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FY21/2 Q3 Earnings

January 13, 2021

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)

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Submission of the Financial Report (*Shihanki Hokokusho*): January 14, 2021 (expected)

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. FY21/2 Q3 Consolidated Financial Results (March 1, 2020 to November 30, 2020)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY	
FY21/2 Q3	55,188	-29.4%	8,551	-65.8%	6,535	-71.2%	4,265	-71.8%
FY20/2 Q3	78,153	+34.1%	25,032	+21.8%	22,665	+24.1%	15,141	+24.3%

Note: Comprehensive Income FY21/2 Q3: JPY 4,017 million (-75.0% YOY)
FY20/2 Q3: JPY 16,072 million (+29.7% YOY)

	Net Income per Share (Basic, JPY)		Net Income per Share (Diluted, JPY)	
FY21/2 Q3	8.86	-71.5%	—	—
FY20/2 Q3	31.09	+26.4%	31.08	+26.5%

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
FY21/2 Q3	338,593	100,789	29.4%	208.75
FY20/2	333,726	101,607	30.1%	208.49

Note: Shareholders' Equity FY21/2 Q3: JPY 99,578 million FY20/2: JPY 100,434 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY21/2 Q3	21,239	-15,075	3,063	49,815
FY20/2 Q3	10,970	-9,015	8,598	40,213

Note: Economic Operating Cash Flow (Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale)

FY21/2 Q3: JPY 7,695 million FY20/2 Q3: JPY 20,979 million

2. Dividends

	Dividend per Share (JPY)					Total Dividend (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY20/2	–	–	–	7	7	3,372	41.5%	3.4%
FY21/2 (Forecast)			–	7	7		67.2%	

3. FY21/2 Full-Year Consolidated Earnings Forecast (March 1, 2020 to February 28, 2021)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY		Net Income per Share (JPY) YOY	
FY21/2	9,500	-65.7%	6,800	-72.1%	5,000	-39.0%	10.41	-38.3%

Note: Ichigo revised its FY21/2 earnings today. For details, please refer to “FY21/2 Full-Year Earnings Forecast Revision” on page 4.

4. Other

- (1) Changes in significant consolidated subsidiaries
(material changes in scope of consolidation): None
- (2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
- (i) Changes in accounting standards/principles: None
 - (ii) Changes in accounting principles other than the above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Revisions of previous financial statements: None

(3) Number of outstanding common shares

(i) Number of outstanding shares (including treasury shares) at period-end

FY21/2 Q3: 505,371,918

FY20/2: 505,368,918

(ii) Number of treasury shares at period-end

FY21/2 Q3: 28,349,900

FY20/2: 23,637,400

(iii) Average number of outstanding shares (excluding treasury shares) during the period

FY21/2 Q3: 481,295,872

FY20/2 Q3: 487,034,981

Segment Information

Asset Management (AM) generates fee income via the management of Ichigo Office (8975), Ichigo Hotel (3463), Ichigo Green (9282), and private real estate funds.

Sustainable Real Estate (SRE) preserves and improves real estate. Ichigo receives rental income during the period in which it carries out its value-add, along with earning gains on sales that reflect the real estate's higher value after the value-add is complete.

Note: The Sustainable Real Estate segment was formerly called Value-Add. In keeping with its Ichigo 2030 vision, Ichigo changed the segment name to Sustainable Real Estate in 2019 in order to put full focus on Ichigo's commitment to preserving and improving real estate as a sustainable infrastructure company.

Clean Energy (CE) is utility-scale solar and wind power production that supplies clean energy and brings productive use to idle land.

Note on Appropriate Use of Forecasts

Forward-looking statements contained in these materials are based on judgments regarding information that was available to Ichigo as of the announcement date. However, these statements involve risk and uncertainties, and actual earnings may differ significantly from the indicated forecasts.

5. FY21/2 Full-Year Earnings Forecast Revision

With Covid cases rapidly growing again in Japan and across the globe, Ichigo is revising its earnings forecast to reflect continuing significant Covid impacts on transaction activity in the Japanese real estate market (other than residential assets, which remain active), with a re-emergence in transaction volumes now expected from next fiscal year onward.

Ichigo is maintaining its robust financial position and cash flow generation to respond to the volatile operating environment, while continuing to evolve its business model to grow long-term value for Ichigo shareholders and all stakeholders.

(JPY million)

	Operating Profit		Recurring Profit		Net Income		Net Income per Share (JPY)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Previous Forecast (A)	<u>7,400</u>	<u>12,900</u>	<u>5,000</u>	<u>10,400</u>	<u>3,500</u>	<u>8,000</u>	<u>7.26</u>	<u>16.60</u>
Revised Forecast (B)	<u>9,500</u>		<u>6,800</u>		<u>5,000</u>		<u>10.41</u>	
Change (B) – (A)	+2,100	-3,400	+1,800	-3,600	+1,500	-3,000	+3.15	-6.19
% Change	+28.4%	-26.4%	+36.0%	-34.6%	+42.9%	-37.5%	+43.4%	-37.3%
Reference: FY20/2 Actual	27,721		24,395		8,201		16.89	

Note: The revised EPS forecast is based on 480,242,517 shares outstanding, and while it reflects the expected exercise of employee stock options during the current FY21/2 fiscal year, it does not reflect today's share buyback.

There is no change to the FY21/2 Dividend forecast.

Consolidated Balance Sheet (FY21/2 Q3)

(JPY million)

	FY20/2 (Feb 29, 2020)	FY21/2 Q3 (Nov 30, 2020)
Assets		
Current Assets		
Cash and cash equivalents	41,067	50,059
Trade notes and accounts receivable	2,308	1,508
Operational loan investments	1,324	1,324
Operational securities investments	902	608
Real estate for sale	68,290	54,720
Other	3,721	2,383
Less: allowance for doubtful accounts	-6	-25
Total Current Assets	117,608	110,579
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	60,131	67,774
Depreciation	-5,080	-7,086
Buildings and structures (net)	55,050	60,688
Solar power plant equipment	26,713	28,522
Depreciation	-3,287	-4,342
Solar power plant equipment (net)	23,425	24,180
Land	122,114	125,021
Buildings under construction	2,432	3,355
Solar power plants under construction	2,058	1,360
Other	1,844	2,527
Depreciation	-727	-1,000
Other (net)	1,116	1,527
Total Property, Plant, and Equipment	206,198	216,135
Intangible Assets		
Goodwill	1,090	995
Leasehold rights	687	1,269
Other	705	1,934
Total Intangible Assets	2,482	4,199
Investments and Other Assets		
Securities investments	4,321	4,950
Long-term loans receivable	510	10
Deferred tax assets	568	598

(JPY million)

	FY20/2 (Feb 29, 2020)	FY21/2 Q3 (Nov 30, 2020)
Other	2,128	2,211
Less: allowance for doubtful accounts	-91	-91
Total Investments and Other Assets	7,436	7,679
Total Fixed Assets	216,118	228,013
Total Assets	333,726	338,593

(JPY million)

	FY20/2 (Feb 29, 2020)	FY21/2 Q3 (Nov 30, 2020)
Liabilities		
Current Liabilities		
Short-term loans	3,086	5,472
Bonds (due within one year)	274	274
Long-term loans (due within one year)	12,277	6,671
Long-term non-recourse loans (due within one year)	1,178	1,350
Income taxes payable	2,416	452
Accrued bonuses	33	407
Other current liabilities	5,013	4,914
Total Current Liabilities	24,280	19,543
Long-Term Liabilities		
Bonds	6,082	5,974
Long-term loans	151,483	160,035
Long-term non-recourse loans	39,156	41,624
Deferred tax liabilities	1,890	1,853
Long-term security deposits received	8,118	7,836
Other long-term liabilities	1,107	934
Total Long-Term Liabilities	207,838	218,260
Total Liabilities	232,119	237,803
Net Assets		
Shareholders' Equity		
Capital	26,885	26,886
Capital reserve	11,272	11,272
Retained earnings	71,505	72,398
Treasury shares	-8,988	-10,488
Total Shareholders' Equity	100,674	100,068
Accumulated Other Comprehensive Income		
Valuation gain (loss) on other securities	158	-86
Deferred gain (loss) on long-term interest rate hedges	-397	-403
Total Accumulated Other Comprehensive Income	-239	-490
Stock Options	988	1,028
Minority Interests	184	182
Total Net Assets	101,607	100,789
Total Liabilities and Net Assets	333,726	338,593

Consolidated Income Statement (FY21/2 Q3)

(JPY million)

	FY20/2 Q3 (Mar 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)
Revenue	78,153	55,188
Cost of Goods Sold	47,823	41,915
Gross Profit	30,330	13,273
SG&A	5,298	4,721
Operating Profit	25,032	8,551
Non-Operating Income		
Interest income	4	12
Dividend income	74	75
Mark-to-market gain on long-term interest rate hedges	53	158
Other	29	43
Total Non-Operating Income	162	290
Non-Operating Expenses		
Interest expense	1,734	1,752
Foreign currency valuation losses	39	28
Mark-to-market loss on long-term interest rate hedges	55	55
Debt financing-related fees	522	268
Other	176	200
Total Non-Operating Expenses	2,529	2,306
Recurring Profit	22,665	6,535
Extraordinary Gains		
Gains on sale of securities investments	11	–
Gains on sale of subsidiary shares	169	–
Other	35	–
Total Extraordinary Gains	215	–
Extraordinary Losses		
Loss on disposal of fixed assets	27	–
Valuation loss on securities investments	–	114
Other	–	1
Total Extraordinary Losses	27	116
Pre-Tax Income	22,853	6,418
Income Taxes	6,775	2,149
Pre-Minority Interest Net Income	16,077	4,269
Income Attributable to Minority Interests	936	3
Net Income	15,141	4,265

Consolidated Income Statement (FY21/2 Q3 Stand-Alone)

(JPY million)

	FY20/2 Q3 (Sep 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)
Revenue	31,968	23,162
Cost of Goods Sold	20,262	18,572
Gross Profit	11,705	4,589
SG&A	1,792	1,490
Operating Profit	9,913	3,098
Non-Operating Income		
Interest income	1	4
Dividend income	35	17
Foreign currency valuation gains	15	-
Mark-to-market gain on long-term interest rate hedges	236	-
Other	11	7
Total Non-Operating Income	300	29
Non-Operating Expenses		
Interest expense	585	591
Foreign currency valuation losses	-	7
Mark-to-market loss on long-term interest rate hedges	-	63
Debt financing-related fees	91	113
Other	61	68
Total Non-Operating Expenses	738	845
Recurring Profit	9,475	2,282
Extraordinary Losses		
Loss on disposal of fixed assets	-	-
Other	-	-
Total Extraordinary Losses	-	-
Pre-Tax Income	9,475	2,282
Income Taxes	2,943	793
Pre-Minority Interest Net Income	6,531	1,489
Income Attributable to Minority Interests	2	1
Net Income	6,528	1,487

Consolidated Statement of Comprehensive Income (FY21/2 Q3)

(JPY million)

	FY20/2 Q3 (Mar 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)
Pre-Minority Interest Net Income	16,077	4,269
Other Comprehensive Income		
Valuation gains (losses) on other securities	25	-245
Deferred gains (losses) on long-term interest rate hedges	-30	-6
Total Other Comprehensive Income	-4	-251
Comprehensive income	16,072	4,017
Comprehensive income attributable to common shareholders	15,136	4,013
Comprehensive income attributable to minority interests	936	3

Consolidated Statement of Comprehensive Income (FY21/2 Q3 Stand-Alone)

(JPY million)

	FY20/2 Q3 (Sep 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)
Pre-Minority Interest Net Income	6,531	1,489
Other Comprehensive Income		
Valuation gains (losses) on other securities	97	41
Deferred gains (losses) on long-term interest rate hedges	-1	13
Total Other Comprehensive Income	96	54
Comprehensive income	6,627	1,543
Comprehensive income attributable to common shareholders	6,625	1,542
Comprehensive income attributable to minority interests	2	1

Consolidated Cash Flow Statement (FY21/2 Q3)

(JPY million)

	FY20/2 Q3 (Mar 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)
Cash Flows from Operations:		
Pre-tax income	22,853	6,418
Depreciation	1,888	3,432
Share-based compensation expenses	187	41
Amortization of goodwill	130	94
Increase (decrease) in accrued bonuses	473	374
Increase (decrease) in allowance for doubtful accounts	2	19
Interest and dividend income	-79	-88
Interest expenses	1,734	1,752
Losses (gains) on sale of subsidiary shares	-169	-
Losses (gains) on sale of securities investments	-11	-
Valuation losses on securities investments	-	114
Decrease (increase) in trading notes and receivables	-519	799
Decrease (increase) in operational securities investments	3,842	325
Decrease (increase) in real estate for sale	-10,046	13,585
Valuation losses on SPC capital contributions	-	3
Decrease (increase) in advances paid	136	238
Decrease (increase) in prepaid expenses	-259	-414
Decrease (increase) in accounts receivable	9	-10
Decrease (increase) in consumption taxes receivable	-432	891
Increase (decrease) in accounts payable	-675	-972
Increase (decrease) in accrued expenses	83	188
Increase (decrease) in deposits received	434	167
Increase (decrease) in security deposits received	-99	-280
Other	481	90
Sub-Total	19,965	26,773
Interest and dividends received	79	88
Interest expense paid	-1,524	-1,563
Income taxes paid	-7,548	-4,142
Income taxes refunded	-	83
Net Cash from (Used for) Operations	10,970	21,239

(JPY million)

	FY20/2 Q3 (Mar 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)
Cash Flows from Investments:		
Payments into time deposits	-111	-7
Proceeds from withdrawal of time deposits	2,063	–
Proceeds from cancellation of time deposits	2,970	–
Payments for securities investments	-2,332	-547
Proceeds from sale of securities investments	111	10
Acquisition of property, plant, and equipment	-10,306	-13,777
Acquisition of intangible assets	-464	-742
Payments of SPC capital contributions	-2	-3
Redemptions of SPC capital contributions	–	15
Payments of security deposits	-34	–
Redemptions of security deposits	–	–
Payments for acquisition and sale of consolidated subsidiaries	-187	–
Disbursements for loans receivable	-737	-374
Payments received for loans receivable	–	350
Other	17	2
Net Cash from (Used for) Investments	-9,015	-15,075

(JPY million)

	FY20/2 Q3 (Mar 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	969	2,386
Proceeds from bond issuance	5,828	70
Repayment of maturing bond principal to bondholders	-96	-177
Proceeds from long-term loans	44,898	48,777
Repayment of long-term loans	-23,445	-45,829
Proceeds from long-term non-recourse loans	5,300	3,300
Repayment of long term non-recourse loans	-17,188	-659
Proceeds from employee exercise of stock options	31	1
Share buyback	-2,999	-1,499
Payments to minority interests	-1,276	—
Dividends paid	-3,415	-3,298
Dividends paid to minority interests	-5	-5
Net Cash from (Used for) Financing	8,598	3,063
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	10,553	9,226
Cash and Cash Equivalents at Beginning of Period	45,029	40,826
Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-15,369	-237
Cash and Cash Equivalents at End of Period	40,213	49,815

Consolidated Cash Flow Statement (FY21/2 Q3 Stand-Alone)

(JPY million)

	FY20/2 Q3 (Sep 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)
Cash Flows from Operations:		
Pre-tax income	9,475	2,282
Depreciation	647	1,238
Share-based compensation expenses	63	5
Amortization of goodwill	42	27
Increase (decrease) in accrued bonuses	225	189
Increase (decrease) in allowance for doubtful accounts	1	2
Interest and dividend income	-36	-21
Interest expense	585	591
Decrease (increase) in trading notes and receivables	-341	-142
Decrease (increase) in operational securities investments	205	9
Decrease (increase) in real estate for sale	9,262	7,657
Decrease (increase) in advances paid	241	65
Decrease (increase) in prepaid expenses	-24	22
Decrease (increase) in accounts receivable	-87	-11
Decrease (increase) in consumption taxes receivable	412	97
Increase (decrease) in accounts payable	89	-97
Increase (decrease) in accrued expenses	28	150
Increase (decrease) in deposits received	-198	44
Increase (decrease) in security deposits received	-63	-118
Other	229	661
Sub-Total	20,758	12,656
Interest and dividends received	36	21
Interest expense paid	-495	-509
Income taxes paid	-2,159	-1,522
Income taxes refunded	-	-
Net Cash from (Used for) Operations	18,139	10,645

(JPY million)

	FY20/2 Q3 (Sep 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)
Cash Flows from Investments:		
Payments into time deposits	-2	-3
Proceeds from withdrawal of time deposits	–	–
Proceeds from cancellation of time deposits	2,970	–
Payments for securities investments	-500	-500
Proceeds from sale of securities investments	–	10
Acquisition of property, plant, and equipment	-2,355	-1,304
Acquisition of intangible assets	-148	-25
Payments of SPC capital contributions	–	–
Payments of security deposits	-13	–
Redemptions of security deposits	–	–
Disbursements for loans receivable	-645	-6
Payments received for loans receivable	–	350
Other	4	14
Net Cash from (Used for) Investments	-691	-1,466

(JPY million)

	FY20/2 Q3 (Sep 1, 2019 to Nov 30, 2019)	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-871	-241
Proceeds from bond issuance	2,969	–
Repayment of maturing bond principal to bondholders	-40	-40
Proceeds from long-term loans	4,650	7,793
Repayment of long-term loans	-5,582	-11,100
Repayment of long term non-recourse loans	-8,919	-112
Proceeds from employee exercise of stock options	28	–
Share buyback	-2,232	-1,499
Dividends paid	–	–
Dividends paid to minority interests	-4	-2
Net Cash from (Used for) Financing	-10,004	-5,203
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	7,443	3,975
Cash and Cash Equivalents at Beginning of Period	37,208	45,840
Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-4,438	–
Cash and Cash Equivalents at End of Period	40,213	49,815

Revenue, P&L, and Assets by Segment (Current FY21/2 Q3)

(Mar 1, 2020 to Nov 30, 2020)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	1,445	49,998	3,744	55,188	-	55,188
Inter-Segment Activities or Reclassifications	410	1	-	411	-411	-
Total	1,856	49,999	3,744	55,600	-411	55,188
Segment P&L ¹	944	6,069	1,621	8,634	-82	8,551
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	883	2,851	1,621	5,355	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	60	3,218	-	3,278	-	-
Segment Assets	1,575	268,446	34,023	304,045	34,548	338,593
Other						
Depreciation	-	2,337	1,059	3,397	35	3,432
Increase in Property, Plant, and Equipment and Intangible Assets	-	12,334	2,693	15,038	145	15,183

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (-JPY 82 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 34,548 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 35 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 145 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY20/2 Q3)

(Mar 1, 2019 to Nov 30, 2019)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	2,109	72,995	3,048	78,153	-	78,153
Inter-Segment Activities or Reclassifications	755	1	-	756	-756	-
Total	2,865	72,996	3,048	78,910	-756	78,153
Segment P&L ¹	1,696	22,232	1,131	25,060	-28	25,032
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,241	7,525	1,131	9,898	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	454	14,707	-	15,161	-	-
Segment Assets	2,114	282,146	31,353	315,614	24,430	340,045
Other						
Depreciation	-	1,047	818	1,865	22	1,888
Increase in Property, Plant, and Equipment and Intangible Assets	-	7,039	3,379	10,419	170	10,589

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (-JPY 28 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 24,430 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 22 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 170 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Current FY21/2 Q3 Stand-Alone)

(Sep 1, 2020 to Nov 30, 2020)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	497	21,488	1,176	23,162	-	23,162
Inter-Segment Activities or Reclassifications	127	-	-	127	-127	-
Total	624	21,489	1,176	23,290	-127	23,162
Segment P&L ¹	337	2,339	449	3,126	-27	3,098
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	314	1,057	449	1,821	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	22	1,282	-	1,305	-	-
Segment Assets	1,575	268,446	34,023	304,045	34,548	338,593
Other						
Depreciation	-	865	358	1,224	14	1,238
Increase in Property, Plant, and Equipment and Intangible Assets	-	2,037	409	2,447	123	2,570

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (-JPY 27 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 34,548 million) reflects corporate assets, such as cash and cash equivalents, that were not allocated to the segments. The Adjustment to Depreciation (JPY 14 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 123 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY20/2 Q3 Stand-Alone)

(Sep 1, 2019 to Nov 30, 2019)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	945	30,076	945	31,968	-	31,968
Inter-Segment Activities or Reclassifications	238	-	-	238	-238	-
Total	1,184	30,077	945	32,207	-238	31,968
Segment P&L ¹	788	8,859	297	9,945	-32	9,913
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	451	2,457	297	3,207	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	336	6,401	-	6,738	-	-
Segment Assets	2,114	282,146	31,353	315,614	24,430	340,045
Other						
Depreciation	-	359	278	638	9	647
Increase in Property, Plant, and Equipment and Intangible Assets	-	1,294	1,157	2,451	56	2,508

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (-JPY 32 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 24,430 million) reflects corporate assets, such as cash and cash equivalents, that were not allocated to the segments. The Adjustment to Depreciation (JPY 9 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 56 million) reflects corporate assets that were not allocated to the segments.