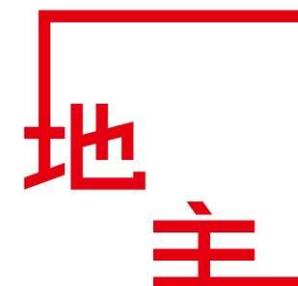


# Results of Operations for the Fiscal Year Ended December 31, 2021

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February 14, 2022



JINUSHI  
BUSINESS

JINUSHI Co., Ltd.

地主株式会社

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



地主株式会社  
JINUSHI Co., Ltd.

## Change of Company Name

We have changed our trade name from “Nippon Commercial Development Co., Ltd.” to “JINUSHI Co., Ltd.” as of January 10, 2022. By producing and airing TV commercials and placing newspaper advertisements, we will continue to further promote the JINUSHI Business in the market, which is resistant to natural disasters and market volatility and capable of providing stable earnings over the long term.

**社業、地主。**

わたしたちは、2000年の創業以来、事業用定期借地権を採用し、土地のみに投資するJINUSHIビジネスを行ってまいりました。土地を買い、土地を貸す。自ら建物を建てず、所有もしない。貸している土地を、長期に変化した収益が見込める不動産金融商品として、投資家のみならず皆さまにご提供する。このビジネスには、今後大きな可能性があります。

「地主」という言葉が、新しい意味と価値を持つ時代が始まろうとしている。これからは、地主株式会社を、何卒よろしくお願いたします。

2022年1月10日に、日本商業開発株式会社は、地主株式会社に社名変更いたしました。

 地主株式会社  
JINUSHI Co., Ltd.

<https://www.jinushi-jp.com>

Placed an ad in Nikkei, morning edition (national) on January 11, 2022

We purchase land, we lease land.

We do not construct or own our own buildings.

We don't own the land.

This is the JINUSHI business.

**Company Business, JINUSHI.**

TV commercial in “News Morning Satellite” program (TV Tokyo) started from January 4, 2022

# CONTENTS

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## Contents

- 1 FY12/21 (January 1–December 31, 2021)  
Summary of Consolidated Financial Results
- 2 Explanation of Financial Position
- 3 Real Estate for Sale as of December 31, 2021  
—Diversification of Areas and Use
- 4 Growth of JINUSHI REIT
- 5 FY12/22 (January 1–December 31, 2022)  
Consolidated Forecast

## 1. FY12/21 Summary of Consolidated Financial Results (1)

Net sales, operating profit, ordinary profit, and profit attributable to owners of parent all exceeded our initial forecasts. We promoted the purchase of real estate for sale by, for example, acquiring all of the outstanding shares of Tsunoda Co., Ltd., which owns prime real estate, and making it a wholly-owned subsidiary in May 2021. In addition, we made a steady progress in sales to major leasing companies and others in accordance with the comprehensive facility for trading.

(Millions of yen, unless otherwise stated)

	FY12/20 [Previous fiscal year: 9-month fiscal period] (Apr.2020 to Dec. 2020)	FY12/21 Initial forecast *announced on Feb. 10, 2021	FY12/21 [Current fiscal year] (Jan. 2021 to Dec. 2021)
Net sales	29,886	51,000	56,177
Operating profit	2,420	5,400	5,475
Ordinary profit	2,157	4,200	5,002
Profit attributable to owners of parent	1,644	2,900	3,124
Net income per share (Yen)	89.94	158.59	170.90

Note:

From the fiscal year ended December 31, 2020, JINUSHI has changed its financial closing date from March 31 to December 31 upon approval of the proposal: Partial Amendments to the Articles of Incorporation at the extraordinary meeting of shareholders held on December 24, 2020. JINUSHI has also changed the financial closing date of its domestic subsidiaries from March 31 to December 31.

Accordingly, the current fiscal year (January 1, 2021 to December 31, 2021) and the previous fiscal year (April 1, 2020 to December 31, 2020) are of different durations. Therefore, the year-on-year comparisons regarding operating results and cash flows have been omitted.

## 1. FY12/21 Summary of Consolidated Financial Results (2)

Total assets increased 15,116 million yen from the end of FY12/20 to 86,337 million yen at the end of FY12/21. This increase was attributable mainly to increases of 3,607 million yen in real estate for sale as we made steady purchases while we proceeded with the sale of real estate for sale, and 14,051 million yen in land under property, plant and equipment as a result of the land acquisition to promote the long-term leasing business. Net assets increased 2,940 million yen from the end of FY12/20 to 27,781 million yen. Consequently, the equity ratio was 32.2%.

(Millions of yen, unless otherwise stated)

	FY12/20 (Previous fiscal Year)	FY12/21 (Current fiscal Year)	Change
Total assets	71,220	86,337	+15,116
of which cash and deposits	20,897	17,264	(3,632)
of which real estate for sale	38,387	41,995	+3,607
of which property, plant and equipment	3,436	17,488	+14,051
Total liabilities	46,379	58,555	+12,176
of which borrowings	43,189	49,730	+6,541
Net assets	24,841	27,781	+2,940
Shareholders' equity (%)	34.9	32.2	(2.7)

## 1. FY12/21 Summary of Consolidated Financial Results (3)

With the belief that we need to transition into a more stable business structure in preparation for unexpected changes in market environments in the future, we will promote to expand stable earnings and stabilize our business structure through a long-term holding of the real estate financial products of JINUSHI Business by using part of cash and deposits held by JINUSHI.

(Millions of yen)	FY3/19	FY3/20	FY12/20 (9-month fiscal period)	FY3/21 Forecast*	FY12/21 [Current fiscal year]
Net sales	39,834	74,187	29,886	50,845	56,177
Total gross profit	8,172	9,100	5,019	-	9,263
of which recurring income (Comp.)	1,111 (13.6%)	2,068 (22.7%)	1,144 (22.8%)	-	1,509 (16.3%)
of which one-time income (Comp.)	7,060 (86.4%)	7,032 (77.3%)	3,874 (77.2%)	-	7,753 (83.7%)
Operating profit	4,446	5,244	2,420	4,729	5,475
Ordinary profit	4,327	4,599	2,157	4,523	5,002
Profit attributable to owners of parent	2,684	3,177	1,644	3,373	3,124

### \* FY3/21 Forecast

Sales and earnings for the year that ended in March 2021 are the sum of results of operations in the nine-month transitional fiscal period from April 1 to December 31, 2020 and in the first three months of FY12/21 (January to March 2021).

## 1. FY12/21 Summary of Consolidated Financial Results (4)

We will promote the stabilization of our business structure by expanding our stock business through the management of JINUSHI REITs and undertaking initiatives in our leasing business.

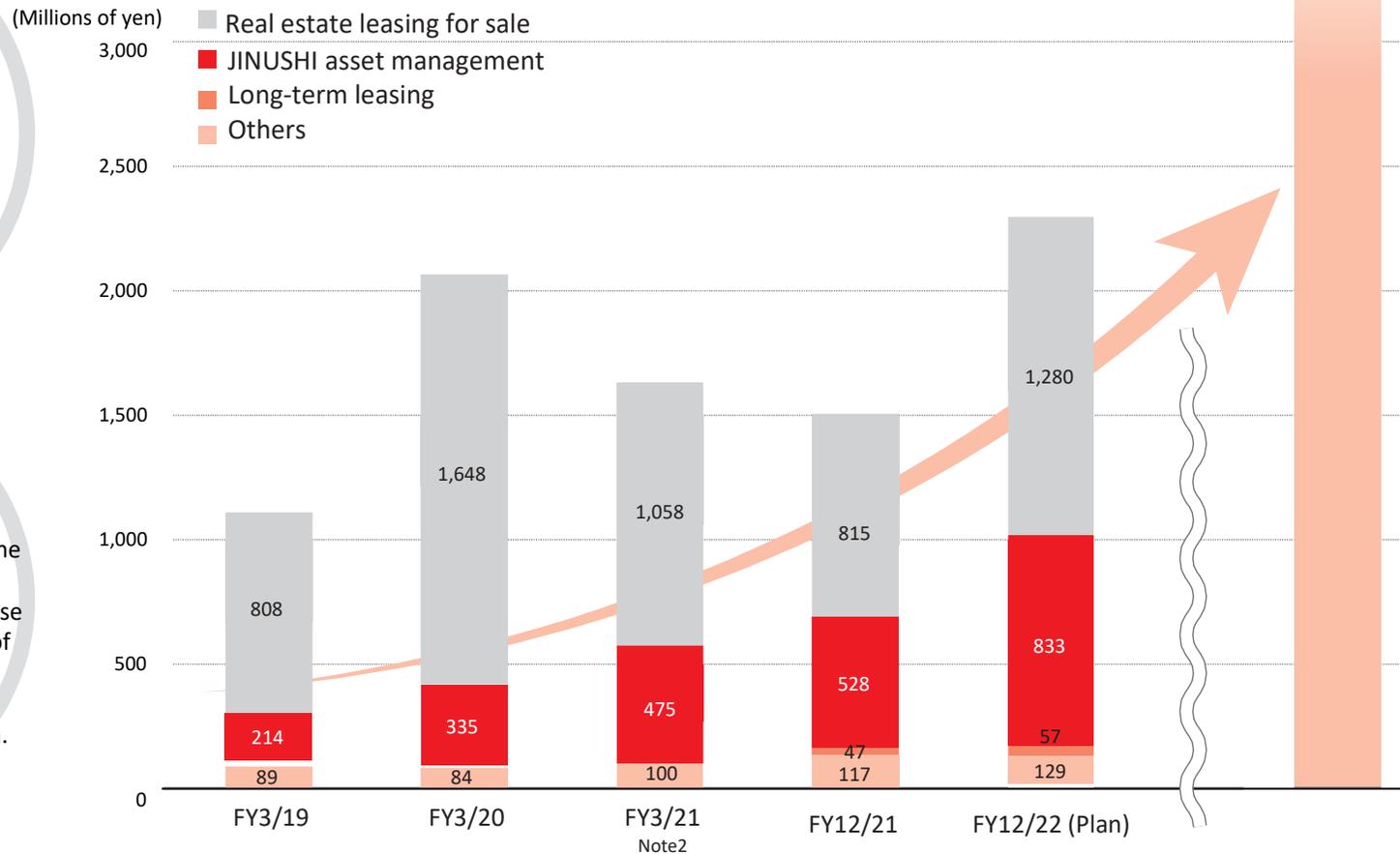
### Increase in investment income from JINUSHI REITs

In line with the expansion of the asset scale of JINUSHI REIT, an increase in the asset management fees and property management fees to be received.

### Initiatives in the leasing business

Obtain stable rental income from the expansion of our stock business by engaging in initiatives in the sublease business and by holding a portion of the real estate financial products in the JINUSHI business as long-term asset holdings without selling them.

Gross Profit from Recurring Income Businesses <sup>Note 1</sup>



Notes:

1. Composition of gross profit from recurring income: Income from real estate leasing for sale + Asset management income + Long-term leasing income + Other income (Property management + Sub-leasing + Asset management)
2. Sales and earnings for the year that ended in March 2021 are the sum of results of operations in the nine-month transitional fiscal period from April 1 to December 31, 2020 and in the first three months of FY12/21 (January to March 2021).

## 2. Explanation of Financial Position (1)

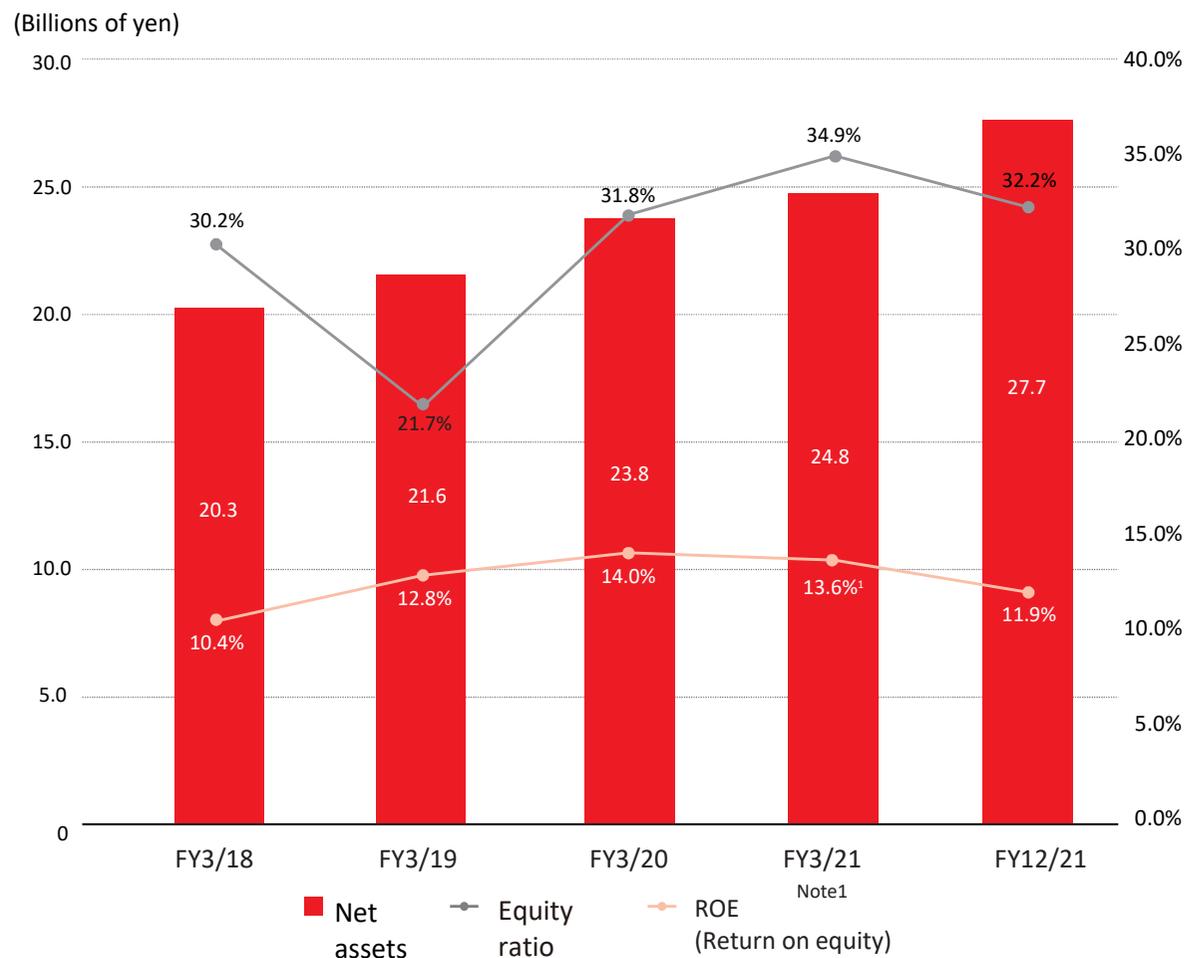
We aim to achieve further growth while maintaining our financial discipline.

### Stable fundraising

Flexible financing through the use of large credit facilities, mainly from Japanese megabanks. Stable financing for property acquisitions through long-term bank loans (5 to 49 years).

### Appropriate management of real estate for sale

We have entered into a comprehensive real estate for sale facility with a major leasing company to enable us to manage our balance sheet through the flexible sale of property assets.



Note:

- Adjusted ROE is calculated by adding net profit assumed for the first quarter of FY12/21 (January to March 2021) to net profit for the year ended December 31, 2020 (nine months from April 1 to December 31, 2020).

## 2. Explanation of Financial Position (2)

The two important financial indicators, Net D/E ratio (\*1) and DCR (\*2), have improved significantly. Going forward we will assure a sound financial base by keeping the indicators within desirable ranges.

Continuing to benefit from a virtuous cycle: Improving financial soundness

→ Flexible and stable fund procurement

→ Expanding the JINUSHI Business

(Millions of yen)	FY3/19	FY3/20	FY12/20	FY12/21
ROE (Return on equity)	12.8%	14.0%	6.8%	11.9%
Net profit margin	6.7%	4.3%	5.5%	5.6%
Equity ratio	21.7%	31.8%	34.9%	32.2%
Net D/E ratio*1	2.54 times	1.04 times	0.90 times	1.17 times
DCR (Debt Coverage Ratio)*2	354%	205%	176%	141%

\*1 Net D/E ratio:

Net interest-bearing debt (interest-bearing debt minus cash and deposits) divided by net assets

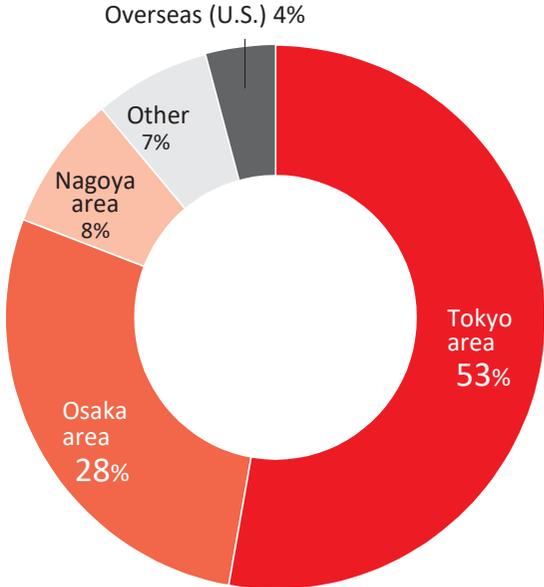
\*2 DCR (Debt Coverage Ratio)

Interest-bearing debt divided by the sum of cash and deposits, investment securities, and property, plant and equipment

### 3. Real Estate for Sale as of December 31, 2021—Diversification of Areas and Use

The JINUSHI Business continued to perform well despite the pandemic. Approximately 80% of the tenants in this business were involved with daily necessities (including logistics for these products) and therefore benefited from demand associated with the need to stay home for safety.

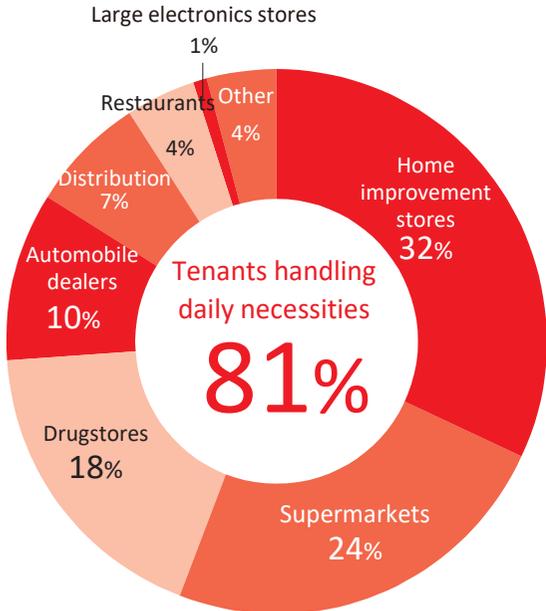
#### Diversification of Areas



Legend for Diversification of Areas: Tokyo area (red), Osaka area (orange), Nagoya area (light orange), Other (grey), Overseas (U.S.) (dark grey).

Area	Definition
Tokyo area	Tokyo, Kanagawa, Saitama, Chiba and part of Ibaraki
Osaka area	Osaka, Hyogo, Kyoto, Shiga and Nara
Nagoya area	Aichi, Mie and Gifu
Other	Government-designed municipalities, core regional cities and nearby areas (excluding Tokyo area, Osaka area and Nagoya area)

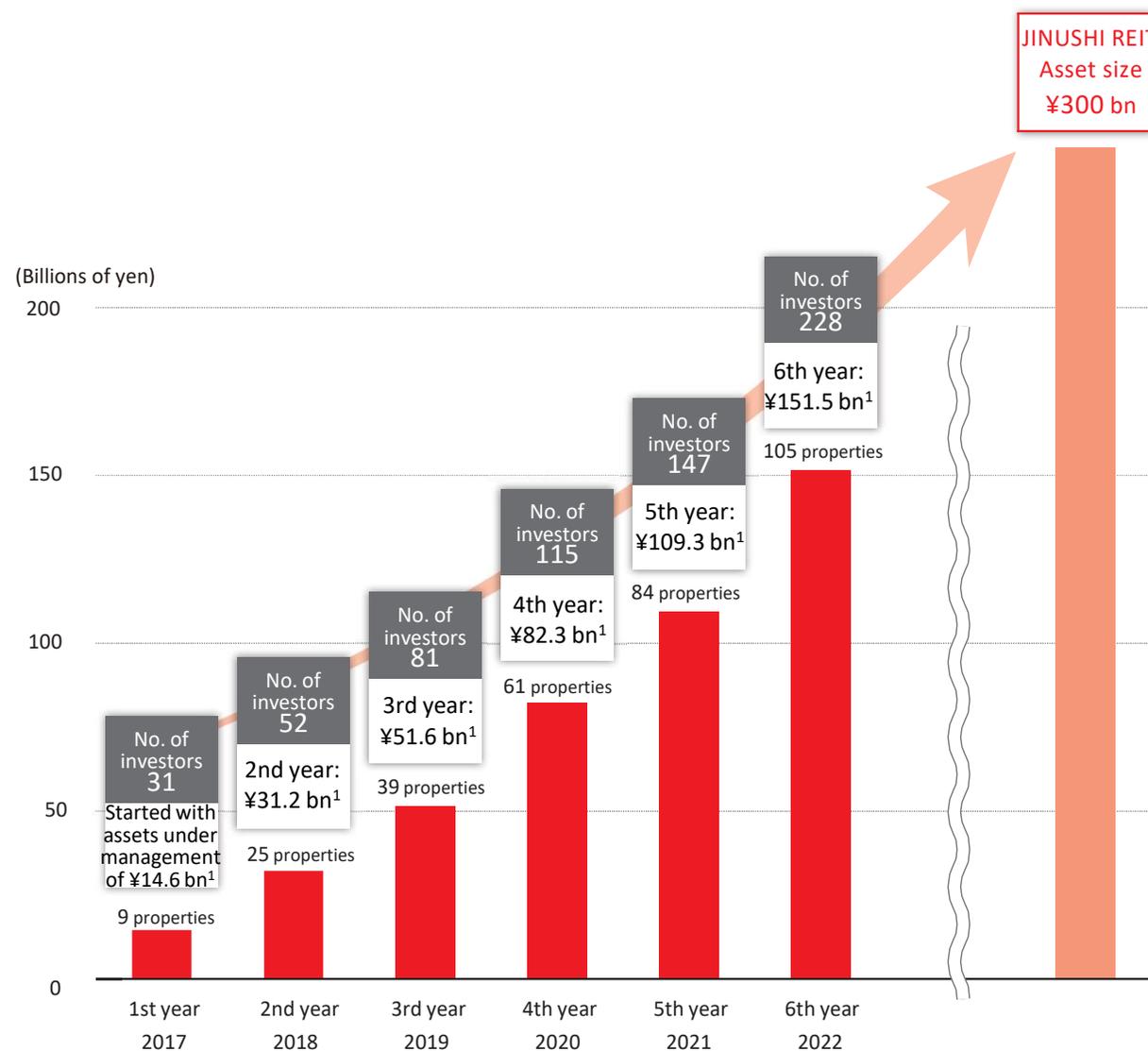
#### Diversification of Use



\*Note: Based on monetary value as of December 31, 2021

## 4. Growth of JINUSHI REIT

- Pursuant to the ‘Sponsor Support Agreement’ concluded on November 10, 2016, between the Company, JINUSHI REIT Investment Corporation (‘J-REIT’) and the Company’s wholly owned subsidiary JINUSHI Asset Management (JINUSHI AM), the Company sold three of its real estate holdings for sale, to J-REIT on January 7, 2022 for 4,915 million yen.
- As a result of the sixth capital increase in January 2022, J-REIT acquired 25 properties with a total value of approximately 42.4 billion yen, taking its asset size to 151.5 billion yen. These 25 properties include those sold by the Company and JINUSHI AM in accordance with the “Basic Agreement Establishing a Framework for Comprehensive Sales Transactions of Real Estate for Sale (Including Trust Beneficiary Rights)” signed in 2019 with SMFL Mirai Partners, Inc., and ML Estate Co. Ltd.

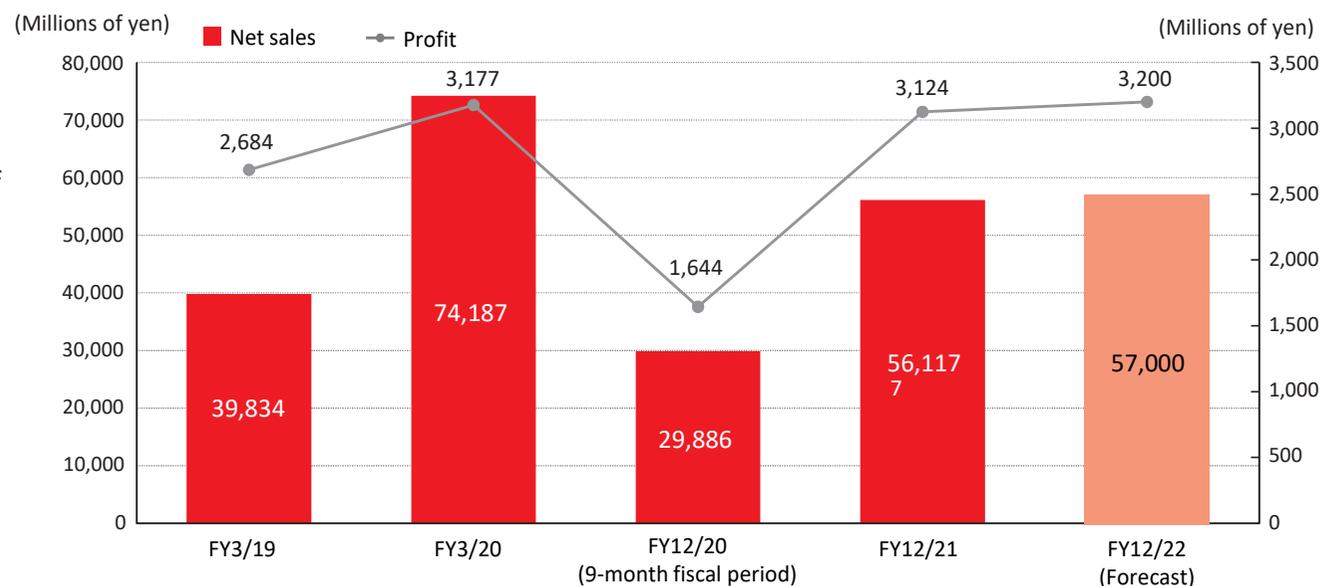


- Note: 1. Assets under management are based on appraised values when assets were acquired and amounts below ¥100 million are rounded down. This growth projection is based on certain assumptions that are believed to be valid at this time.
- There is no assurance that future performance will match this projection.
  - JINUSHI may be unable to achieve the figures in this graph due to changes in the real estate market and other reasons.

## 5. FY12/22 (January 1 to December 31, 2022) Consolidated Forecast

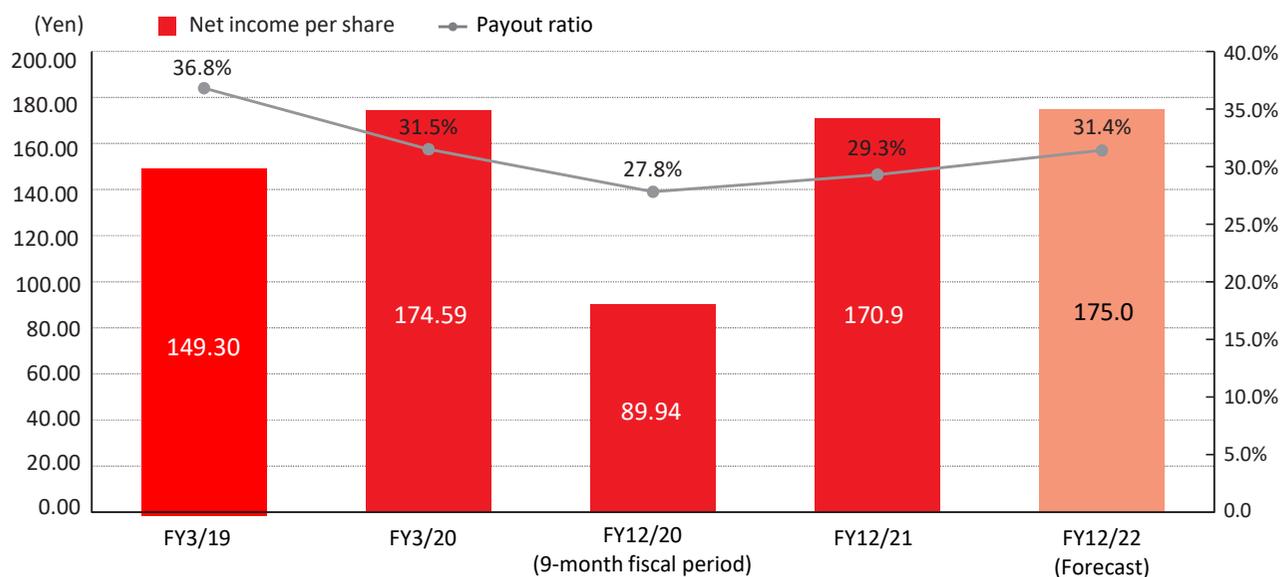
### (1) Planning on growth in both sales and earnings

Given that industries handling daily necessities have performed well amid the recent spread of COVID-19 infection, as a notable example of consumer spending trend, we will expand the market for land with leasehold interest by attracting supermarkets, home improvement stores, drug stores, and logistics facilities as tenants. We forecast sales of 57,000 million yen, operating profit of 5,900 million yen, ordinary profit of 5,200 million yen, and profit attributable to owners of parent of 3,200 million yen for the fiscal year ending December 31, 2022 (12 months from January 1, 2022 to December 31, 2022).



### (2) Maintain a stable dividend

We also place importance on paying a dividend that reflects the earning trend in each fiscal year. Based on this basic policy, for the fiscal year that ended December 31, 2021, we plan to pay a year-end dividend of 50 yen per share subject to the resolution of the 22nd Annual General Meeting of Shareholders. For the fiscal year ending December 31, 2022, we plan to pay a year-end dividend of 55 yen, which includes a commemorative dividend of 5 yen for the new company name.





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#### Disclaimer

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This presentation includes forward-looking statements about the financial condition, results of operations, businesses and other items of the of JINUSHI Group. These statements are based on information currently available to JINUSHI at the date of announcement and incorporate risks and other uncertainties because events that may occur in the future could affect the Group's performance. Consequently, the Group's actual financial condition, results of operations, business activities and other aspects of operations may differ significantly from these forward-looking statements. Information in this presentation about companies other than members of the JINUSHI Group is based on information available to the public and other sources. JINUSHI has not verified in any way the accuracy or suitability of this information and makes no guarantees about the accuracy or suitability of this information.