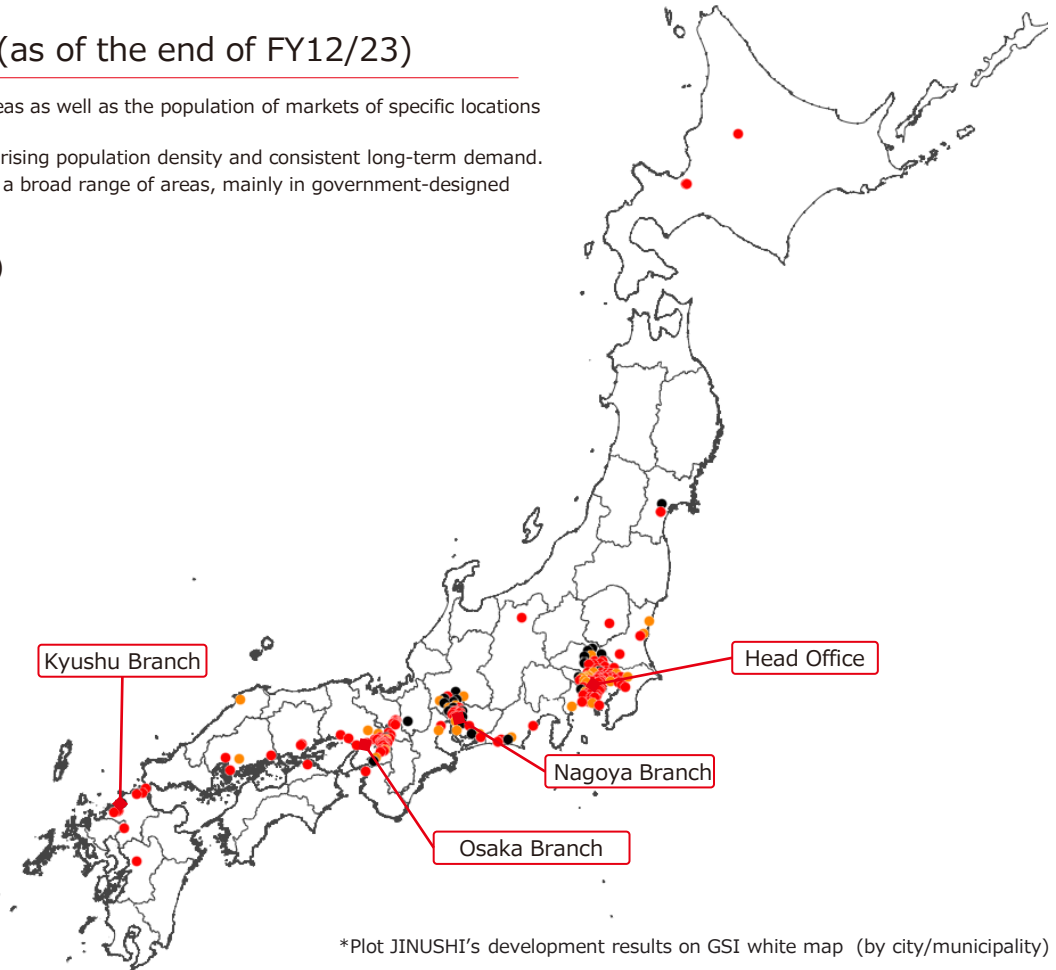
- The JINUSHI Business places priority on populations of targeted areas as well as the population of markets of specific locations and other factors.
- Within each area, JINUSHI carefully selects land in locations with a rising population density and consistent long-term demand.
- There are many opportunities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

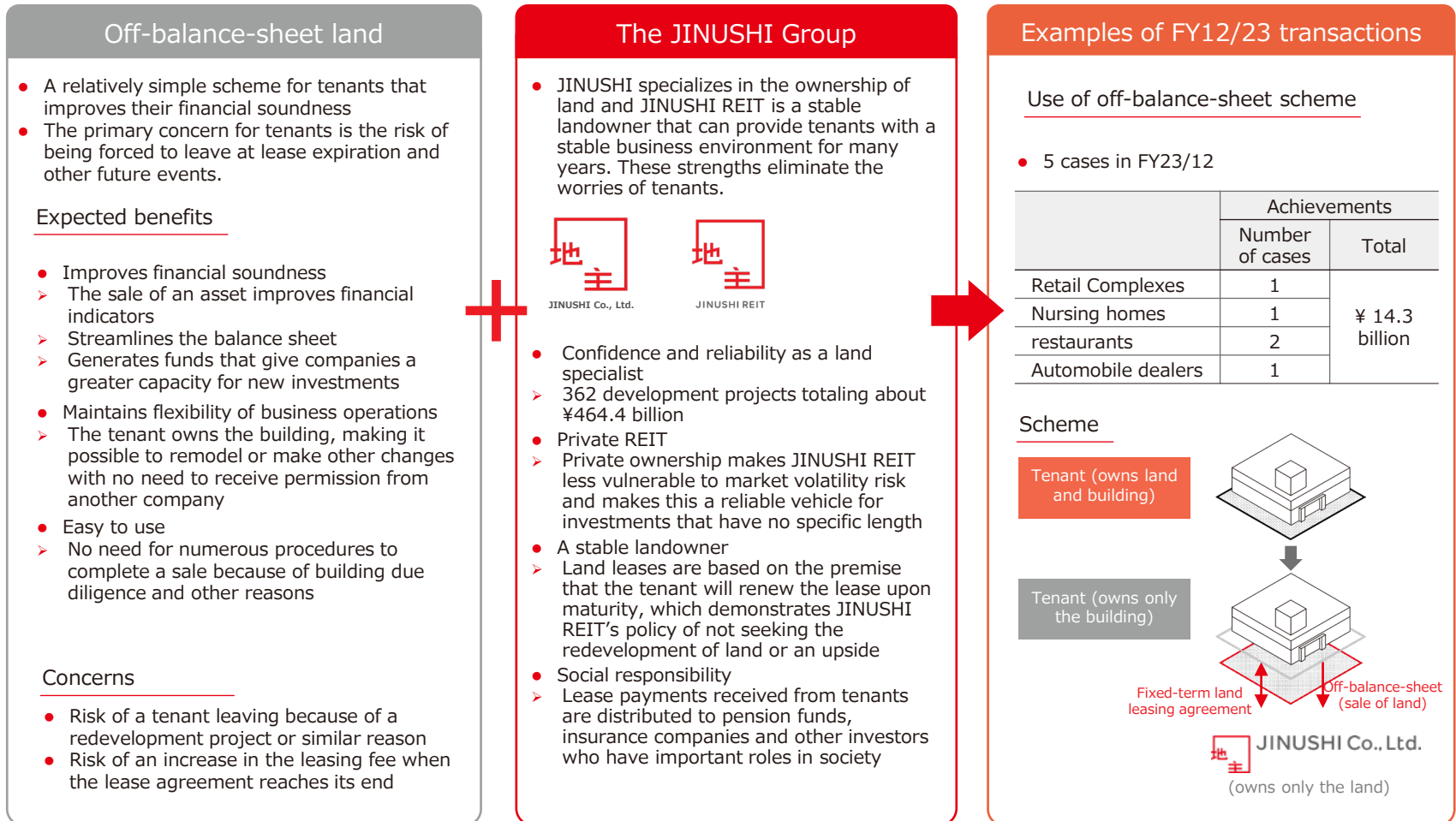
City/Municipality	Development projects		No
	Yes (Number)	No	
● Population 200,000+/ Government-designed municipalities	134 cities (273 projects)	156 cities	
● 100,000 to 199,999	34 cities (45 projects)	120 cities	
● 20,000 to 99,999	29 cities (36 projects)	786 cities	
United States	— (8 projects)	—	
Total	197 cities (362 projects)	1,062 cities	



*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, 2023	As of Dec. 31, 2022
Equity ratio (%)	30.9	42.8
Net D/E ratio (times) ^{*1}	1.26	0.45
DCR (Debt Coverage Ratio) (%) ^{*2}	163.9	92.3

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 ¥51 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)		¥12 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

P 27 Defining Characteristics of JINUSHI Co., Ltd.

P 28 Financial Results

P 29 The JINUSHI Business

P 40 JINUSHI REIT (Private REIT for leased land)

P 43 JINUSHI CLUB (Real Estate Financial Product for Retail Investors)

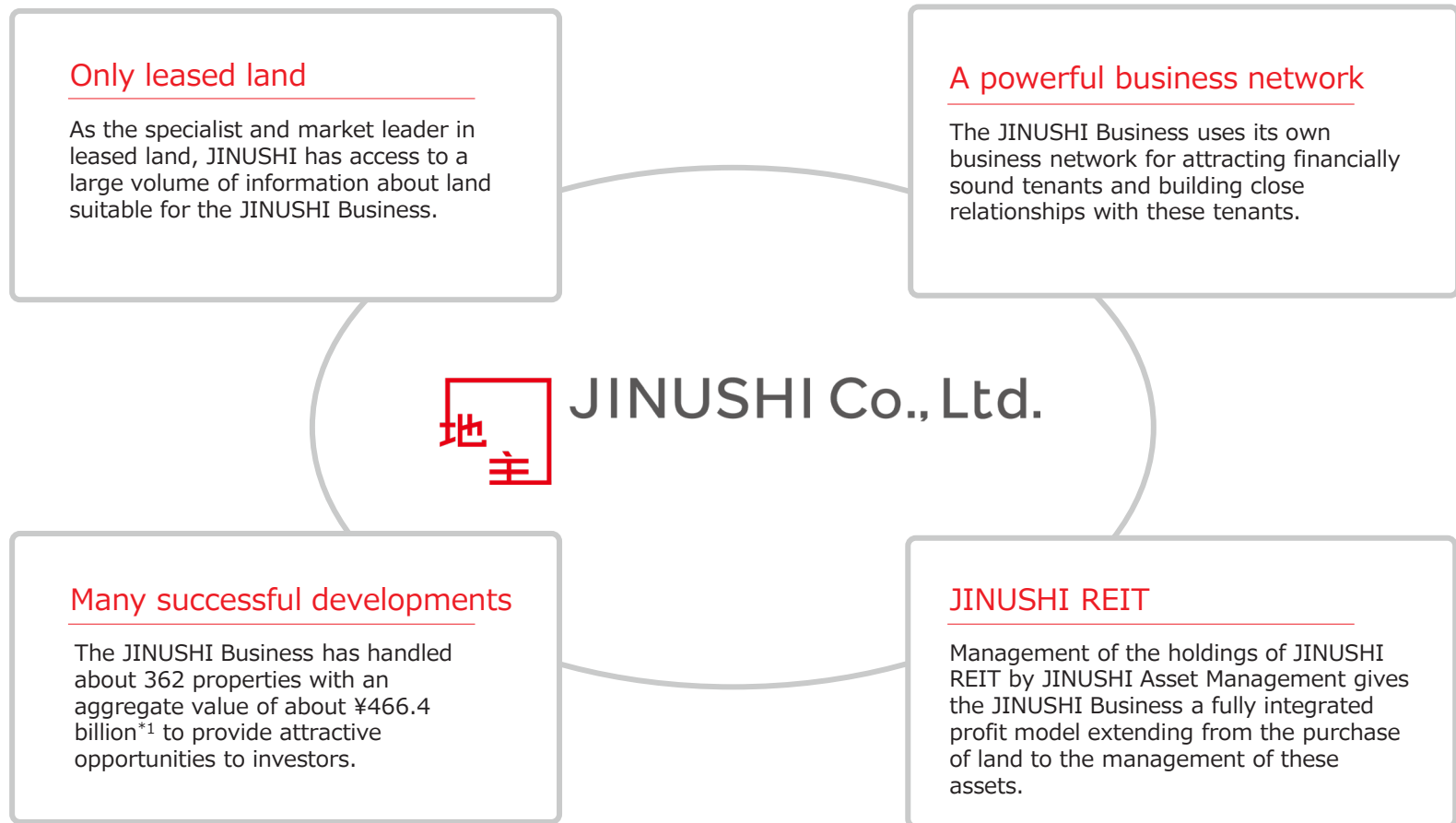
P 44 Market Data

P 46 ESG

P 50 10-year Summary

Defining Characteristics of JINUSHI

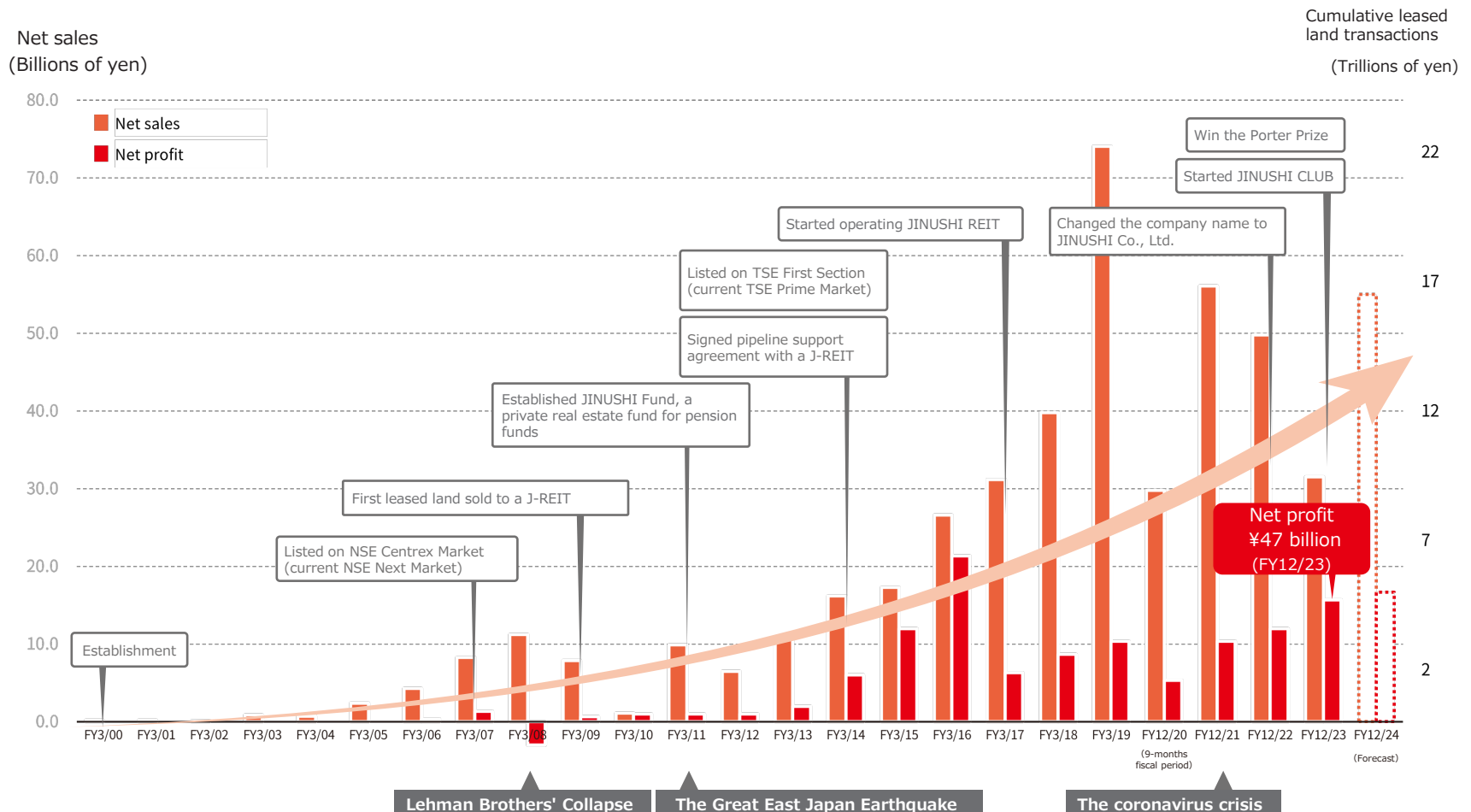
- JINUSHI created Japan's market for leased land as the producer of real estate financial products using solely the JINUSHI Business.



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

Financial Results

— Over 20 years since starting operations, JINUSHI has grown by specializing in the JINUSHI business, always working to create and grow the leased land market.



*1. FY12/20 is a transitional 9-month fiscal period for the year-end change from March to December.

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

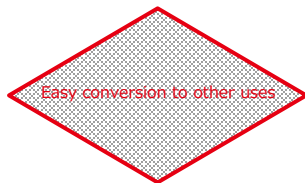
- Purchase and lease land and sell leased land. Management of the funds of investors.
- An innovative business model which invests only in land by utilizing fixed-term land lease rights.

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

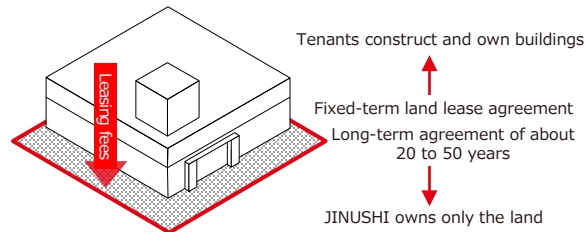
POINT Purchase made only after finding a tenant

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

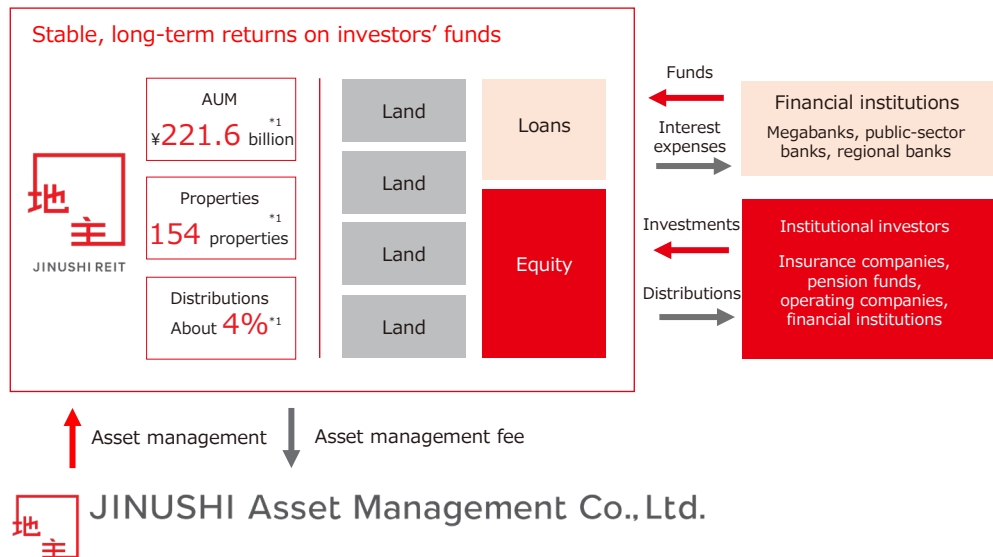
As a specialist in leased land for more than 20 years, the JINUSHI Business has a long list of accomplishments and not one tenant that has terminated a lease early. This demonstrates the outstanding stability and reliability of the return provided by JINUSHI financial products.

JINUSHI Business development operations*2	Tenant departures before maturity*1	Reductions of lease payments*1
362 projects About ¥466.4 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 who want reliable business continuity.

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



*1. As of January 10, 2024 (Figures are extracted for the Company, group companies, and JINUSHI REIT)

*2. Based on prices as of the end of December 2023.

The JINUSHI Business (3) Buildings on JINUSHI Properties (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

- Hospice facilities
- Nursing homes
- Funeral halls
- Logistics
- Schools/Nursery schools

Supermarkets



Drugstores



Home improvement stores



Hospice facilities



Funeral halls



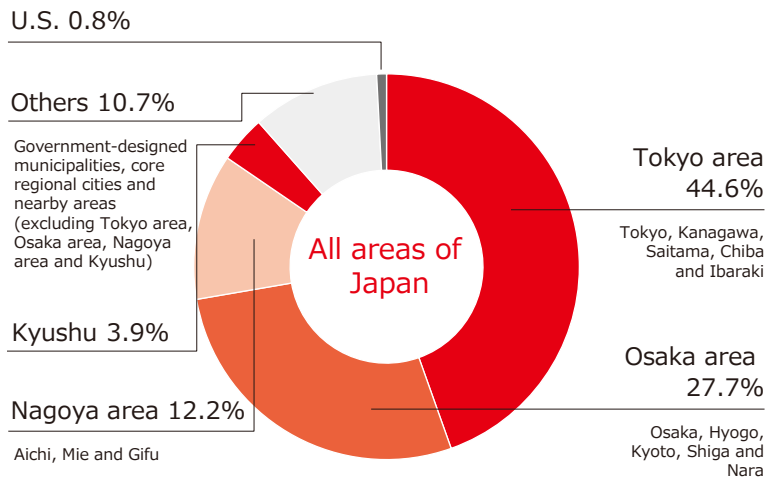
School/Nursery schools



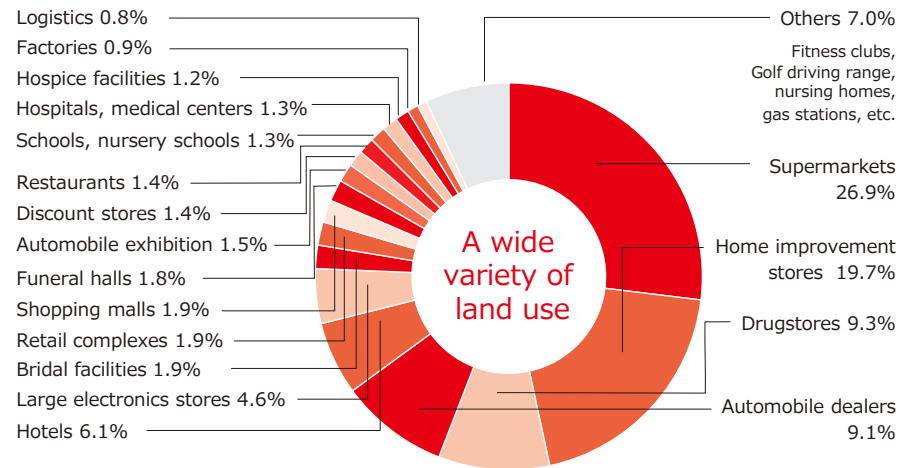
The JINUSHI Business (3) Buildings on JINUSHI Properties (Diversification of Areas and Diversification of Use)

- 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
362 properties and about **¥466.4** billion*1

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

The JINUSHI Business (4) Winner of the 2023 Porter Prize (Uniqueness and profitability evaluated from the sight of business administration)

— JINUSHI received the 2023 Porter Prize for JINUSHI Private REIT Investment Corporation (JINUSHI REIT) as a target project.

The Porter Prize

- The prize is named for Mr. Michael Porter, a world-renowned authority on business administration.
- Uniqueness of strategy and profitability are the key points of evaluation



The Porter Prize, which is given by Hitotsubashi University, recognizes companies with innovative products, processes, and management systems. Winners of this prize use these strengths to implement innovative strategies and maintain high profitability in their industry.

Porter Prize website:
<https://www.porterprize.org/english/>

The Porter Prize

- Attend Competitiveness Conference and Awards Ceremony on December 1, 2023



Porter Prize 2023 Award Ceremony(Received a certificate of commendation from Professor Ohzono of Hitotsubashi Business School)



Left: Professor Kusunoki, Hitotsubashi Business School
Right: President and Representative Director Nishira

Why JINUSHI was selected

- JINUSHI created a new type of financial product and uses a unique business model.



Creation of novel financial products

As a producer of real estate financial products that created financial products specialized in leased land, has created and expanded the leased land market.

A distinctive business model

The JINUSHI Business develops real estate financial products that are highly resistant to natural disasters and market volatility through investments exclusively in land without buildings.

Value for tenants

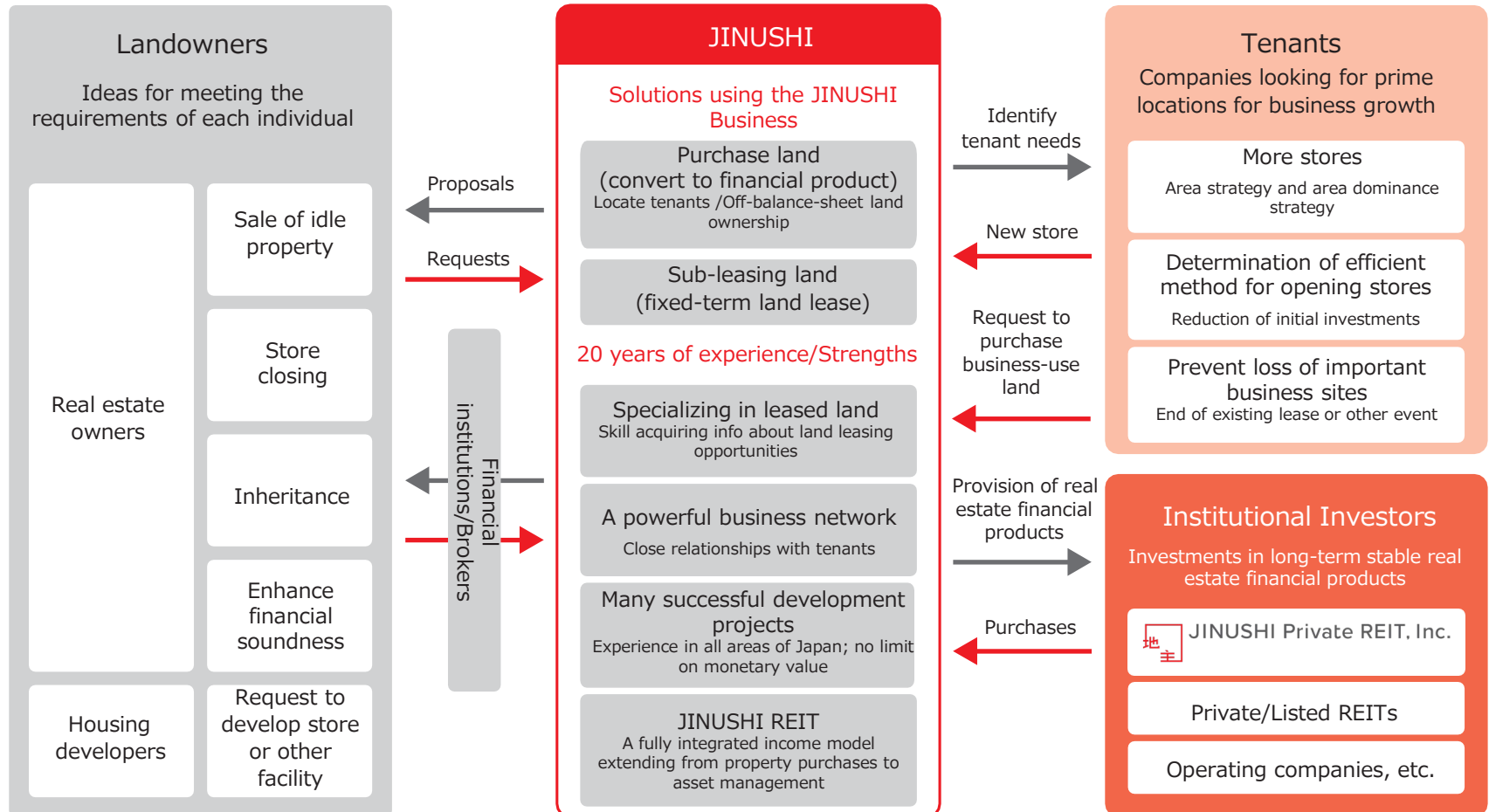
Tenants can develop a property with a small initial investment because there is no need to buy the land. In addition, tenants can use the land with confidence because JINUSHI REIT is a reliable long-term owner.

Value for institutional investors

JINUSHI offers pension funds, life insurance companies, and other institutions seeking long-term stable investments an additional option to diversify their investment portfolios through JINUSHI REIT.

The JINUSHI Business (5) 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.

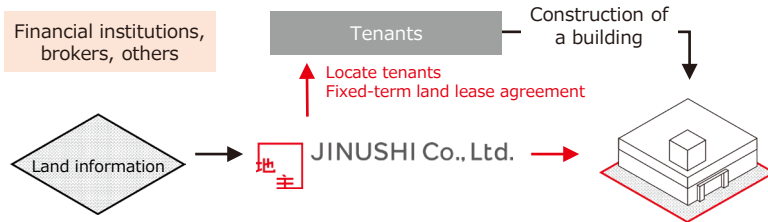


The JINUSHI Business (6) Many Methods for Purchasing and Resolving Issues

— 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.

Many purchasing methods

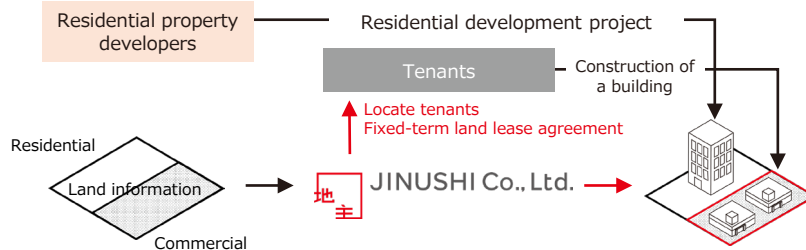
(1) Information about land received from financial institutions and brokers



(2) Property from a tenant

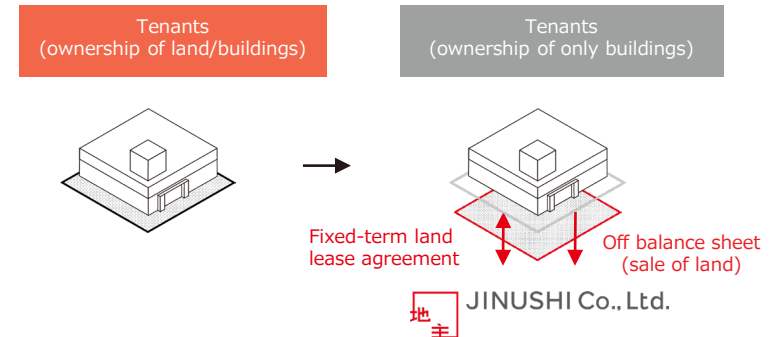


(3) Joint development with a residential property developer



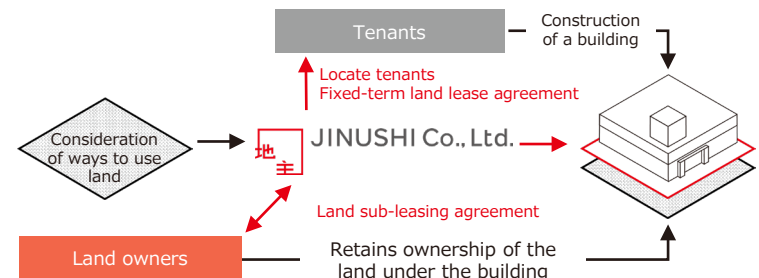
Off-balance-sheet land ownership

- Improve financial indicators by selling land
- Acquire funds to increase the ability to make new investments
- Continuous ownership of buildings results in business operations with outstanding flexibility



Sub-leasing land

- Most effective use of idle assets while retaining ownership of the land




The JINUSHI Business (7) Three Strengths for Resilience to Business Climate Changes

- The 2008 financial crisis, 2011 earthquake and tsunami, and pandemic all demonstrated the long-term stability of the JINUSHI Business and established its market reputation.
- The current environment of inflation and rising interest rates is an opportunity to further enhance the three strengths of the JINUSHI Business.

The JINUSHI Business Strengths Become Even Greater

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.

Change in business climate (Inflation, high interest rates)

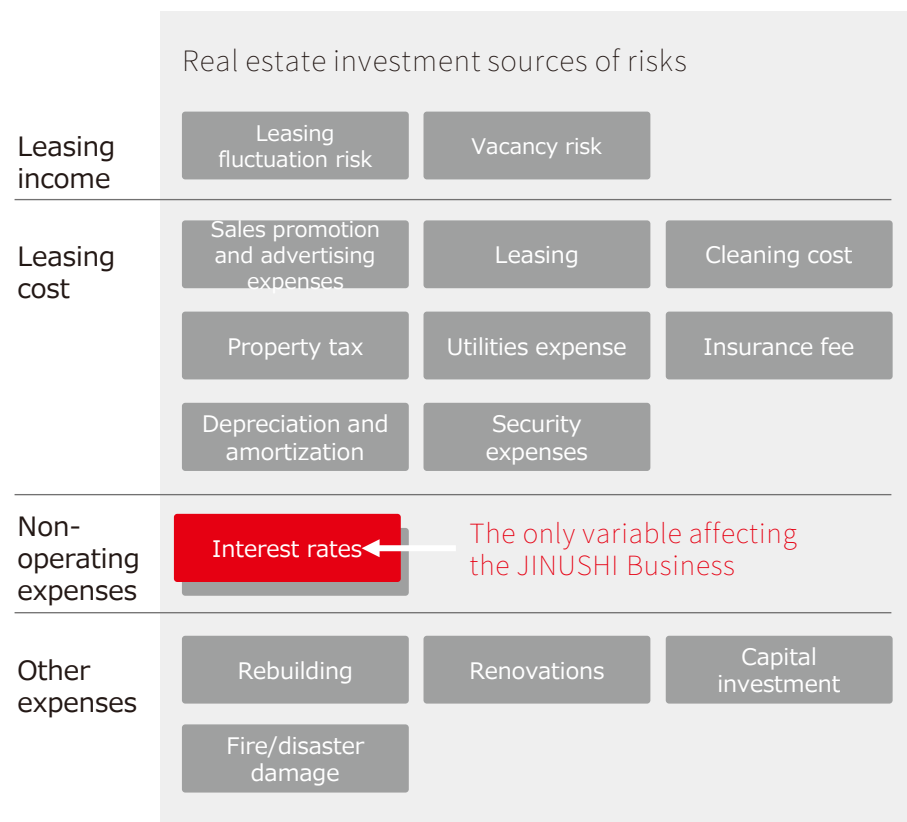
Strengths during inflation and high interest rates

- The JINUSHI Business model remains strong during inflation because the business does not own buildings and requires no additional investments. Increases in the cost of construction and repairs do not affect this business.
- Property tax is the only leasing expense of the JINUSHI Business. Leases include a provision for raising lease payments to reflect increases in the property tax, thereby eliminating the effect of this tax on earnings from leases (see page 38). In addition, an increase in lease payments can be negotiated if there is a significant change in the economy or some other event.
- This is a phase in which the strengths of the JINUSHI Business are further enhanced compared with other real estate investments that have many variable factors of rising expenses and have not been able to increase lease payments. (see page 39)
- During inflation, the increase in the price of the land raises the capital gain that can be earned if the property is later sold.
- Land does not degrade over time and enjoys the full benefit of inflation.

The JINUSHI Business (7) Resilience to Business Climate Changes (Few sources of volatility, financial strategy)

- When making real estate investments, buildings are a source of various types of risks affecting asset value.
- Interest rates are the only variable affecting the JINUSHI Business, which holds only land. JINUSHI and JINUSHI REIT both have a financial strategy structured to match their operations.

JINUSHI Business Variables



Financial Strategies



- Financial soundness (equity ratio of at least 30%)
- Low-cost variable interest rate loans due to a business model with a fast turnover of about 12-18 months from property purchases to sales
- Long-term loans for risk hedging to be prepared for a shift in real estate market conditions

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



- Low loan-to-value based on a policy of investments with long-term stability
- Loan-to-value is 30.3%*1.
- The non-current liabilities ratio (non-current liabilities divided by equity) is 100%*1 and the average time to loan maturity is 5.3 years*1.

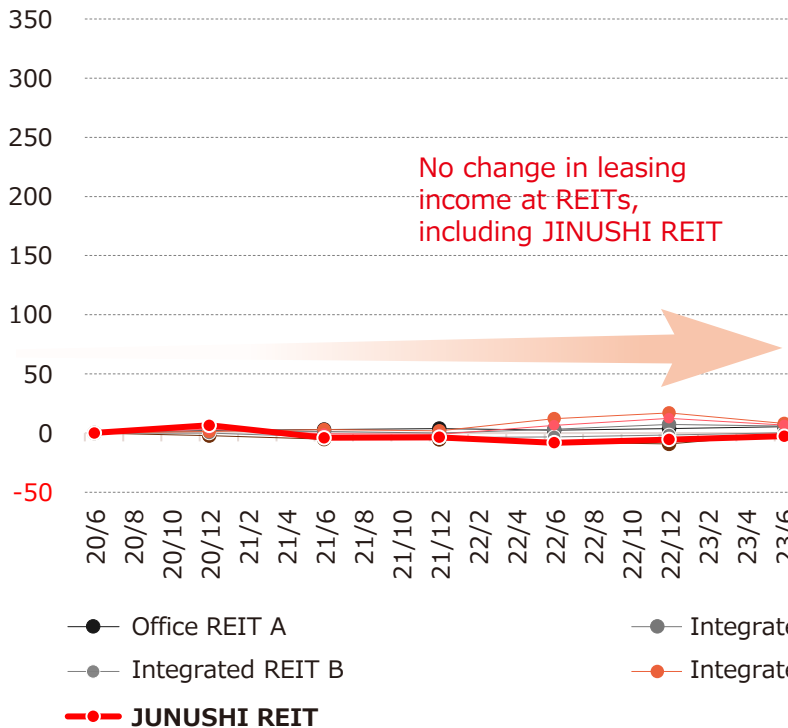
*1. As of January 10, 2024

The JINUSHI Business (7) Resilience to Business Climate Changes (Changes in leasing income and utility rates)

- During the inflation phase after 2021, utility expenses have increased significantly, but most J-REITs have not yet been able to increase leasing income.
- JINUSHI REIT is in a superior position due to its very few sources of changes in expenses.

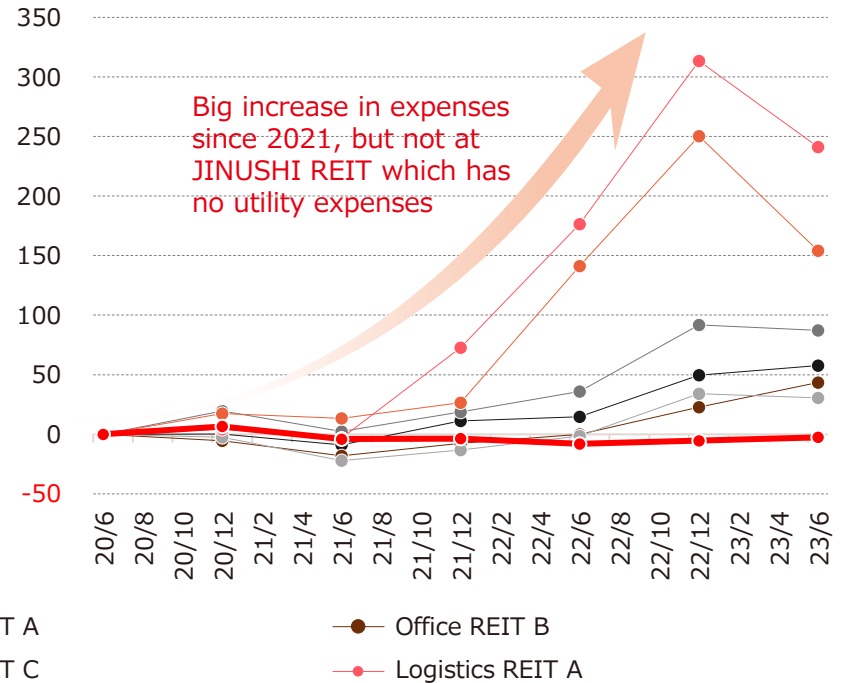
Leasing Income*1

(June 2020 fiscal period=0)



Utility Expenses*1

(June 2020 fiscal period=0)



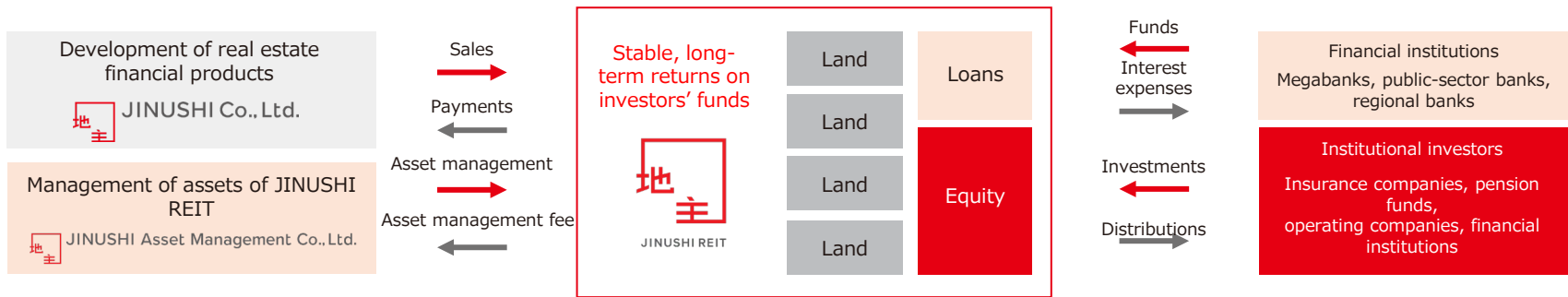
*1: Changes in leasing income per tsubo (3.3m², leasing income divided by floor area available for leasing) and utility expenses per tsubo (utility expenses divided by floor area available for leasing) at J-REITs with fiscal periods ended in June and December. Indexed to the June 2020 fiscal period with the base value as 0.

JINUSHI REIT (Private REIT for leased land) (1) Structure/Operation

- 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



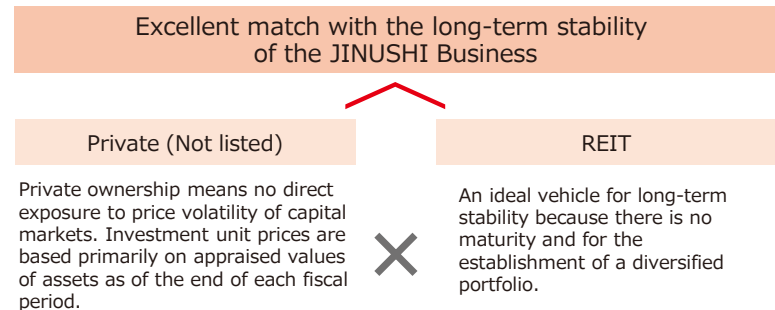
JINUSHI REIT summary (as of January 10, 2024)

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

AUM	¥221.6 billion*1 (7th of 54 funds)	Distributions	About 4%
Properties	154 properties*1 (1st of 54 funds)	Number of investors	307 companies
Assets	Only leased land (only fund of this type in Japan)	Credit rating (JCR)	A+ (Stable)

Private REIT structure reduces price volatility risk

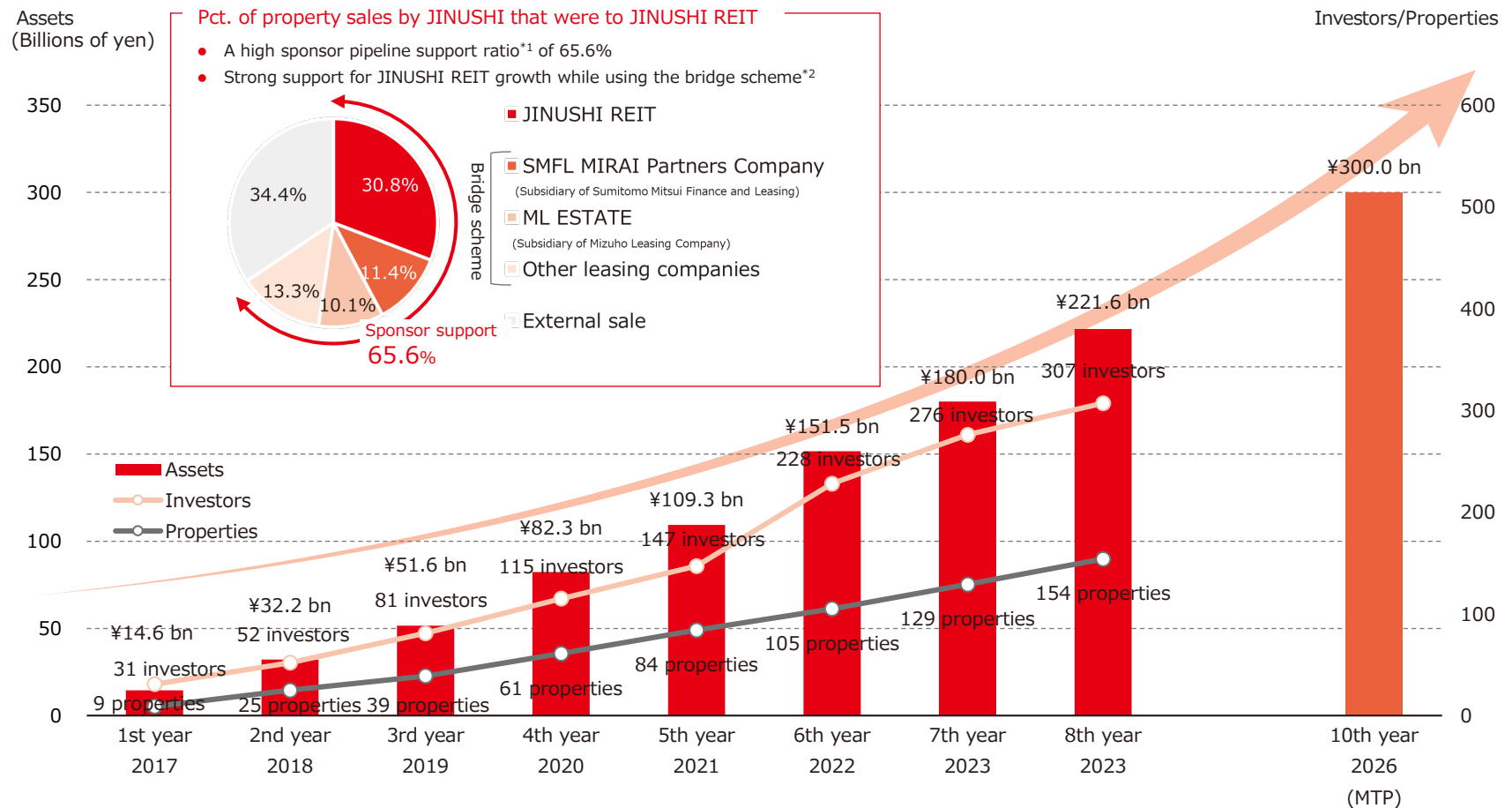
A private REIT is a superior structure that facilitates the safe management of funds received from investors.



*1. According to our research (Others are based on data as of December 31, 2023))

JINUSHI REIT (Private REIT for leased land) (2) Asset Growth

- Increased capital for eight consecutive years due to sponsor pipeline support and consistently strong demand for real estate investments.
- In January 2024, the eighth capital increase was implemented, bringing the asset scale to 221.6 billion yen. Aiming to achieve an AUM of ¥500 billion as soon as possible, with the medium-term plan goal of ¥300 billion as an intermediate step.



*1. The percentage of sales by JINUSHI and group companies between FY3/17 and FY12/23 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.

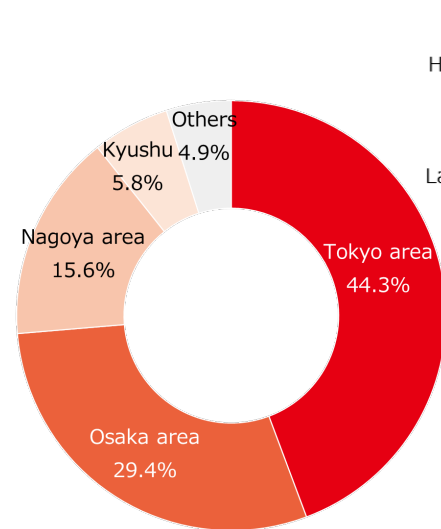
*3. All numbers in this graph are the amounts immediately after each offering. (Assets in each year are based on appraised values when acquired. Only the data for 2023 is as of July 3, 2023. The 2026 figure is the goal in the medium-term business plan.)

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

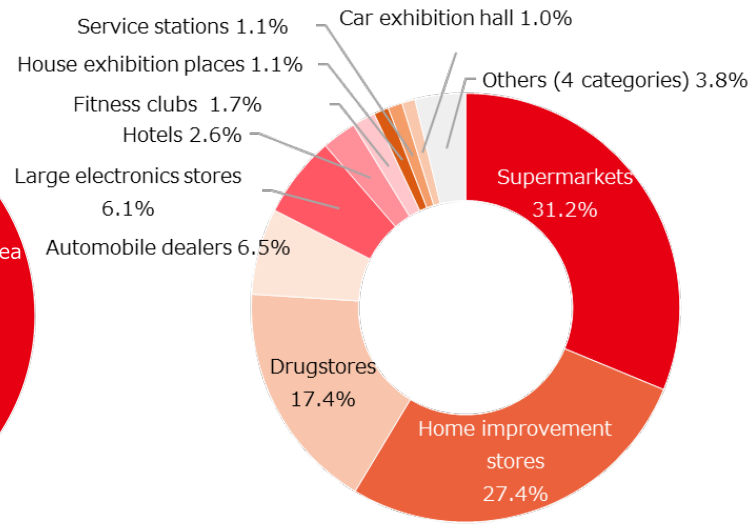
- JINUSHI REIT holds a geographically balanced portfolio of properties, mainly located in Japan’s three major metropolitan areas, that are leased to a large number of tenants that sell household necessities.
- A large number of long-term investors have invested in JINUSHI REIT due to expectation for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

Portfolio Diversity ^{*1}

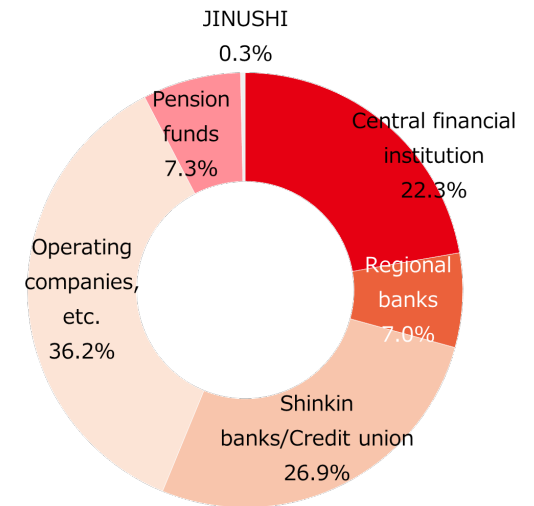
Geographic Diversity
(Purchase prices)



Application Diversity
(Lease income)



JINUSHI REIT Investors ^{*1}



*1 Portfolio diversity and investors are as of January 10, 2024.

TOPICS The JINUSHI CLUB Real Estate Financial Product for Retail Investors

- JINUSHI has started to provide retail investors with JINUSHI Business which has an excellent reputation among institutional investors.
- Sales of the first fund started in October 2023, and four more properties have already been purchased for JUNUSHI CLUB.

JINUSHI CLUB

- Provide the JINUSHI Business to retail investors
- Investment units as low as ¥100,000



First fund: Leased land in Kohoku-ku, Yokohama



Property

Location	Kohoku-ku, Yokohama City
Area	About 289 tsubo
Tenant	Specialty trading company
Use	Office/Warehouse

*1 As of January 10, 2024

*2 Flow of Funds Accounts, Bank of Japan (2nd Quarter 2023, Preliminary Figures)

Growth of the JINUSHI Business

- Since its start more than 20 years ago, JINUSHI has been a leader in the creation and growth of a market for leased land.
- Expanding the JINUSHI business to retail investors is expected to contribute to more growth.

For institutional investors



Japan's only leased land and a reliable long-term private REIT specializing in investment for institutions

AUM*1	Properties*1	Investors*1
¥221.6 billion	154	307



For retail investors

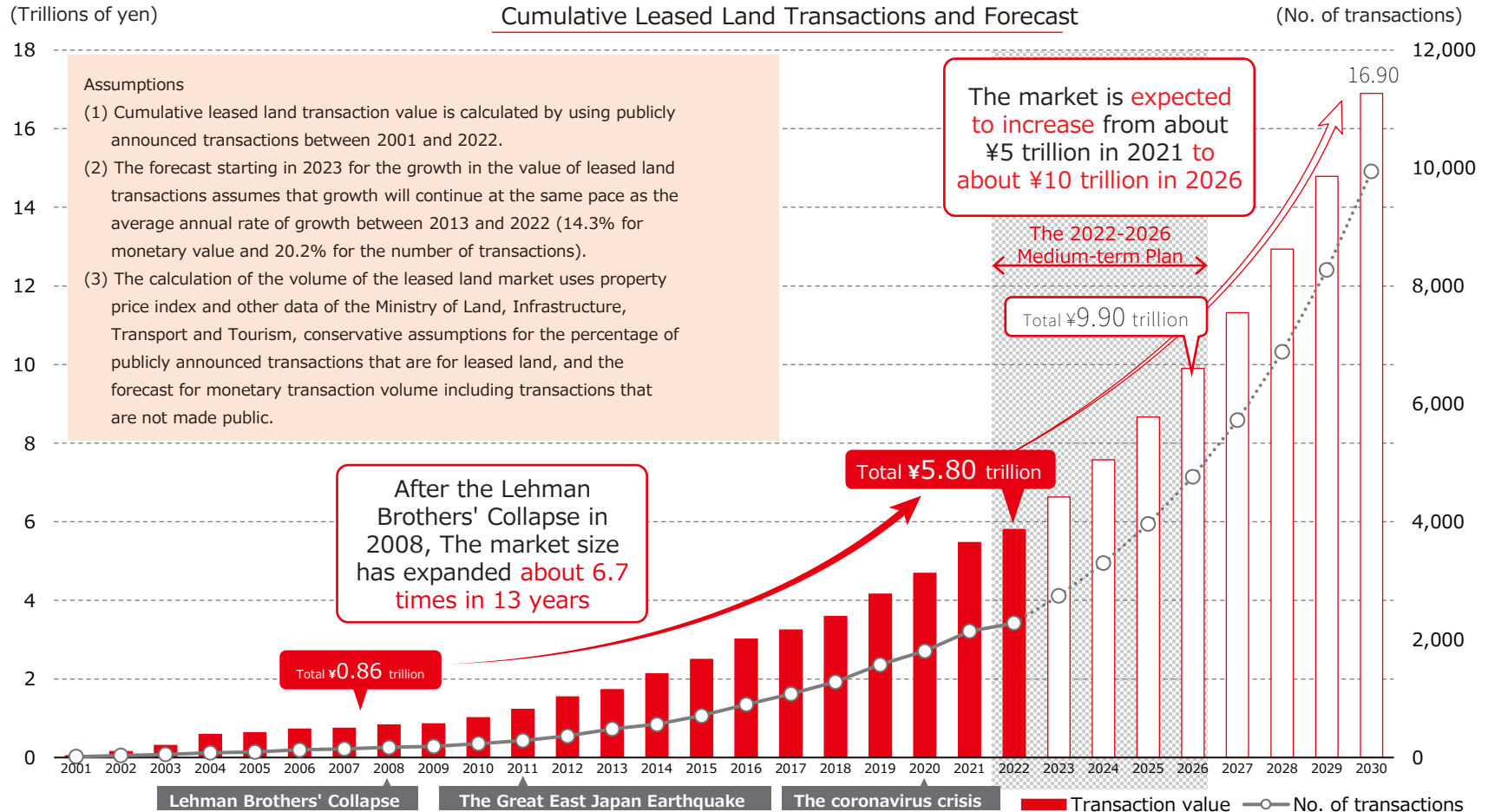


Provision of real estate financial products in small units as a Specified Joint Real Estate Enterprise

Personal financial assets in Japan*2
¥2,115 trillion

Market Trend Data (1) 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 market in five years.



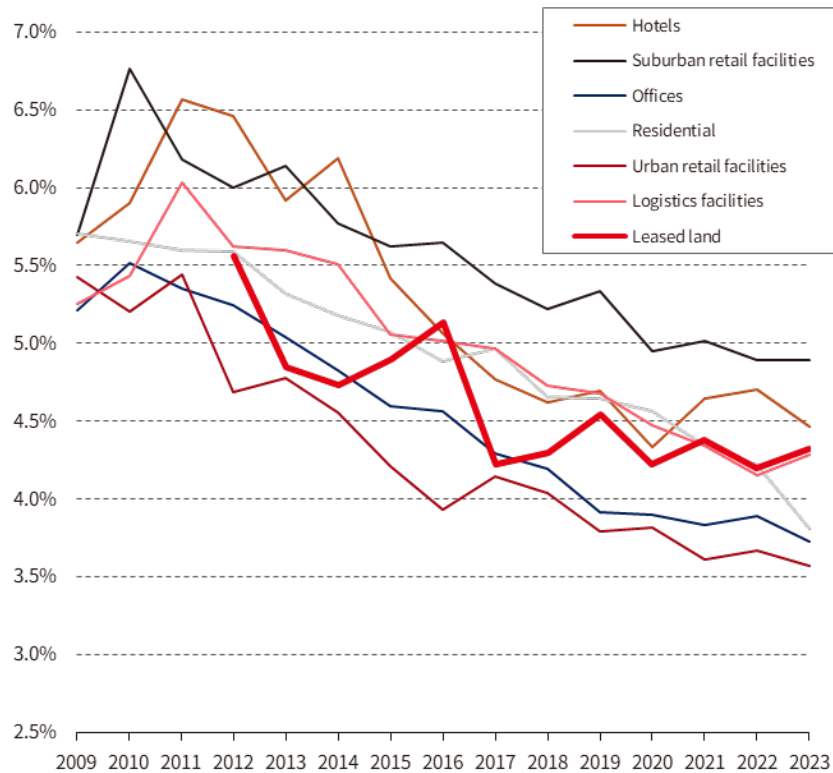
*1. The figures in these graphs were calculated by the Japan Real Estate Institute using the above assumptions. These projections are not guarantees concerning the future growth of the leased land market in Japan.

Market Trend Data (2) J-REIT Leased Land 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.

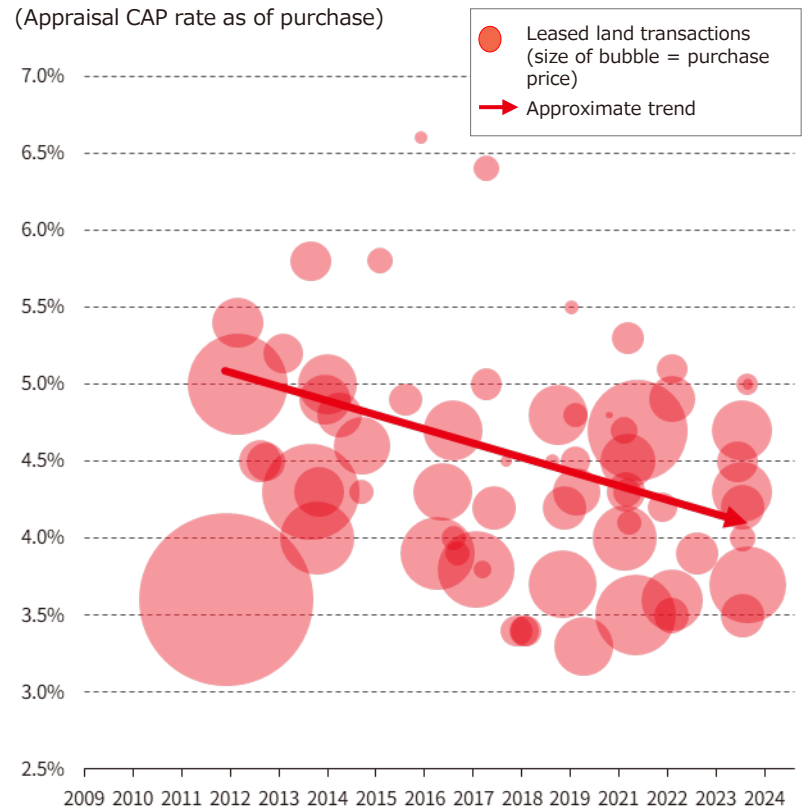
J-REIT Cap Rate (Appraisal value)

(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 (1) 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. Will be continued from FY12/22 onward.
- In August 2023, JINUSHI announced its support for the TCFD and began disclosing information in accordance with these guidelines. Preparations are underway for the designation of materiality, disclosure of information about human resources and other activities.

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

ESG (2) Environment Support for the Task Force on Climate-related Financial Disclosure (TCFD)

- JINUSHI supports the TCFD 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

- JINUSHI has declared its support for the TCFD and membership in the TCFD Consortium.
- Based on the TCFD, 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/>

Climate Change Goals and Performance Indicator

Goals

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

Performance indicator

- Volume of greenhouse gas emissions

Unit: CO2 emissions (tons)

Category		FY12/22 results	Goal for 2030	Goal for 2050
Scope1 ^{*1}	(+)	26	Carbon-neutral	Carbon-neutral
Scope2 ^{*1}	(+)	14		
Purchased emission rights	(-)	(40)		
Scope 1, 2 ^{*1} total		0 (Carbon-neutral)		
Scope3 ^{*1}	(+)	4,619	-	-

- Other indicators

Category	FY12/23 results	Goal for 2030	Goal for 2050
ESG provisions in land lease contracts with tenants ^{*2}	100%	100%	100%

^{*1}

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 land lease contracts including ESG provisions beginning on June 9, 2022 (only new developments of JINUSHI in Japan)

ESG (2) Environment First Listed Japanese Real Estate Company To Be Carbon Neutral (JINUSHI emissions)

- Even in the 1990s, before 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 emissions of 21/12. Will be continued from FY12/22 onward.
- Having achieved internal carbon neutrality, JINUSHI is speeding up activities with tenants. Land leases include ESG provisions 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

FY12/22 results (t-CO2)	Scope 1*2	Scope 2*2
	26	14

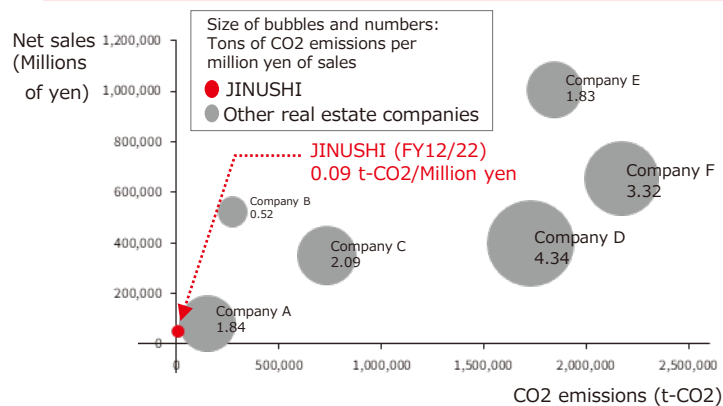
Carbon neutral

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

CO2 Emissions of JINUSHI and Other Real Estate Companies (Scope 1, 2, 3)*3



Activities with Tenants (Inclusion of ESG provisions)

- 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 Provisions 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 47 projects EV charging stations 29 projects Wall vegetation and rooftop greenery 24 projects



* As of the end of December 2023

*1. Data collected by JINUSHI

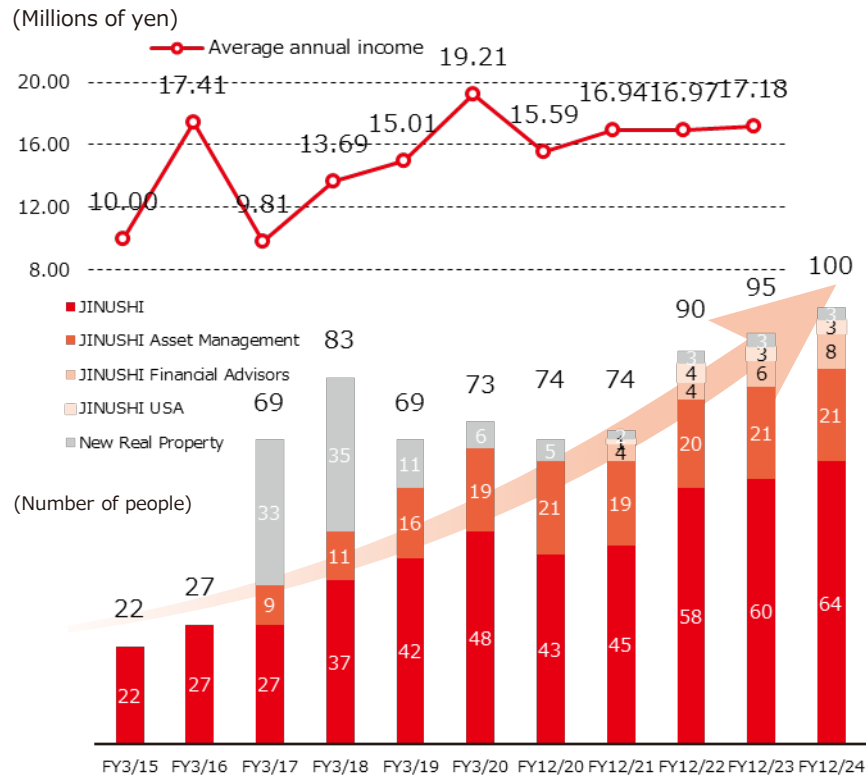
*2. More information about Scope 1, 2 and 3 is in the financial data remarks on page 50.

*3. JINUSHI data based on information announced by companies disclosing data for Scope 1, 2 and 3; sales and CO2 emissions are for FY12/22 (or FY3/23)

ESG (3) 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. One female director is scheduled to join as an outside director.

JINUSHI Group Employees/Average Salary*1



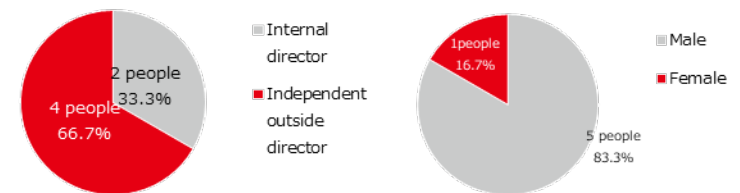
*1. For only JINUSHI.

(As of Nov.)

Corporate Governance Framework (After March 22, 2024)

- 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
- One female director is scheduled to participate in the Board of Directors by resolution of the General Meeting of Shareholders on March 22, 2024.

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



Composition of the Audit and Supervisory Committee



10-year Summary

		FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY12/20 (9-month fiscal)	FY12/21	FY12/22	FY12/23
Statement of Income											
Net sales		16,252	17,378	26,614	31,260	39,834	74,187	29,886	56,177	49,887	31,597
Gross profit		4,653	7,427	7,710	6,858	8,172	9,100	5,019	9,263	10,857	10,499
of which, Flow Business	Millions of yen	-	-	-	-	7,060	7,032	3,874	7,753	8,469	7,732
of which, Stock Business		-	-	-	-	1,111	2,068	1,144	1,509	2,388	2,766
Operating profit		3,547	5,955	4,843	3,684	4,446	5,244	2,420	5,475	6,411	6,154
Ordinary profit		2,987	5,626	5,181	3,044	4,327	4,599	2,157	5,002	5,943	5,718
Profit		1,863	3,605	6,437	1,958	2,684	3,177	1,644	3,124	3,641	4,709
Net profit on net sales	%	11.5	20.7	24.2	6.3	6.7	4.3	5.5	5.6	7.3	14.9
Balance Sheet											
Total assets		24,104	38,690	56,792	67,251	99,597	75,054	71,220	86,337	72,153	101,482
of which, real estate for sale		12,640	22,610	31,639	41,049	69,516	43,493	38,387	41,995	28,192	60,060
of which, property, plant and equipment	Millions of yen	59	135	231	187	455	522	3,436	17,488	16,803	14,859
Total liabilities		15,593	26,989	36,914	46,947	77,985	51,184	46,379	58,555	41,193	69,980
of which, interest-bearing debt		13,529	23,464	33,265	41,063	73,762	46,564	43,300	49,812	37,165	62,774
Net assets		8,510	11,700	19,878	20,304	21,611	23,870	24,841	27,781	30,960	31,501
of which, shareholders' equity		8,405	11,626	17,493	20,278	21,591	23,870	24,841	27,781	30,905	31,365
Shareholder Returns											
Dividend per share	Yen	30.0	45.0	55.0	55.0	55.0	55.0	25.0	50.0	55.0	55.0
Dividend payout ratio	%	23.8	21.5	15.0	50.2	36.8	31.5	27.8	29.3	27.6	20.5
Indicators											
EPS	Yen	125.91	209.09	366.84	109.61	149.30	174.59	89.94	170.90	199.16	267.76
Equity ratio	%	34.9	30.1	30.8	30.2	21.7	31.8	34.9	32.2	42.8	30.9
ROE* ¹		35.3	36.0	44.2	10.4	12.8	14.0	6.8	11.9	12.4	15.1
Net D/E ratio* ²	Times	0.37	0.97	0.98	1.31	2.54	1.04	0.90	1.17	0.45	1.26
DCR (Debt Coverage Ratio)* ³	%	125.6	157.8	201.9	239.7	354.1	205.4	175.8	141.0	92.3	163.9
Number of employees		22	27	69	83	69	73	74	74	90	95
CO2 emission	Scope 1* ⁴	t-CO ₂	-	-	-	-	-	-	32	26	To be calculated
	Scope 2* ⁴	t-CO ₂	-	-	-	-	-	-	20	14	To be calculated
	Scope 3* ⁴	t-CO ₂	-	-	-	-	-	-	3,434	4,619	To be calculated

*1. ROE is net profit divided by average equity during the fiscal year

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

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

*4. 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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