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May 10, 2024

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024 (Three Months Ended March 31, 2024)

[Japanese GAAP]

Company name: JINUSHI Co., Ltd. Listing: TSE  
 Securities code: 3252 URL: <https://www.jinushi-jp.com/en/>  
 Representative: Hirofumi Nishira, Representative Director and President  
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Scheduled date of filing of Quarterly Securities Report: May 13, 2024

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

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

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2024

(January 1, 2024 - March 31, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 31, 2024	29,729	265.7	4,126	351.3	4,292	388.2	2,758	104.3
Three months ended Mar. 31, 2023	8,130	(58.6)	914	(72.2)	879	(72.8)	1,350	(35.3)

Note: Comprehensive income (million yen) Three months ended Mar. 31, 2024: 2,887 (up 113.9%)

Three months ended Mar. 31, 2023: 1,349 (down 46.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Mar. 31, 2024	167.77		-	
Three months ended Mar. 31, 2023	73.86		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Mar. 31, 2024	97,361		33,482		34.3	
As of Dec. 31, 2023	101,482		31,501		30.9	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 33,346 As of Dec. 31, 2023: 31,365

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec. 31, 2023	-	0.00	-	55.00	55.00
Fiscal year ended Dec. 31, 2024	-	-	-	-	-
Fiscal year ending Dec. 31, 2024 (forecasts)	-	42.50	-	42.50	85.00

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

### 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	302.78

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

**\* Notes**

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

Newly added: – Excluded: –

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

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

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

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

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

As of Mar. 31, 2024:	18,285,800 shares	As of Dec. 31, 2023:	18,285,800 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2024:	1,843,141 shares	As of Dec. 31, 2023:	1,843,141 shares
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3) Average number of shares during the period (cumulative from the beginning of year)

Three months ended Mar. 31, 2024:	16,442,659 shares	Three months ended Mar. 31, 2023:	18,285,659 shares
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\* The current quarterly financial report is not subject to quarterly review by an auditing firm.

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

(Cautionary statement with respect to forecasts)

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

(How to view the supplementary material for quarterly financial results)

The material was posted on the JINUSHI website\* on May 10, 2024.

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

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Company has adopted the management philosophy, “Through our JINUSHI Business note, we create safe real estate financial products and fulfill our part in protecting the assets of people throughout the world.” In the first quarter of the fiscal year ending December 31, 2024 (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 29,729 million yen (up 265.7% year-on-year), operating profit of 4,126 million yen (up 351.3% year-on-year), ordinary profit of 4,292 million yen (up 388.2% year-on-year) and profit attributable to owners of parent of 2,758 million yen (up 104.3% year-on-year).

On a agreement basis, JINUSHI purchases 24 properties for a total of 15,000 million yen (up 2 properties/down 3,900 million yen year-on-year) in the first quarter of the current fiscal year, due to growth strategies such as diversification of tenant business, expansion of business areas, and off-balancing-sheet scheme for land. The number of contracts is performing well, surpassing the progress made in the first quarter of the previous fiscal year when the number of annual purchase agreements reached a record high.

JINUSHI Private REIT Investment Corporation (JINUSHI REIT); the only private REIT in Japan specializing in leased land, is highly evaluated by long-term investors such as pension funds and life and non-life insurance companies. 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 to work towards achieving the objectives set forth in the Medium-term Management Plan, FY12/22 to FY12/26, 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:

As described in "2. Quarterly Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements, "the Company changed the classification of its reportable segments from the current fiscal year. Figures for year-on-year comparisons have been prepared based on the new reportable segment classifications and calculation methods.

#### i) Real Estate Investment Business

The segment reported net sales of 28,989 million yen (up 282.4% year-on-year) with segment profit of 4,522 million yen (up 192.7% year-on-year).

#### ii) Real Estate Leasing Business

The segment reported net sales of 226 million yen (up 47.4% year-on-year) with segment profit of 123 million yen (up 98.9% year-on-year).

#### iii) Asset Management Business

The segment reported net sales of 507 million yen (up 31.2% year-on-year) with segment profit of 366 million yen (up 12.7% year-on-year).

## **(2) Explanation of Financial Position**

### Assets, Liabilities and Net Assets

Total assets at the end of the first quarter of the current fiscal year were 97,361 million yen, a decrease of 4,121 million yen from the end of the previous fiscal year. This was mainly due to an increase of 3,115 million yen in cash and deposits, while real estate for sale decreased by 8,654 million yen during the first quarter of the current fiscal year.

Total liabilities decreased by 6,102 million yen from the end of the previous fiscal year to 63,878 million yen. This was mainly due to a decrease of 6,224 million yen in long-term borrowings.

Net assets increased by 1,981 million yen from the end of the previous fiscal year to 33,482 million yen. This was mainly due to an increase in retained earnings of 1,854 million yen. Consequently, the equity ratio at the end of the period under review was 34.3%.

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

There is no change from the consolidated forecast announced on February 13, 2024.

For more details, please refer to “Results of Operations for the First Three Months of the Fiscal Year Ending December 31, 2024” (on our website\*).

\* <https://www.jinushi-jp.com/en/ir.html/> (IR information, news releases)

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY 12/23 (As of Dec. 31, 2023)	First quarter of FY 12/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	23,092	26,208
Operating accounts receivable	330	185
Real estate for sale	60,060	51,406
Advance payments to suppliers	263	213
Prepaid expenses	202	220
Other	69	187
Total current assets	84,019	78,421
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	713	707
Vehicles, tools, furniture and fixtures, net	76	73
Land	13,971	13,971
Leased assets, net	97	89
Total property, plant and equipment	14,859	14,841
Intangible assets		
Other	49	48
Total intangible assets	49	48
Investments and other assets		
Investment securities	343	1,881
Investments in capital	1,084	692
Leasehold and guarantee deposits	803	1,150
Long-term prepaid expenses	100	100
Other	305	228
Allowance for doubtful accounts	(84)	(3)
Total investments and other assets	2,553	4,048
Total non-current assets	17,462	18,939
Total assets	101,482	97,361

	(Millions of yen)	
	FY 12/23 (As of Dec. 31, 2023)	First quarter of FY 12/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	110	255
Short-term borrowings	1,440	1,693
Current portion of long-term borrowings	886	827
Accounts payable-other	415	388
Income taxes payable	2,202	1,543
Accrued consumption taxes	15	47
Advances received	169	62
Current portion of guarantee deposits received	1,715	1,614
Other	528	657
<b>Total current liabilities</b>	<b>7,483</b>	<b>7,091</b>
<b>Non-current liabilities</b>		
Long-term borrowings	60,339	54,114
Long-term leasehold and guarantee deposits received	883	883
Provision for execution of assumption of debt	110	517
Provision for loss on liquidation of subsidiaries and associates	129	131
Other	1,034	1,140
<b>Total non-current liabilities</b>	<b>62,496</b>	<b>56,786</b>
<b>Total liabilities</b>	<b>69,980</b>	<b>63,878</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,048	3,048
Capital surplus	4,657	4,657
Retained earnings	26,733	28,588
Treasury shares	(3,499)	(3,499)
<b>Total shareholders' equity</b>	<b>30,940</b>	<b>32,794</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6	33
Foreign currency translation adjustment	417	518
<b>Total accumulated other comprehensive income</b>	<b>424</b>	<b>551</b>
<b>Non-controlling interests</b>	<b>136</b>	<b>136</b>
<b>Total net assets</b>	<b>31,501</b>	<b>33,482</b>
<b>Total liabilities and net assets</b>	<b>101,482</b>	<b>97,361</b>

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

	(Millions of yen)	
	First three months of FY 12/23 (Jan. 1, 2023 – Mar. 31, 2023)	First three months of FY 12/24 (Jan. 1, 2024 – Mar. 31, 2024)
Net sales	8,130	29,729
Cost of sales	6,117	24,376
Gross profit	2,012	5,352
Selling, general and administrative expenses	1,098	1,225
Operating profit	914	4,126
Non-operating income		
Interest income	2	0
Share of profit of entities accounted for using equity method	40	-
Gain on investments in partnership	-	90
Foreign exchange gains	28	246
Other	4	27
Total non-operating income	75	366
Non-operating expenses		
Interest expenses	74	128
Financing expenses	32	62
Other	4	10
Total non-operating expenses	111	201
Ordinary profit	879	4,292
Extraordinary income		
Gain on sale of non-current assets	1,207	-
Total extraordinary income	1,207	-
Profit before distributions of profit or loss on silent partnerships and income taxes	2,086	4,292
Distributions of profit or loss on silent partnerships	-	0
Profit before income taxes	2,086	4,292
Income taxes-current	581	1,442
Income taxes-deferred	130	89
Total income taxes	712	1,532
Profit	1,374	2,760
Profit attributable to non-controlling interests	23	1
Profit attributable to owners of parent	1,350	2,758



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

	(Millions of yen)	
	First three months of FY 12/23 (Jan. 1, 2023 – Mar. 31, 2023)	First three months of FY 12/24 (Jan. 1, 2024 – Mar. 31, 2024)
Profit	1,374	2,760
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	26
Foreign currency translation adjustment	(12)	100
Total other comprehensive income	(24)	126
Comprehensive income	1,349	2,887
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,325	2,871
Comprehensive income attributable to non-controlling interests	23	15

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information**

I First three months of FY 12/23 (Jan. 1, 2023 - Mar.31, 2023)

## 1. Information related to net sales and profit or loss for each reportable segment and decomposition of earnings

(Millions of yen)

	Reportable segment				Other (Note 1)	Adjustments (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Real Estate Investment Business	Real Estate Leasing Business	Asset Management Business	Total			
Net sales							
Stock	264	153	386	804	-	-	804
Flow	7,315	-	-	7,315	-	-	7,315
Other	-	-	-	-	9	-	9
Income from contracts with customers	7,315	3	386	7,706	9	-	7,715
Goods or services satisfied at a point in time	7,315	-	-	7,315	9	-	7,325
Goods or services satisfied over time	-	3	386	390	0	-	390
Other income *4	264	149	-	414	-	-	414
Sales to external customers	7,580	153	386	8,120	9	-	8,130
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	7,580	153	386	8,120	9	-	8,130
Segment profit (loss)	1,544	61	325	1,932	9	(1,027)	914

Notes: 1. "Other" segment represents business not included in any reportable segments and includes Planning and Brokerage Business, etc.

2. The adjustment to segment profit (loss) includes corporate expenses that mainly consist of selling, general and administrative expenses that cannot be attributed to any reportable segments.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

4. Transactions subject to the "Accounting Standard for Lease Transactions" are included.

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

Not applicable.

## II First three months of FY 12/24 (Jan. 1, 2024 - Mar. 31, 2024)

## 1. Information related to net sales or loss for reportable segments and decomposition of earnings

(Millions of yen)

	Reportable segment				Other (Note 1)	Adjustments (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Real Estate Investment Business	Real Estate Leasing Business	Asset Management Business	Total			
Net sales							
Stock	346	226	507	1,080	-	-	1,080
Flow	28,642	-	-	28,642	-	-	28,642
Other	-	-	-	-	6	-	6
Income from contracts with customers	28,642	10	507	29,160	6	-	29,166
Goods or services satisfied at a point in time	28,642	-	-	28,642	6	-	28,649
Goods or services satisfied over time	-	10	507	517	0	-	517
Other income *4	346	216	-	562	-	-	562
Sales to external customers	28,989	226	507	29,722	6	-	29,729
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	28,989	226	507	29,722	6	-	29,729
Segment profit (loss)	4,522	123	366	5,012	6	(892)	4,126

Notes: 1. "Other" segment represents business not included in any reportable segments and includes Planning and Brokerage Business, etc.

2. The adjustment to segment profit (loss) includes corporate expenses that mainly consist of selling, general and administrative expenses that cannot be attributed to any reportable segments.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

4. Transactions subject to the "Accounting Standard for Lease Transactions" are included.

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

JINUSHI has decided its reportable segments, as shown in the table below, effective during the first quarter of current fiscal year.

Before	After	Reason
Real Estate Investment Business	Real Estate Investment Business	-
Sublease, Leasing, Fund Fees, and Retail Investor Business	Real Estate Leasing Business Asset Management Business	The size of assets of the JINUSHI REIT managed by our Group exceeded 220 billion yen in January 2024. Due to the increased importance of the Fund Fees Business in our company, we will change it into an independent reportable segment as the "Asset Management Business". JINUSHI has decided to change the segment other than the "Fund Fee Business" to the "Real Estate Leasing Business" as a reportable segment.
Planning and Brokerage Business	(Elimination of reportable segments)	Based on the decline in the importance of this business, the reportable segment was eliminated. Change to include in "Other".

Segment information for the first quarter of the previous fiscal year is disclosed based on the reporting segment classification and calculation method after the change.

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment  
Not applicable.

### Subsequent Events

#### I Disposal of treasury shares for the Restricted Stock Compensation Plan

With respect to the disposal of treasury shares for the Restricted Stock Compensation Plan, which was resolved at the JINUSHI Board of Directors meeting held on March 22, 2024, the Company has disposed of treasury shares as follows.

#### 1. Outline of disposal of treasury share

(1)	Disposition date	April 19, 2024
(2)	Type and number of shares to be disposed of	Common shares of the Company 10,412 shares
(3)	Disposal value	2,305 yen per share
(4)	Total amount disposed	23,999,660 yen
(5)	The who shares are to be disposed of, the number of persons, and the number of shares to be disposed of.	JINUSHI directors (excluding Audit and Supervisory Committee members and outside Directors) 1 person 10,412 shares

#### 2. Purpose and reason for the disposal of treasury share

As announced in the "Notice Concerning Introduction of a Restricted Stock Compensation Plan for Directors and Employees"(disclosed in Japanese only) dated February 13, 2024, JINUSHI resolved at a meeting of the Board of Directors held on the same day to introduce the Restricted Stock Compensation Plan. The Plan is intended for JINUSHI directors (excluding Audit and Supervisory Committee members and outside Directors) and all employees of JINUSHI (full-time employees, excluding some contract employees, part-time employees, etc.).

The purpose is to provide the intended incentives to continuously improve the corporate value of the Company and to promote further value sharing with shareholders, with the aim of achieving further profit growth.

Also, this plan was approved and resolved at the 24th Annual General Meeting of Shareholders held on March 22, 2024.

## II Liquidation of specified subsidiaries

At a meeting of the Board of Directors held on May 10, 2024, JINUSHI resolved to dissolve and liquidate Kumagai Australia Pty Limited and Kumagai Australia Finance Pty Limited, the Company's specified subsidiaries.

### 1. Background of Liquidation

JINUSHI has decided to dissolve and liquidate 2 companies; Kumagai Australia Pty Limited and Kumagai Australia Finance Pty Limited, subsidiaries of our consolidated subsidiary New Real Property Corporation, which have been engaged in overseas PFI business in Australia.

### 2. Outline of the Specified Subsidiary to be liquidated

#### Outline of Kumagai Australia Pty Limited

(1) Name	Kumagai Australia Pty Limited
(2) Location	Commonwealth of Australia New South Wales
(3) Name of Representative	Nobuhiro Hashizume
(4) Business	Real Estate Business
(5) Capital stock	A\$268,399 thousand
(6) Date of Establishment	February 1982
(7) Major Shareholders and Shareholding Ratio	New Real Property Co., Ltd. 100%.

#### Outline of Kumagai Australia Finance Pty Limited

(1) name	Kumagai Australia Finance Pty Limited
(2) Location	Commonwealth of Australia New South Wales
(3) Name of Representative	Nobuhiro Hashizume
(4) Business	Overseas PFI Projects
(5) Capital stock	A\$5,352 thousand
(6) Date of Establishment	January 1986
(7) Major Shareholders and Shareholding Ratio	New Real Property Co., Ltd. 100%.

### 3. Schedule for Dissolution and Liquidation

The specific schedule for dissolution and liquidation has not yet been determined, although the dissolution and liquidation will be completed as soon as the necessary procedures are completed.

### 4. Outlook

The impact of this matter on our business performance is currently under scrutiny. If a significant impact on business performance is anticipated, it will be disclosed promptly.