



**JPX-NIKKEI 400**



# FY21/2 Full-Year Corporate Presentation

April 19, 2021

**Ichigo (2337)**



---

We would like to express our deepest condolences to all those affected by the M7.3 earthquake off the coast of Fukushima in February and by the Covid pandemic globally, and our wishes for the earliest and fullest possible recovery.

Take care, be safe.



**Make The World  
More Sustainable**



# World-Class Excellence

Ichigo's  
Hiromi Miyake



# Ichigo

# Ichigo is a J.League Top Partner



© J.LEAGUE

# Contents

---

## FY21/2 Earnings

- FY21/2 Summary
- Operating Profit -65%, EPS -38% (YOY)
- Segment Earnings Details

## Powerful Value-Add Business Model Underpins Growth

- Business Model (1) Stock + Flow Earnings
- Business Model (2) Embedded Forward Earnings
- Business Model (3) Value-Add Drives Durable Value Growth
- Business Model (4) Robust Cash Generation
- Strong Financial Base

## Sustainable Growth as a Sustainable Infrastructure Company

- Sustainable Real Estate: Selective on Acquisitions & Sales
- Sustainable Real Estate: Ichigo Owners Growth Path
- Asset Management: Growth Support for Ichigo REITs & Ichigo Green
- Clean Energy: Scaling Rapidly (In-Pipeline Plants +33%)
- Clean Energy: Ichigo's First Wind Power Plant
- Clean Energy: Green Biomass Entry
- ESG: Joined RE100
- ESG: Joined United Nations Global Compact
- Share Buybacks
- Ichigo J.League Shareholder Program

## FY22/2 Forecast

- FY22/2 Forecast
- FY22/2 Forecast Segment Details

## Appendices

Ichigo's Sustainability Commitment (ESG)

Financial & Real Estate Data

Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

Ichigo 2030: New Initiatives

## FY21/2 Earnings

---

# FY21/2 Summary

---

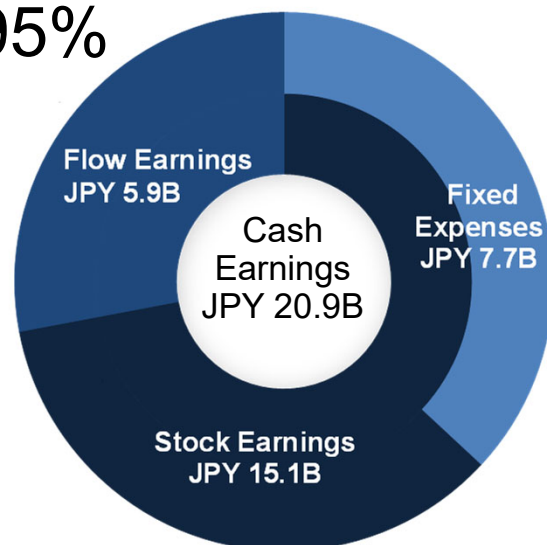
- Severe Covid Impact on Hotel Earnings
  - ✓ Decrease in Hotel Revenues
  - ✓ Decrease in Ichigo Hotel (3463) AM fees
- Severe Covid Impact on Gains on Sales As Held Off on Asset Sales for Post-Covid
  - ✓ Exception: Residential sales & acquisitions continue to be active on back of durable NOI
- No Covid Impact on Clean Energy – Growth on Track
  - ✓ 6 plants online in FY21/2 – Ongoing pipeline & earnings growth
- Covid Earnings Hit Temporary
- No Change to Ichigo's Long-Term Growth Outlook

# FY21/2 Summary

## Durable Earnings Model

Stock Earnings/Fixed Expenses

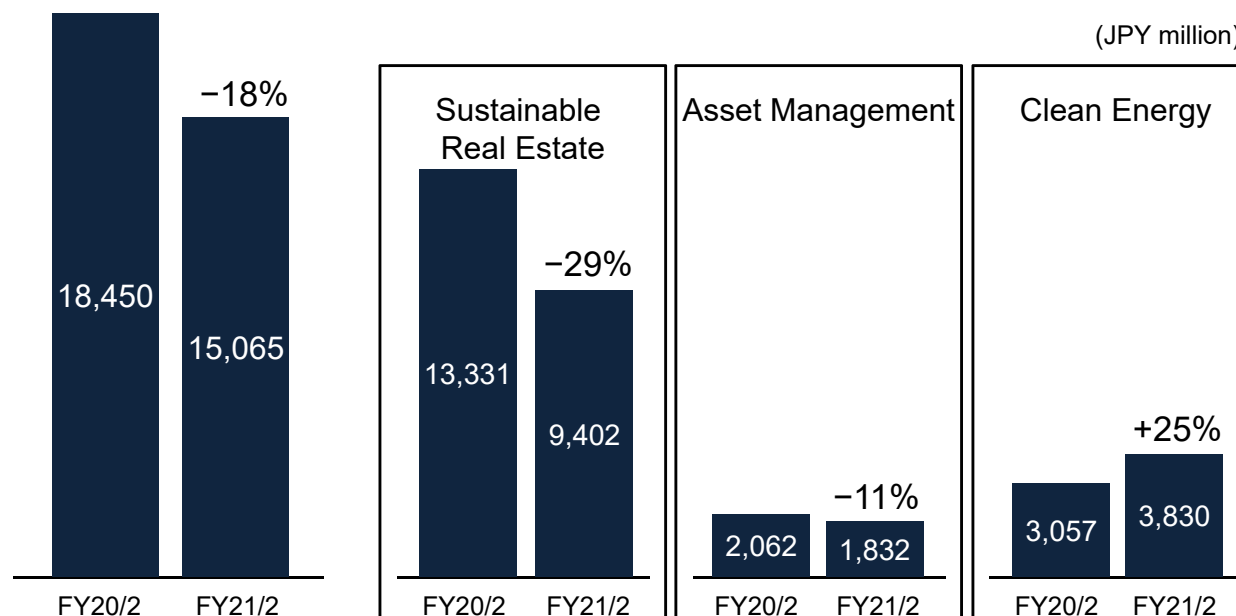
195%



Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

## Robust Stock Earnings

(JPY million)



## Clean Energy

Operating Profit +44% YOY

- Total Power Generation +19% YOY
- Ichigo's first wind power plant, Ichigo Yonezawa Itaya ECO Power Plant (7.3MW), began operation on March 2, 2021
- Planning green biomass entry to diversify energy portfolio

## New ESG Initiatives

WE SUPPORT



- Joined United Nations Global Compact
- Joined RE100

RE100

CLIMATE GROUP



- Issued Ichigo Sustainability Report

## Share Buybacks – 5<sup>th</sup> Consecutive Year

Current Buyback

- Amount: Up to JPY 1.5B
- Shares: Up to 5.5 million (1.17%)
- Buyback Period: Apr 20, 2021 – Jul 13, 2021

# Operating Profit -65%, EPS -38% (YOY)

- Significant Covid Impact: Stock Earnings -18%, Flow Earnings -68%
- Cash EPS = 2X EPS; 9.7% Cash ROE Despite Covid Impact

(JPY million)

	FY20/2	FY21/2	YOY	Full-Year Forecast
Operating Profit	27,721	9,668	-65.1%	9,500
Recurring Profit	24,395	7,179	-70.6%	6,800
Net Income	8,201	5,027	-38.7%	5,000
Cash Net Income	10,709	9,631	-10.1%	—
EPS	JPY 16.89	JPY 10.48	-38.0%	JPY 10.41
Cash EPS	JPY 22.05	JPY 20.07	-9.0%	—
Dividend	JPY 7	JPY 7	—	JPY 7
ROE	8.2%	5.0%	—	5.0%
Cash ROE	10.8%	9.7%	—	—
DOE	3.4%	3.3%	—	—

Cash Net Income = Net Income + Depreciation

# Segment Earnings Details

- Asset Management: Decrease in Ichigo Hotel (3463) base AM fees & performance fees
- Sustainable Real Estate  
Stock Earnings: Significant decrease in hotel rental income  
Flow Earnings: Focused on residential asset sales
- Clean Energy: Steady growth; 6 new plants online in FY21/2

(JPY million)

Segment	Operating Profit					Gross Profit			Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY20/2	FY21/2	YOY	Full-Year Forecast	vs. Full-Year Forecast	FY20/2	FY21/2	YOY	
Asset Management (AM)	2,526	1,403	-44.5%	1,300	108.0%	3,046	1,934	-36.5%	Base AM Fees 1,739 (-231) Acquisition/Disposition Fees 22 (-855) Ichigo Office Cash Flow Performance Fees 79 (-27) Ichigo Green Operator Fees 41 (-1)
Sustainable Real Estate (SRE)	23,971	6,528	-72.8%	6,500	100.4%	29,521	11,248	-61.9%	Rental Income 6,219* (-5,720) * Depreciation 3,182 (+1,791) Gains on Sales 5,028 (-12,180) Gains on Overseas Sales – (-373)
Clean Energy (CE)	1,272	1,834	+44.2%	1,800	101.9%	1,940	2,409	+24.2%	Power Generation Revenue 2,409* (+469) * Depreciation 1,421 (+304)
Adjustment (including offsets of cross-segment transactions)	-49	-99	–	-100	–	–	–	–	
Total	27,721	9,668	-65.1%	9,500	101.8%	34,509	15,591	-54.8%	

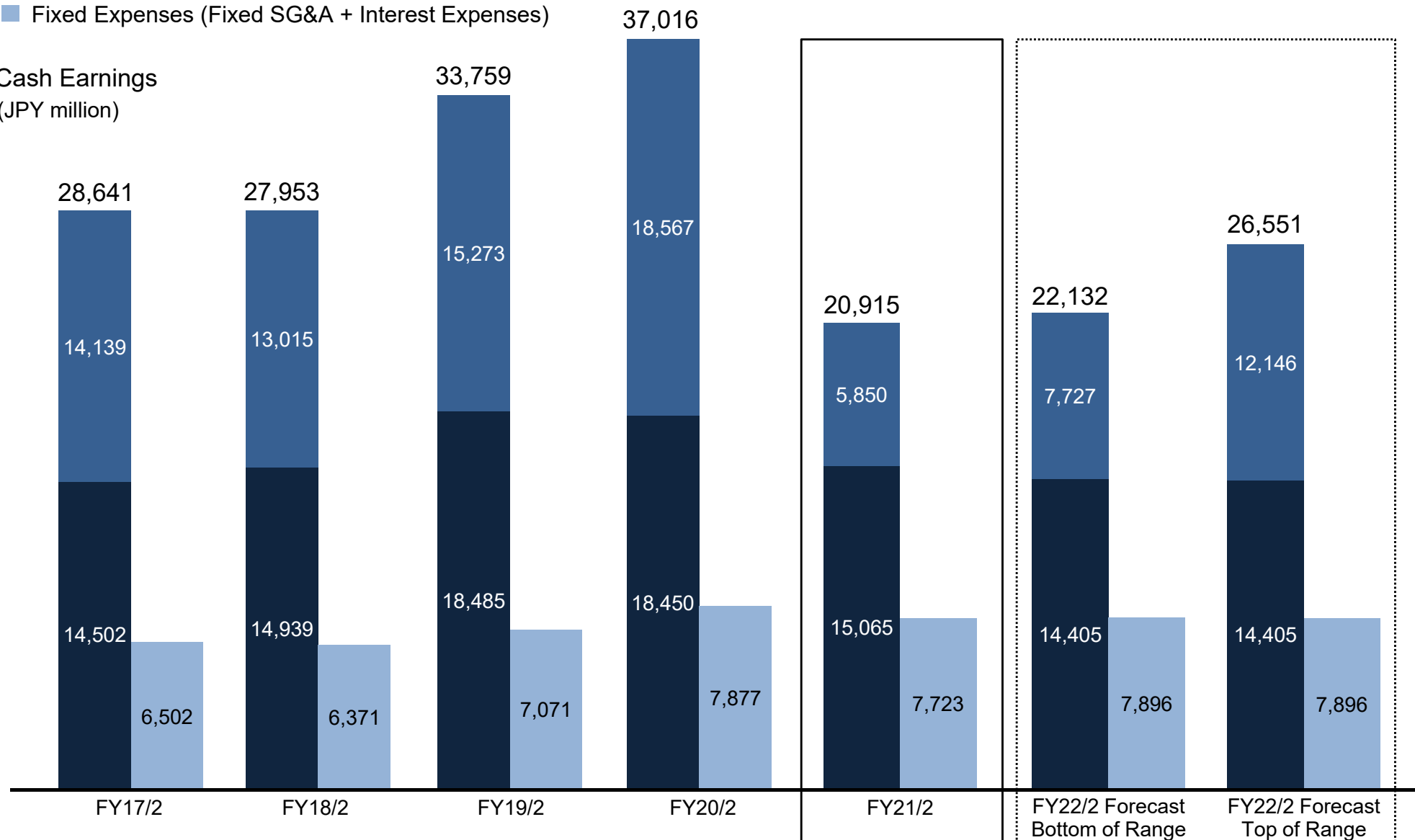
# Powerful Value-Add Business Model Underpins Growth

---

# Business Model (1) Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, Power Generation Revenues, Depreciation (Non-Cash), & Base AM Fees)
- Flow Earnings (Primarily Gains on Value-Add Real Estate Sales )
- Fixed Expenses (Fixed SG&A + Interest Expenses)

Cash Earnings  
(JPY million)

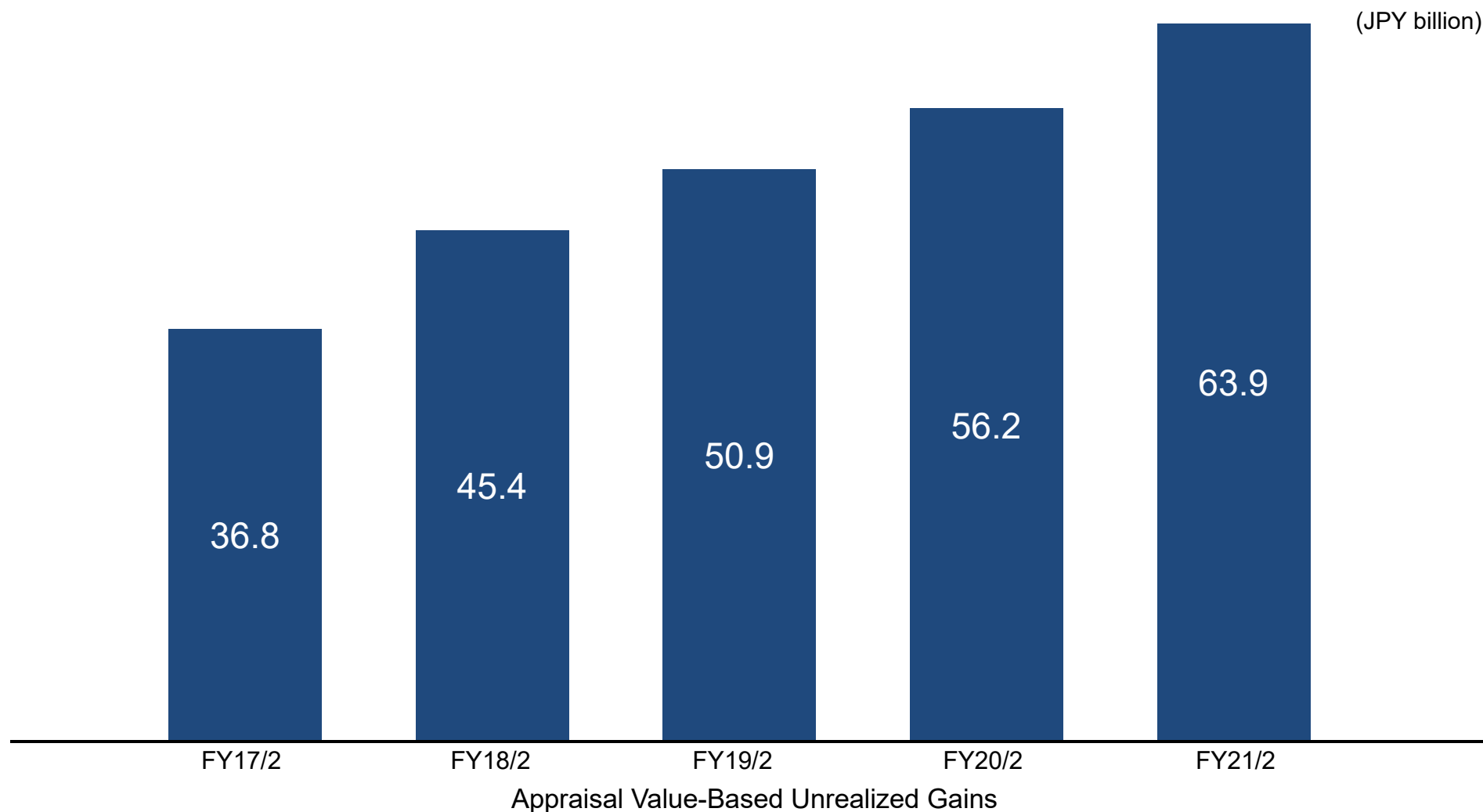


Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

© Ichigo Inc. All rights reserved.

## Business Model (2) Embedded Forward Earnings

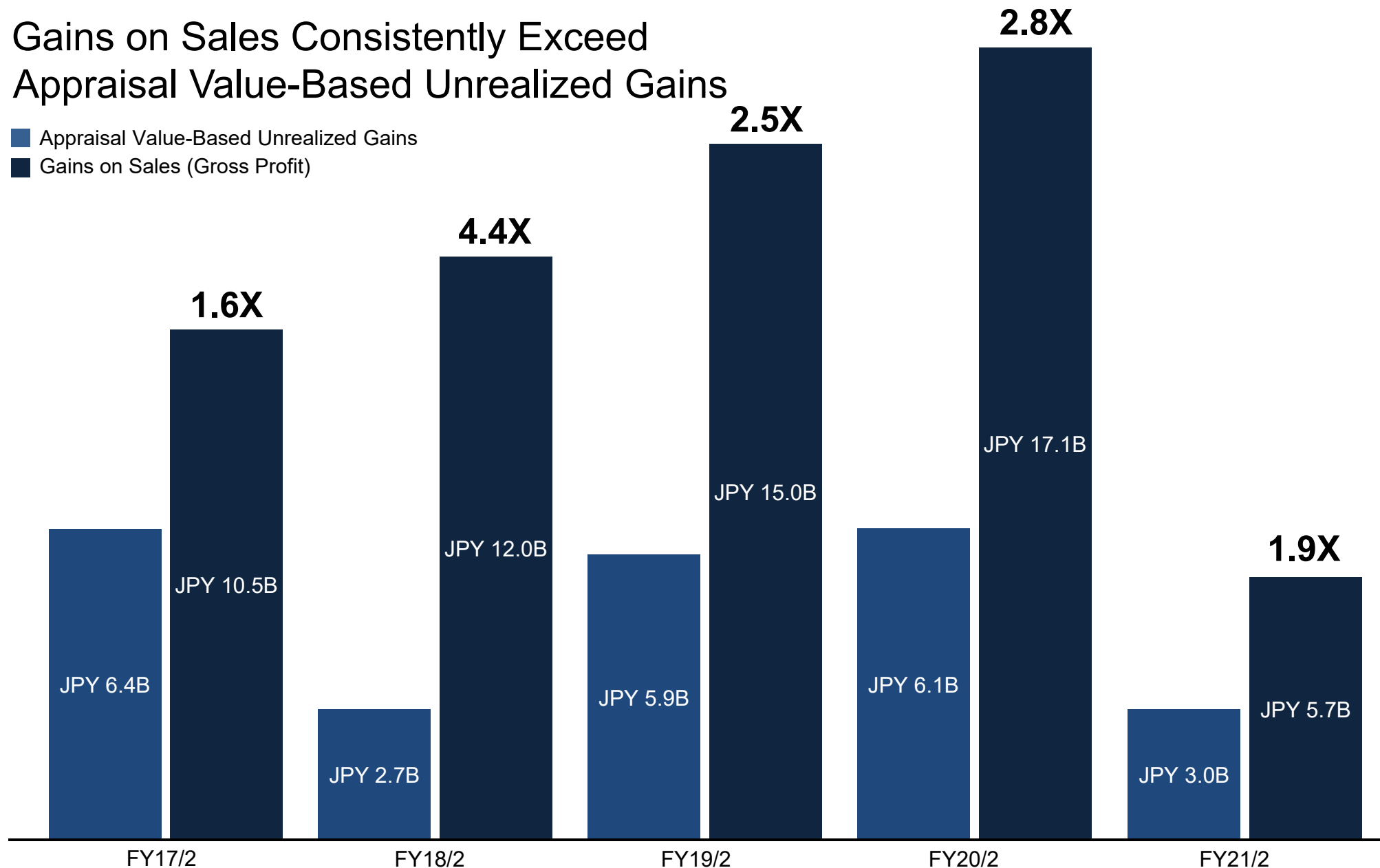
Full Economic Earnings From Value-Add Exceed Accounting Earnings  
Value-Add Thus Generates Significant Unrealized Gains That Are Earnings  
Bank for Future Periods



# Business Model (3) Value-Add Drives Durable Value Growth

Gains on Sales Consistently Exceed  
Appraisal Value-Based Unrealized Gains

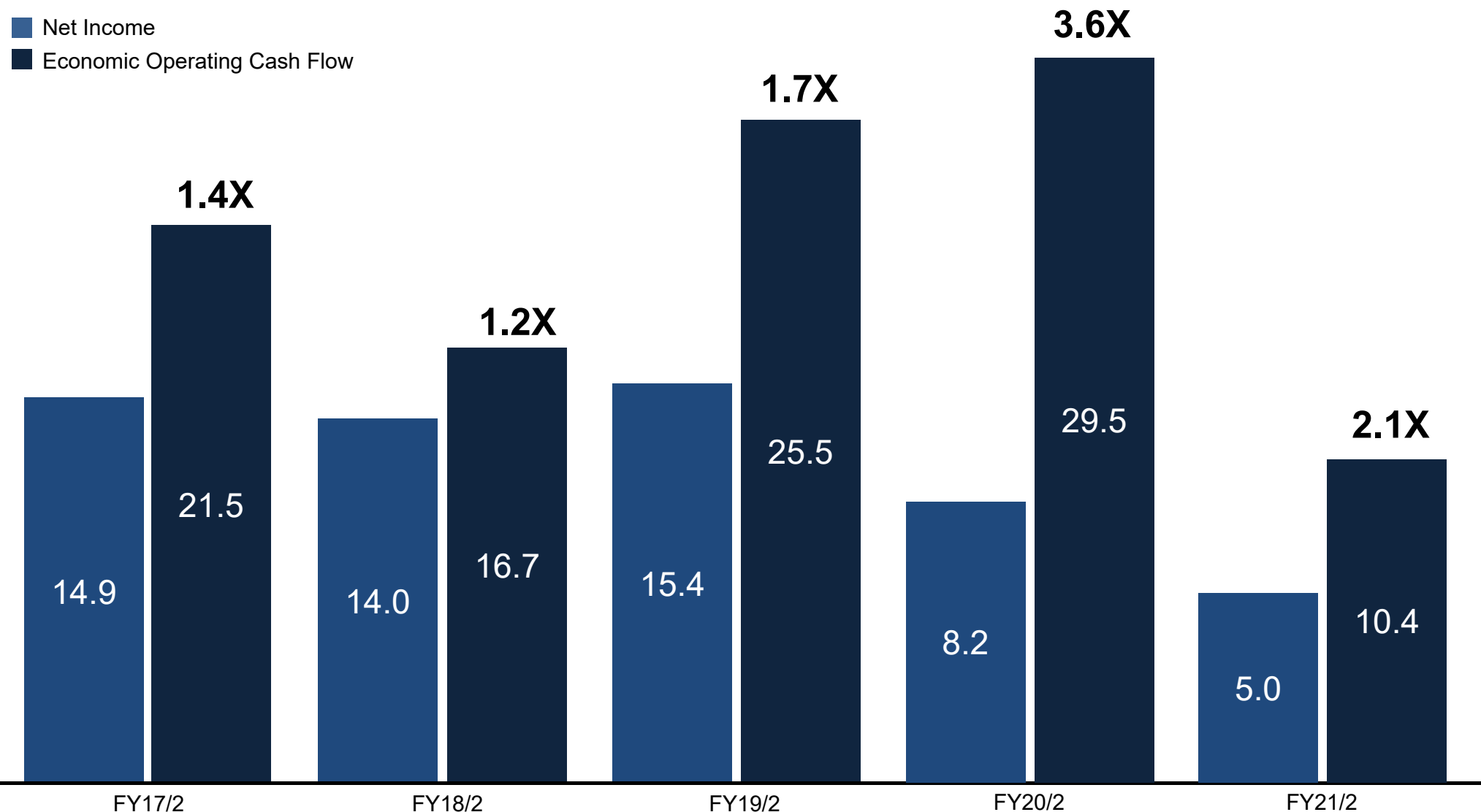
■ Appraisal Value-Based Unrealized Gains  
■ Gains on Sales (Gross Profit)



# Business Model (4) Robust Cash Generation

## Economic Operating Cash Flow Exceeds Net Income

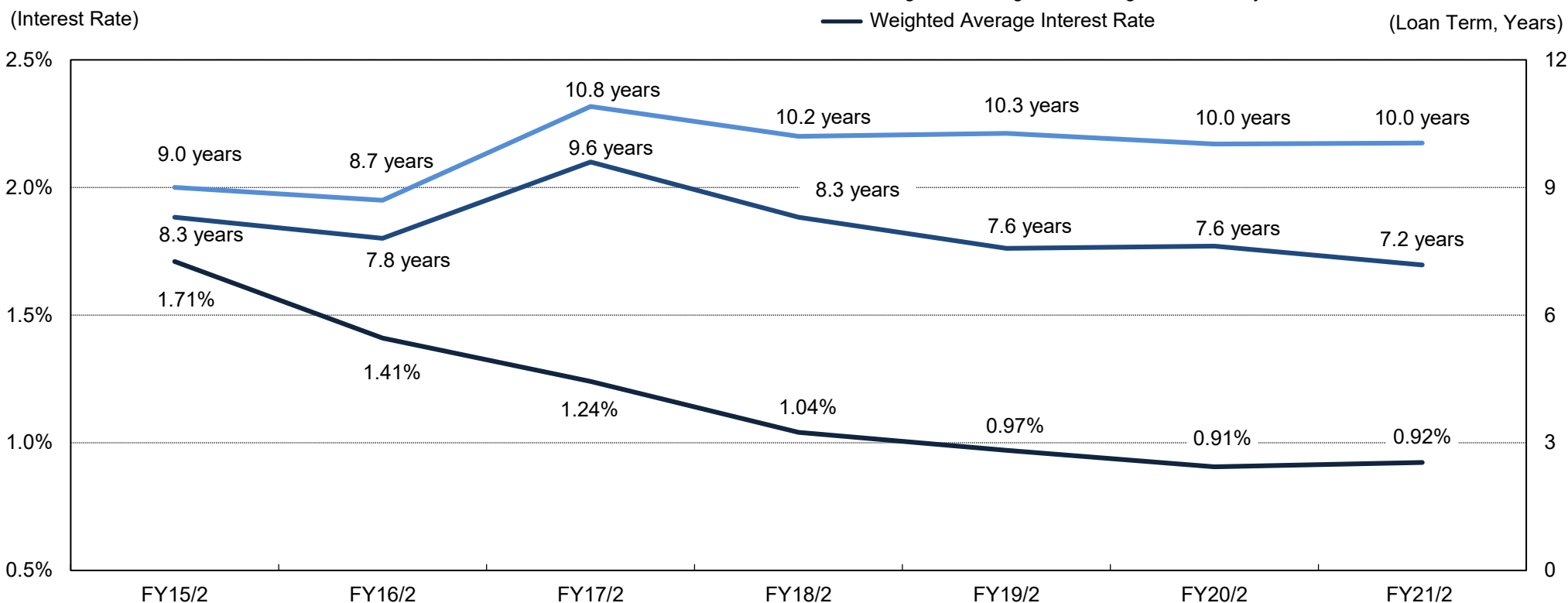
(JPY billion)



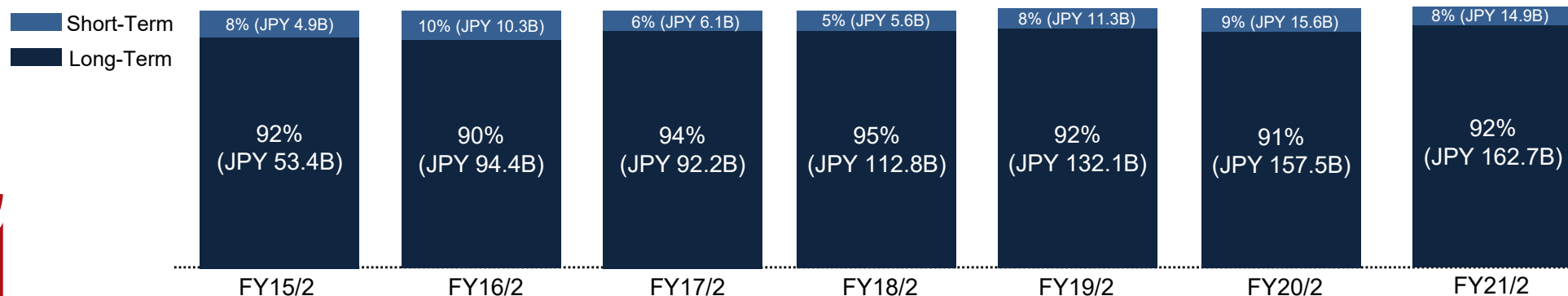
Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale

# Strong Financial Base

## Average Interest Rate & Loan Term



## Term Structure of Loans



# Sustainable Growth as a Sustainable Infrastructure Company

---

# Selective on Acquisitions & Sales

FY21/2 Net Sales: JPY 3.2B

(JPY million)

	Acquisitions		Sales		Difference ( A ) - ( B )
	No. of Assets	Book Value (A)	No. of Assets	Sale Price (B)	
Office	1	1,664	1	701	+963
Hotel	3	8,718	—	—	+8,718
Retail	1	863	2	5,252	-4,389
Residential	29	25,479	43	35,229	-9,750
Other	7	1,481	3	248	+1,233
<b>Total</b>	<b>41</b>	<b>38,206</b>	<b>49</b>	<b>41,430</b>	<b>-3,224</b>

Book Value of Sales is JPY 35.0B

## Ichigo Owners Acquisitions & Sales

- Acquisitions: 27 Residential Assets (JPY 24.4B, 64% of total)
- Sales: 29 Residential Assets (JPY 30.7B, 74% of total)

# Ichigo Owners Growth Path

Sourcing new central Tokyo residential assets located in prime locations near stations & tailored to diverse investment needs of clients

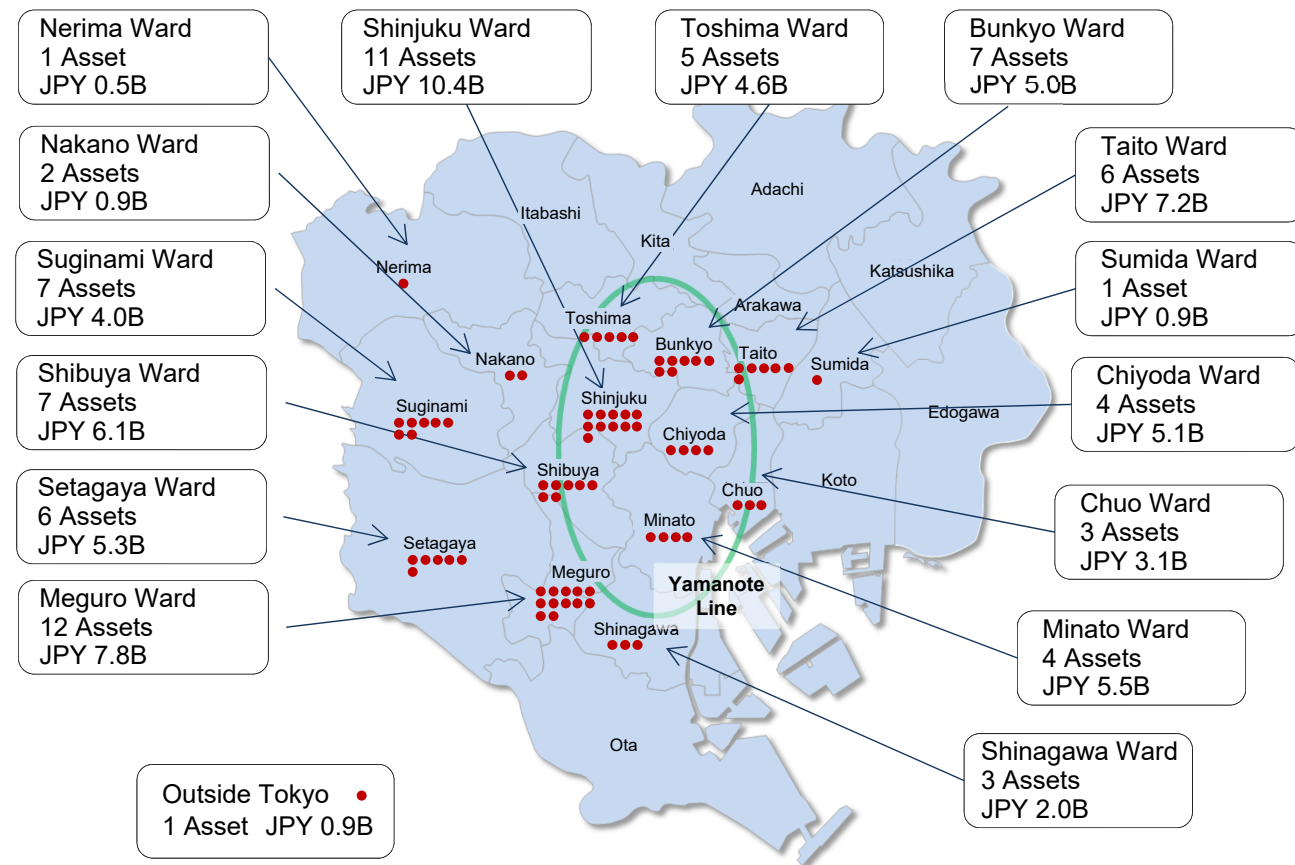
- Expanded client base from individuals to domestic and overseas institutional investors

## Ichigo Owners Residential Assets

Cumulative Acquisitions  
80 Assets, JPY 70B

Cumulative Sales  
56 Assets, JPY 55B

Balance Sheet Assets  
24 Assets, JPY 23B



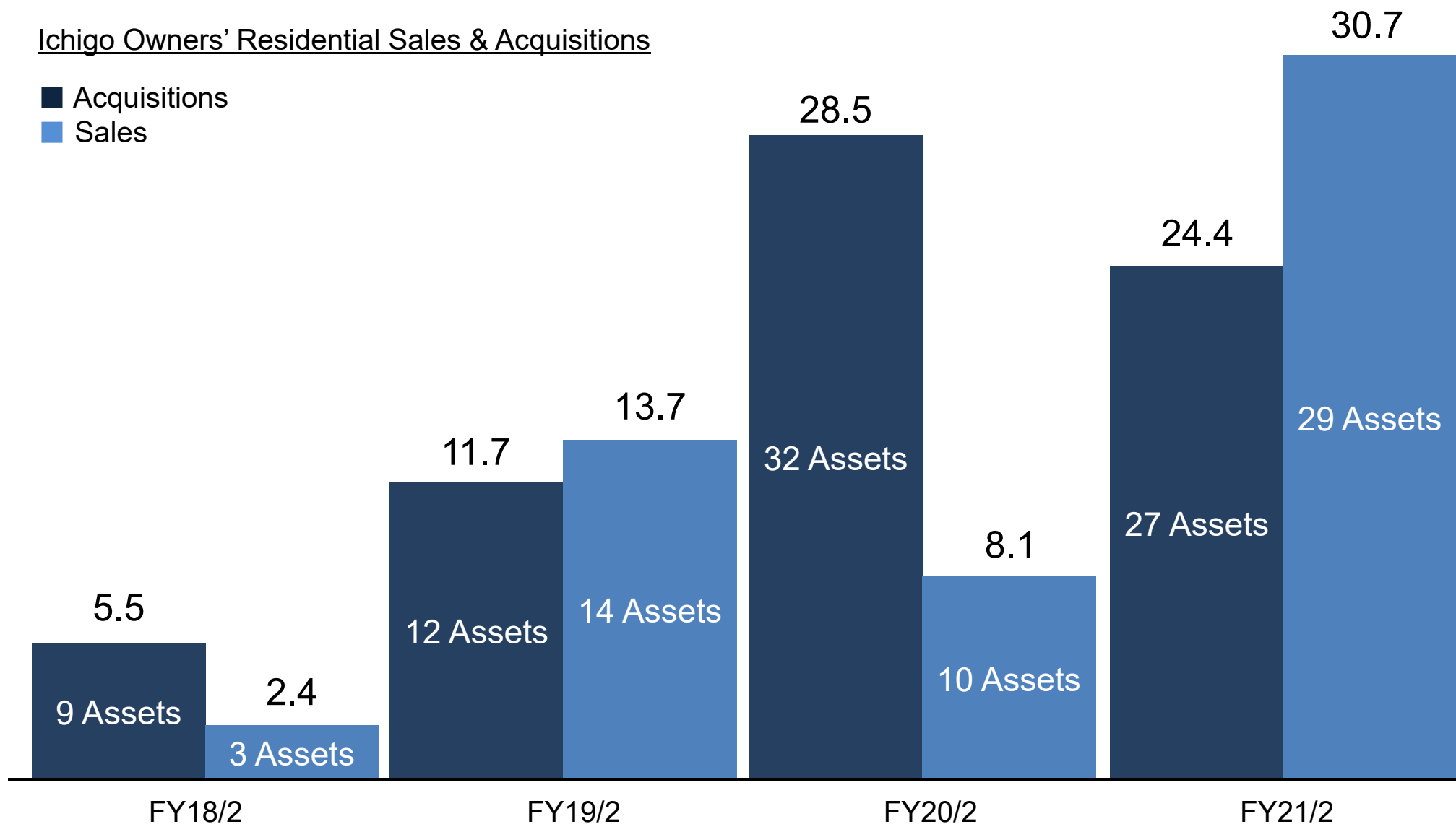
# Ichigo Owners Growth Path

## Building Significant Capability & Track Record in Residential Assets

(JPY billion)

### Ichigo Owners' Residential Sales & Acquisitions

- Acquisitions
- Sales



# Growth Support for Ichigo REITs & Ichigo Green

## Office



### Ichigo Office (8975)

IPO  
October 12, 2005

Portfolio  
86 Assets JPY 206.1B

Dividend Yield (as of 2021/4/16)  
4.2%

- Entered FTSE Global REIT Index, a key benchmark for global investors
- Ichigo Office & Ichigo Hotel only J-REITs to implement no fixed fee, performance fee-only structure
- Driving earnings & value growth via value-add, strategic asset acquisitions & sales, & share buybacks



#### Ichigo Growth Support

Providing comprehensive coverage to Ichigo Office assets via Ichigo's disaster response system

## Hotel



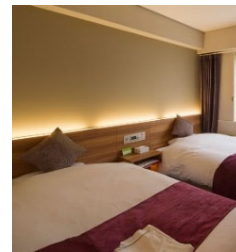
### Ichigo Hotel (3463)

IPO  
November 30, 2015

Portfolio  
23 Hotels JPY 51.9B

Dividend Yield (as of 2021/4/16)  
1.7%

- Geographically diversified portfolio focused on lodging-focused hotels
- Ichigo Office & Ichigo Hotel only J-REITs to implement no fixed fee, performance fee-only structure
- Driving earnings & value growth via value-add, strategic asset acquisitions & sales, & share buybacks



#### Ichigo Growth Support

Amidst Covid, provided subordinated debt (JPY 500M) to support IHR's financial base & taken over operation of 3 hotels

## Green Infrastructure



### Ichigo Green (9282)

IPO  
December 1, 2016

Portfolio  
15 Solar Power Plants JPY 11.4B

Dividend Yield (as of 2021/4/16)  
5.4%

- Solar power producer focused on driving shareholder value via income stability and earnings growth and contributing to Japan's self-sufficiency in clean energy
- Portfolio of robust assets that have suffered no injuries or damages from natural disasters



#### Ichigo Growth Support

Operating all plants and providing ongoing performance guarantee

# Scaling Rapidly (In-Pipeline Plants +33%)

6 New Plants (Total 13.7MW) Online in FY21/2

## Power Generation

Ichigo Total 169.5MW

■ Operating Plants: 127.9MW

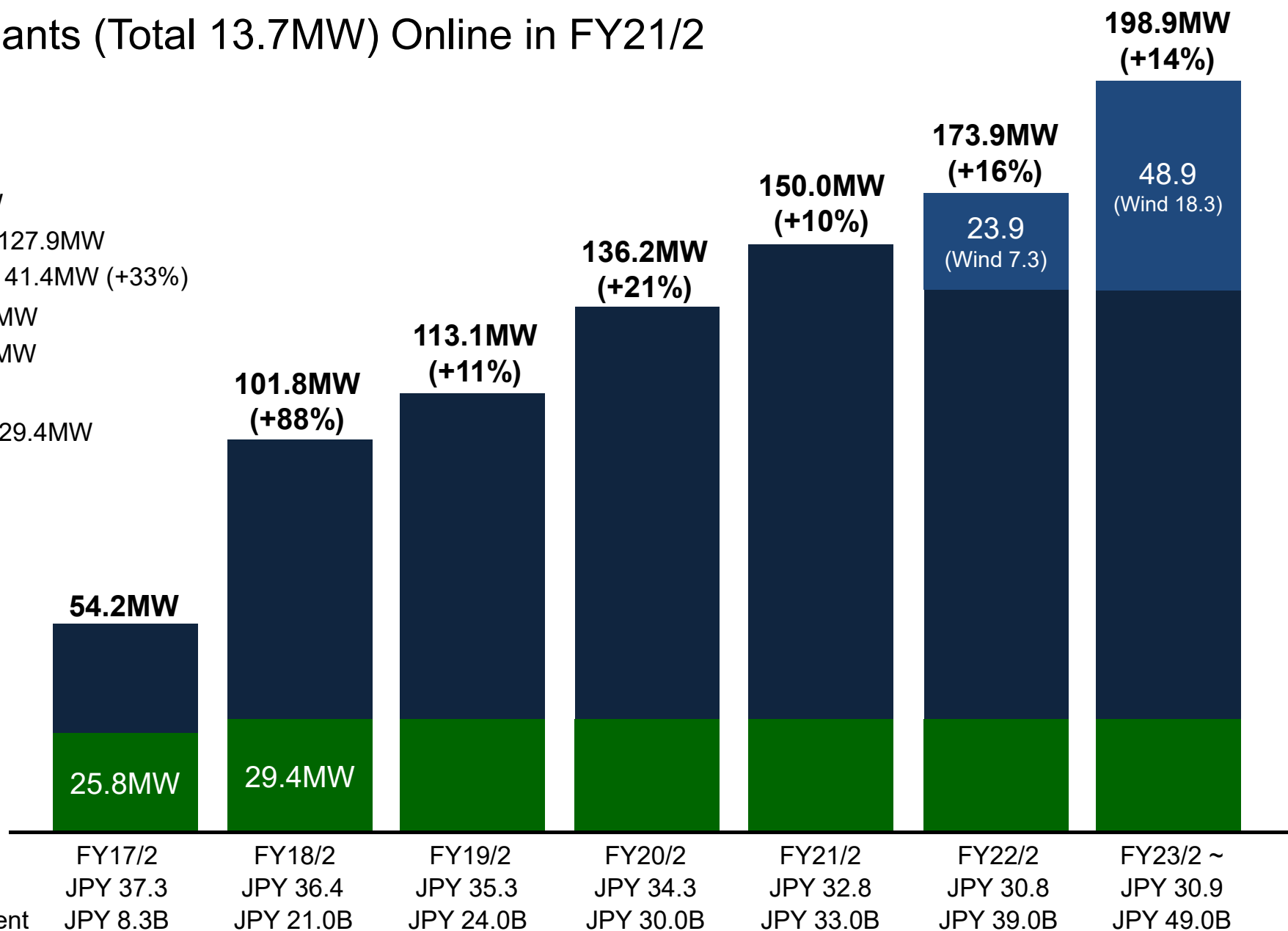
■ In-Pipeline Plants: 41.4MW (+33%)

Solar Plants: 30.5MW

Wind Plants: 10.9MW

Ichigo Green (9282)

■ Operating Plants: 29.4MW



# Ichigo's First Wind Power Plant

## Ichigo Yonezawa Itaya ECO Power Plant

- Began operation on March 2, 2021 (total output 7.3MW, FIT JPY 22)
- Powers 9,130 households (annual power generation: 27,391,000kWh)
- Construction funded by Shinsei Bank Green Loan program, recognizing the plant's SDG contribution



### Plant Construction on Ichigo YouTube Channel

Watch footage of the plant construction process, from unloading the turbines and blades at the harbor to transporting the parts through the Yamagata mountains



[www.youtube.com/watch?v=v42YaoQ4Y1s&t=8s](https://www.youtube.com/watch?v=v42YaoQ4Y1s&t=8s)

# Green Biomass Entry

## Domestic Green Biomass as Third Renewable Energy Business

- Diversify & stabilize power production
- Procure biomass feedstock via Ichigo's community relationships

	Characteristics	Weather Impacts
Solar Power	<ul style="list-style-type: none"> <li>▪ Lots of potential plant site candidates, able to make effective use of unused land</li> </ul>	Yes
Wind Power	<ul style="list-style-type: none"> <li>▪ Night time power production capability</li> </ul>	Yes
Biomass	<ul style="list-style-type: none"> <li>▪ 24-hour power generation capacity regardless of weather conditions</li> <li>▪ Able to control power generation</li> <li>▪ Stable supply of biomass energy sources is necessary</li> </ul>	No

## Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

### Use Japan's Abundant Forest Resources

- Japan's forest ratio is 66% (2<sup>nd</sup> highest amongst OECD countries), 7<sup>th</sup> largest cultivated forest area in the world
- Productive use of unused domestic wood as biomass energy source

\* Forest ratio is ratio of forest to total land area

# Joined RE100

## Significant Focus on Lowering Energy Impacts

- Promoting energy efficiency in Sustainable Real Estate business
  - Building assessments & improvements to reduce energy consumption
  - Renovations to reduce environmental impacts across-the-board
  - Third-party assessments of Ichigo greenhouse gas emissions & countermeasures
- Actively growing Clean Energy business to accelerate target achievement
- Established RE100 Group to oversee Ichigo's sustainable energy initiatives

### Ichigo RE100 Target

## 100% Renewable Electricity by 2040

Ichigo is committed to sourcing 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463)

### RE100

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a zero carbon society.

### CDP

A global initiative that runs the global disclosure system for companies to manage their environmental impacts. Companies are assessed on governance, risk management, business strategy, goals and progress, and engagement, and are ranked from A to D.

**RE100**

**CLIMATE GROUP**



# Joined United Nations Global Compact

Joined the UN Global Compact to Accelerate Social Contribution – Committed to Achieving the Ten Principles with Respect to Human Rights, Labor, Environment, & Anti-Corruption

## UN Global Compact

A global sustainability initiative that calls for companies and organizations to take leadership and take actions as members of society to implement universal sustainability principles.

Companies and organizations that sign the UN Global Compact are required to achieve the Ten Principles based on CEO commitments.

## The Ten Principles of the UN Global Compact

Human Rights	Principle 1: Support and respect human rights Principle 2: Human rights abuses
Labor	Principle 3: Freedom of association and the effective recognition of the right to collective bargaining Principle 4: Elimination of all forms of forced and compulsory labor Principle 5: Effective abolition of child labor Principle 6: Elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Support a precautionary approach to environmental challenges Principle 8: Promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	Principle 10: Work against corruption in all its forms, including extortion and bribery

**WE SUPPORT**



# Share Buybacks

## Ichigo 2030: Flexible Deployment of Share Buybacks

Purpose: Grow Shareholder Value

### April 2021 Buyback

Amount JPY 1.5 billion (maximum)

Number of Shares 5,500,000 (maximum)  
(1.17% of shares outstanding, net of treasury shares)

Buyback Period April 20, 2021 – July 13, 2021

	Number of Shares Purchased (% of Shares Outstanding)	Average Purchase Price	Amount
FY21/2	9,645,800 (1.9%)	JPY 311	JPY 3 billion
FY20/2	7,081,200 (1.4%)	JPY 424	JPY 3 billion
FY19/2	7,869,700 (1.6%)	JPY 381	JPY 3 billion
FY18/2	8,436,500 (1.7%)	JPY 355	JPY 3 billion

# Ichigo J.League Shareholder Program

## Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (65,000 shareholders in total)
- First company to offer shareholders free tickets to every J.League game at every J.League club (currently paused due to Covid)

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



## Events & Presents

- Ichigo Kids J.League Events
  - ✓ Escort players onto field
  - ✓ High-fives with players
  - ✓ Other programs
- J.League Merchandise
  - ✓ Autographed jerseys from all J.League clubs
  - ✓ Ichigo original J.League towels
- J.League Online Events

## FY22/2 Forecast

---

# FY22/2 Forecast

- Given Covid uncertainty, forecasting with a range, taking a conservative view on the bottom of the range
- Cash EPS forecast +12%~+44% YOY, Cash ROE forecast 10.6%~13.6%

(JPY)

	FY21/2 Actual	FY22/2 Forecast	YOY
Operating Profit	9,668	9,100~12,000	-5.9%~+24.1%
Recurring Profit	7,179	6,000~8,900	-16.4%~+24.0%
Net Income	5,027	5,000~8,000	-0.5%~+59.1%
Cash Net Income	9,631	10,518~13,518	+9.2%~+40.4%
EPS	JPY 10.48	JPY 10.69~17.10	+2.0%~+63.2%
Cash EPS	JPY 20.07	JPY 22.48~28.90	+12.0%~+44.0%
Dividend	JPY 7	JPY 7	—
ROE	5.0%	5.0%~8.1%	—
Cash ROE	9.7%	10.6%~13.6%	—

# FY22/2 Forecast Segment Details

- AM: Ichigo Hotel REIT Recovery Expected to Take Time
- SRE: Forecasting Gains on Sales in a Range with Cautious Outlook on Acquisitions & Sales
- CE: Growth on Plan – First Wind Power Plant Online

(JPY million)

	Operating Profit		
	FY 21/2 Actual	FY22/2 Forecast	YOY
Asset Management (AM)	1,403	1,300	-7.4%
Sustainable Real Estate (SRE)	6,528	5,700 ~ 8,600	-12.7% ~ +31.7%
Clean Energy (CE)	1,834	2,100	+14.4%
<b>Total (Segment-Level)</b>	<b>9,767</b>	<b>9,100 ~ 12,000</b>	<b>-6.8% ~ +22.9%</b>

## Appendix: Ichigo's Sustainability Commitment (ESG)

---



# Ichigo Sustainability Policy

---

## Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

## Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

## Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

## Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

## Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

# Sustainability Initiatives

## Joining Third-Party Initiatives to Accelerate Ichigo's Sustainability Activities

**WE SUPPORT**



**RE100**

**CLIMATE  
GROUP**



### UN Global Compact

UN Global Compact is a global sustainability initiative that calls for companies and organizations to take leadership and take actions as members of society to implement universal sustainability principles. Companies and organizations that sign the UN Global Compact are required to achieve the Ten Principles regarding human rights, labor, environment, and anti-corruption based on CEO commitments.

### CDP

CDP is a global initiative led by a non-profit organization representing over 500 global investors to assess companies and organizations of their environmental performance. Assessment is based on governance, risk management, business strategy, targets and actuals, etc., and companies are scored from D- to A. Ichigo's score for 2020 (1<sup>st</sup> year): B

### RE100

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable power. The RE100's mission is to accelerate change towards a net zero carbon society.

**Ichigo's  
RE100 Target**

100% Renewable Electricity by 2040



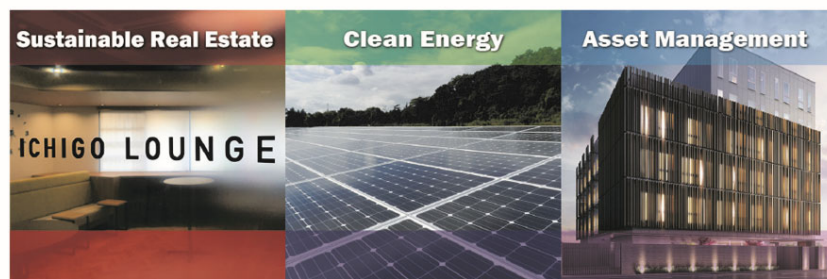
### Fun to Share

Fun to Share is the Ministry of Environment's campaign to promote the achievement of a low-carbon society by sharing the most up-to-date information openly and broadly.

# Sustainability Report

## Promoting Awareness of Ichigo's Sustainability Initiatives via Ichigo Sustainability Report

### いちご株式会社 サステナビリティレポート Ichigo Sustainability Report



April 2021



### 目次

➤ トップメッセージ 代表執行役会長 スコット キャロン	4	➤ 環境 Environmental	19
➤ トップメッセージ 代表執行役社長 長谷川 拓磨	5	● 地球に優しく安全性に優れたクリーンエネルギーの創出	20
➤ いちご企業倫理綱領	6	● 遊休地の活用による堅固な発電所建設と地域への貢献	21
➤ いちごサステナビリティ方針	7	● 関東初、農山漁村再生可能エネルギー法の活用	22
➤ 「いちごのサステナブル経営」推進体制	8	● エネルギー消費実態の把握と対応	22
➤ 外部評価・イニシアティブへの参加	9	● 温室効果ガス排出量の第三者検証	23
➤ ESG/SDGsの資金調達	10	● 自然災害等の危機管理対応	23
➤ 長期VISION「いちご2030」	11	● IT化の推進による自然災害への迅速な対応	24
● サステナブルインフラ企業としての持続的な成長	11	● IT化の推進による環境保護対策	24
● サステナブルインフラ企業としての経営目標 (KPI)	12	● 地域活動への参加	24
➤ いちごのサステナブル経営「心築事業」	12	➤ 社会 Social	25
● 心築とは	13	● 人権尊重、小児患者・障がい者への支援	26
● 100年不動産への挑戦	14	● 学生への支援	27
● 渋谷区代官山 駅近商業ビル「心築」	15	● サプライチェーン	27
● 築40年の老舗ホテルをさらに50年輝くホテルへ	15	● パリフォーチェン	28
➤ いちごのサステナブル経営「グリーンエネルギー事業」	16	● 人権の尊重 (行動規範)	28
● 再生可能エネルギーの創出	16	● メンタルヘルスケア、ハラスメント防止ガイドライン	29
● 遊休地に開東最大級の太陽光発電所	17	● いちごの人財ポリシー	29
● 再生可能エネルギーを地域の再生と活性化に	17	● ライフスタイルの変化に応じた勤務形態の選択	30
➤ いちごのサステナブル経営「アセットマネジメント事業」	18	● 健康経営	30
● 不動産運用を通じた経済活性化への貢献	18	● 安全衛生への取り組み	31
● リート唯一の完全成果報酬による投資家口線の運用	18	● 人材教育制度 企業内大学「いちご大学」の設置	31
● いちご投資顧問のサステナビリティ方針	18	● 社内ベンチャー立ち上げの推進	32
		➤ ガバナンス Governance	32
		● 指名委員会等設置会社	33
		● コンプライアンスの遵守・内部通報制度	34
		● 誠実、公明な業務行為	35
		● リスクマネジメント	35
		➤ 参考データ Appendix	36~



Ichigo Sustainability Report (Japanese only – English version to be available this week)  
[www.ichigo.gr.jp/pdf/esg/Ichigo\\_Sustainability\\_Report\\_JPN.pdf](http://www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_JPN.pdf)

# Ichigo ESG – Environmental

## Sustainable Real Estate

### Preserve & Improve Real Estate to End Wasteful Demolition

- Lengthen useful life of real estate
- Shrink environmental footprint by reducing wasteful demolition & consumption of raw materials, energy, & human talent in construction



Lowest  
Impact  
Highest  
Efficiency

### Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.

# Ichigo ESG



Environmental

Environmental  
Sustainability  
For a Better  
World

## Contributing to a Low-Carbon World

### Clean Energy

Ichigo RE100 Target: 100% Renewable Electricity (including Ichigo Office and Ichigo Hotel) by 2040

**RE100**

**CLIMATE  
GROUP**



Annual Power Generation 175,581,824 kWh



Equivalent to annual energy consumption of 58,500 households

The Federation of Electric Power Companies of Japan - Annual energy consumption per household 3,000kWh

Annual CO2 Reduction 115,884,001 kg



Equivalent to annual CO2 emission of 50,400 cars

Ministry of Environment  
Annual CO2 emission per car c. 2,300kg  
(FY21/2 Actuals – Ichigo & Ichigo Green)

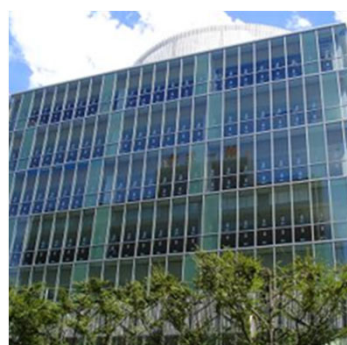
## Sustainable Real Estate – Environmental Certifications



Ichigo Kakyoin Building



Ichigo Hakata  
Ekimae Square



Ichigo Hakata Meiji Dori Building

### Ichigo Group-Wide

CASBEE: 12 Assets

BELS: 2 Assets

DBJ Green Building: 2 Assets

Ichigo Office (8975)  
Green Star (Highest Ranking)  
4 years in a row



G R E S B  
★ ★ ★ ★ ★ 2020

# Ichigo ESG – Social

## Supporting Local Communities

- Ichigo's Boutique Hotel THE KNOT  
A place where visitors, communities, and the old and the new can come together
- Miyako City, Nanbu Wholesale Market  
Foster community interactions
- J.League Top Partner  
Promote community development, revitalize local economies, and renovate & upgrade stadiums
- TSUBASA+ AR Smartphone Game  
Promote Japanese culture and community links
- Smart Agriculture



## Working with Tenants

- Conduct tenant surveys to understand needs to implement effective value-add
- Exclusive investor for Oshii Mamoru's new anime VLADLOVE to promote Japan's anime culture and build synergies with Ichigo's retail asset AKIBA CULTURES ZONE
- Support tenant sales channel expansion and sales growth
- Operate self-storage and laundromats to support livelihood



Make The World More Sustainable



## HR & Internal Start-Ups

- Ichigo University for employees  
Taught by subject matter experts  
Internal online communication tool,  
Ichigo University Media in place to support WFH employees
- Support for Employees  
100% return rate for employees who take maternity/paternity leave
- Women in Leadership  
24% of managerial positions held by women

## Sports & Arts

- Support National & World-Class Athletes
- Support community-based soccer clubs
- Support artists with disabilities
- Support University of Miyazaki's Program for Children with Cancer  
Weightlifter Hiromi Miyake



## Disaster Response

- Typhoon disaster preventative measures
- Rapid damage assessment
- Rapid disaster response  
On-site inspections and measures to prevent secondary disasters, preserve asset value, and supply essential items to local communities
- Neighborhood watch
- Street cleaning and snow shoveling

# Ichigo ESG – Governance

## Early Adopter of Global Best Practice Corporate Governance Structure

- Adopted Independent Director-led, committee-based governance system in 2006 to incorporate global best practice
- Exceeded legal requirements by establishing Compliance Committee in addition to Nominating, Audit, and Compensation Committees
- Nominating Committee: 5 members (3 Independent Directors)
- Audit Committee: 3 members (All Independent Directors)
- Compensation Committee: 5 members (3 Independent Directors)
- Compliance Committee: 4 members (2 Independent Directors)



## Majority Independent Director Board Underpins Strong Governance

- Of 9 members of Ichigo's Board of Directors, 5 are Independent Directors
- Includes former CEOs of TSE 1 Section companies
- Since FY20/2 (current)  
Masatoshi Matsuzaki (former CEO of Konica Minolta)  
Nobuhide Nakaido (former CEO of SCSK)
- Stepped down after FY18/2  
Takashi Kawamura (former CEO of Hitachi; stepped down from Ichigo's board in May 2017 upon appointment as Chairman of TEPCO)  
Kosuke Nishimoto (former CEO of Meitec; stepped down from Ichigo's board in May 2019 upon appointment as EVP of Misumi Group)

## Strong Governance Supports Environmental & Social Contributions

### Board of Directors Evaluation

- Assessment of the Board by each Director, followed by collective analysis and review
  - ✓ Board Composition
  - ✓ Board Operation
  - ✓ Board Effectiveness
  - ✓ Board Support Resources
  - ✓ Engagement with Shareholders and Stakeholders
- Third-party confirmation of the effectiveness of Ichigo's Board Evaluation by JMA Research Institute

#### Evaluation Results

The Board confirmed that its deliberation and decision-making processes are effective & also received third-party confirmation with respect to this result.

## Appendix: Financial & Real Estate Data

---

# Covid Countermeasures

- Infection control & response, communication with tenants, thorough information gathering, & extensive safety measures for tenants

Asset Type	Covid Infection Countermeasures
All Asset Types	Provide hand sanitizers ubiquitously Cover touch surfaces with antibacterial sheets Post awareness & prevention promotion posters
Office	Conduct online tenant surveys to identify needs Experiment with disinfecting & cleaning robots & allocate more personnel to cleaning and disinfecting Install antibacterial wallpaper and flooring Install thermal cameras for temperature checks Limit capacity in common areas
Hotel	Display hotel information using monitors instead of paper print-outs
Retail	Provide Covid countermeasure best-practice guidelines to all tenants
Residential	Provide free Wi-Fi at all assets to facilitate remote work

## Covid Awareness & Prevention Promotion Poster



The poster features the title "みんなの安全安心のために" (For everyone's safety and peace of mind) in large blue Japanese characters, accompanied by a large red heart icon. Below the title, a paragraph of text explains Ichigo's commitment to safety. The poster is divided into two main sections: "3つの「密」を避けましょう" (Let's avoid the 3 'Densetsu' - Close, Crowded, and Close Contact) and "基本的な感染対策を徹底しましょう" (Let's thoroughly implement basic infection control measures). The first section includes icons for avoiding closed spaces, crowded places, and close contact. The second section includes icons for hand washing, wearing masks, and checking temperatures. At the bottom, there is a blue banner with text about reporting symptoms and the Ichigo logo.

みんなの安全安心のために

私たち「いちご」は、新型コロナウイルス対策として、ご来館いただいた皆さま、そのご家族の安全安心を最優先し、衛生環境の維持をはじめとするさまざまな取組みに努めています。皆さまのご理解・ご協力をお願い申し上げます。

3つの「密」を避けましょう

基本的な感染対策を徹底しましょう

密閉空間 密集場所 密接場面

感染予防 手洗い マスク着用

検温

感染が疑われる症状が出た場合は、速やかに管理会社までご連絡をお願いいたします。

サステナブルインフラ いちご ICHIGO

# Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

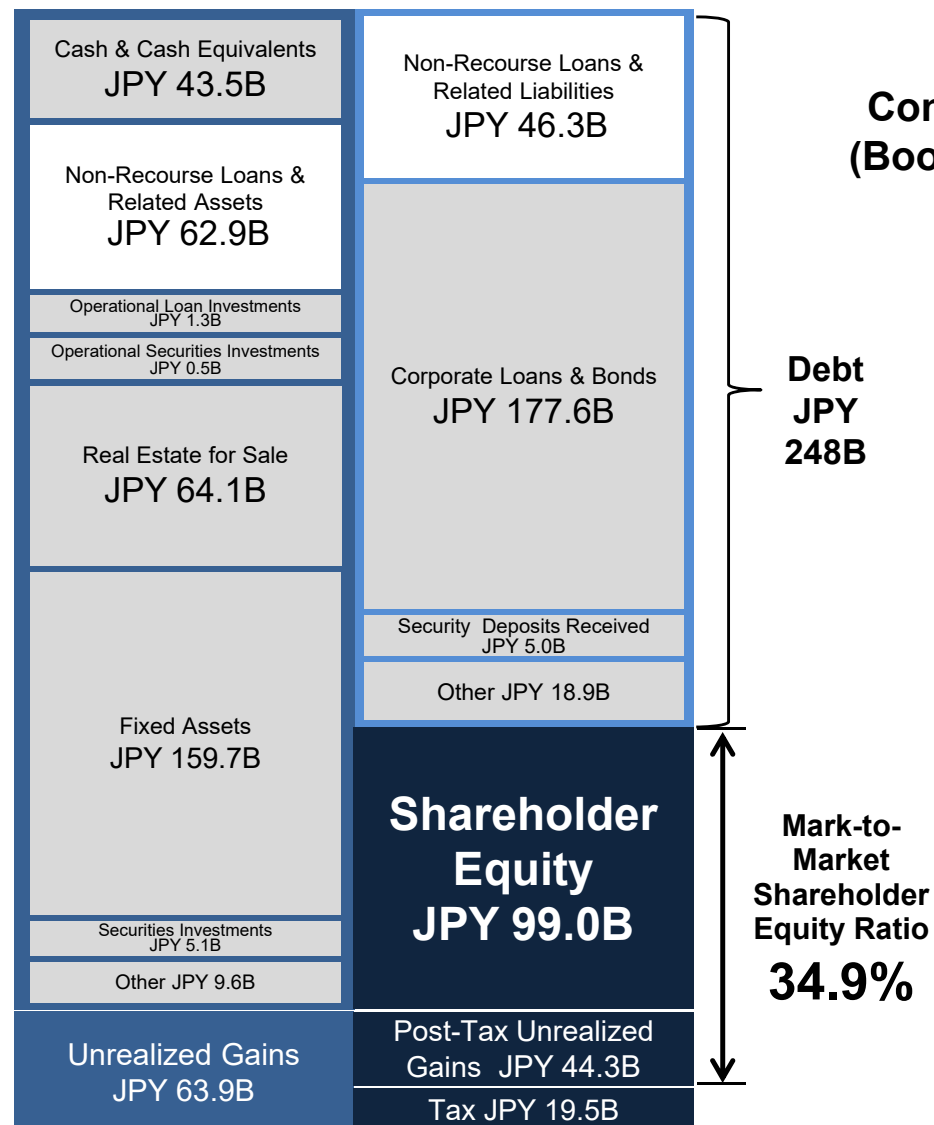
(JPY million)

Location	Book Value as of February 28, 2021 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	93,270	5,330	5.7%	126,972	+33,702
Outside Tokyo	108,985	7,078	6.5%	135,454	+26,469
Total	202,255	12,407	6.1%	262,426	+60,171

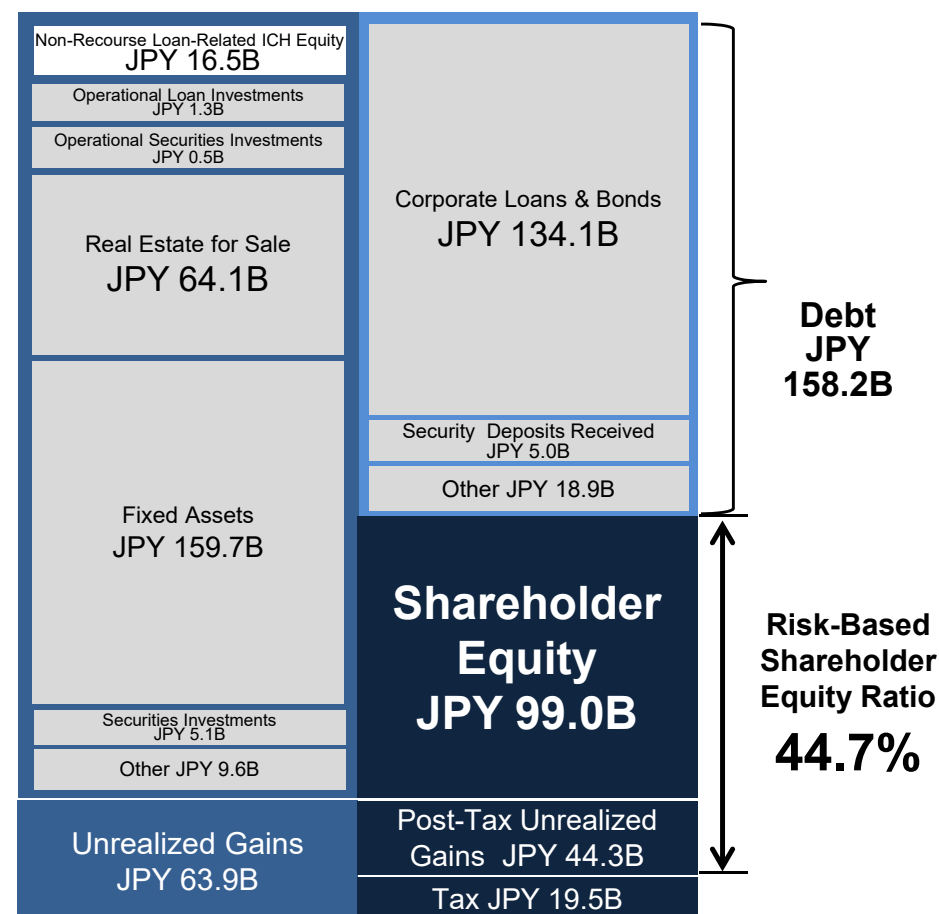
Notes: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 47.48B)

# Risk-Based Balance Sheet

**Mark-to-Market Consolidated Balance Sheet: JPY 411.0B**  
**(Book Value JPY 347.0B + Unrealized Gains JPY 63.9B)**



**Consolidated Risk-Based Balance Sheet: JPY 321.1B**  
**(Book Value JPY 257.2B + Unrealized Gains JPY 63.9B)**



Note: Risk-Based Balance Sheet excludes client and non-recourse assets & liabilities and nets out Cash & Cash Equivalents.

# Cash Flow Maximization

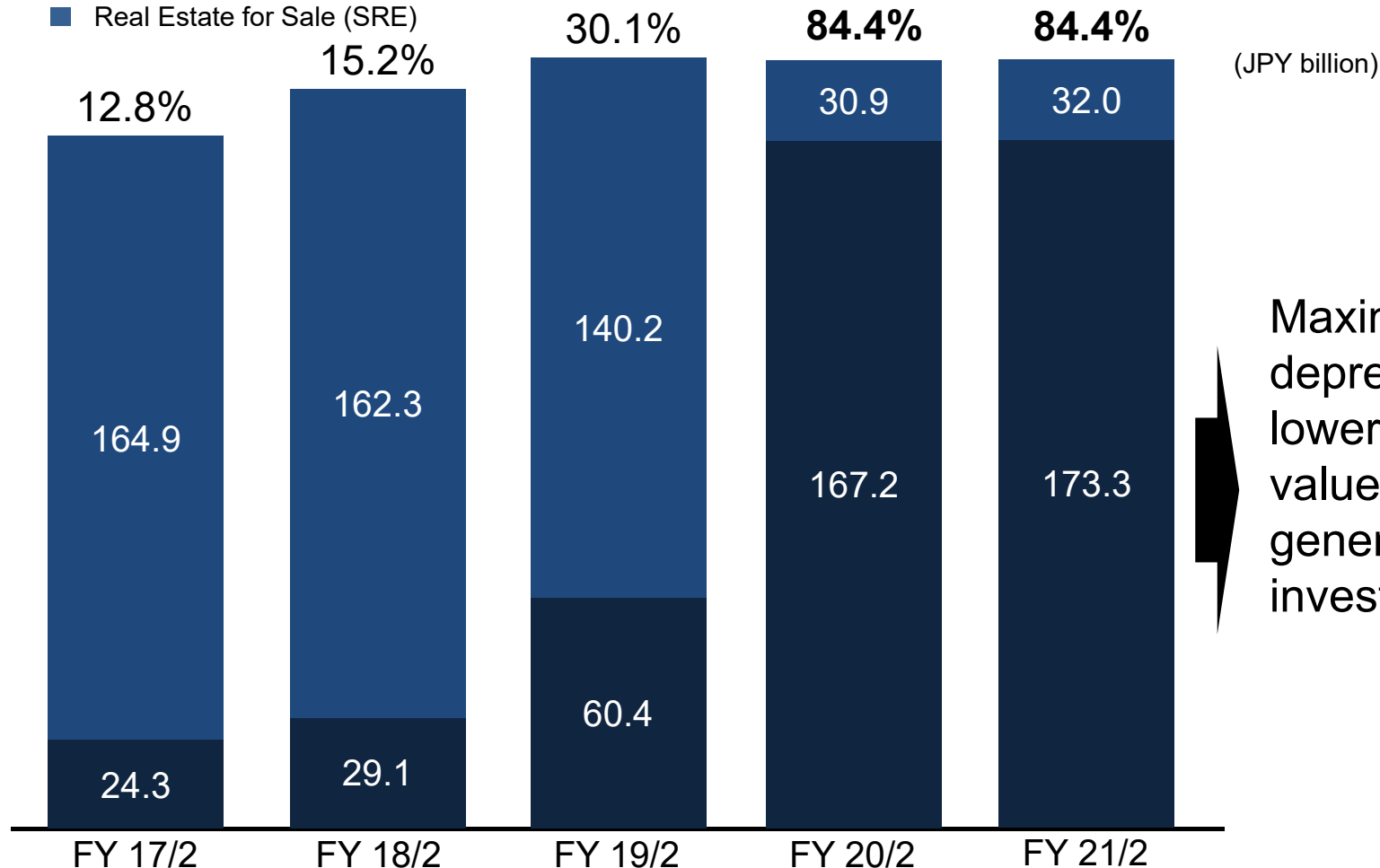
## Reclassification of Sustainable Real Estate Assets to Fixed Assets to Increase Cash Flow in FY20/2

### Real Estate for Sale & Fixed Assets

■ Fixed Assets (SRE)

■ Real Estate for Sale (SRE)

### Fixed Asset Ratio



Maximal use of depreciation allowances lowers ROE, but creates value by being cash-generative to fund growth investments

Note: Excludes Ichigo Owners, Centro, and self-storage assets

# Robust Cash Flow Generation & Strong Earnings Base

## Key Ichigo Strength: Robust Cash Generation to Fund Growth



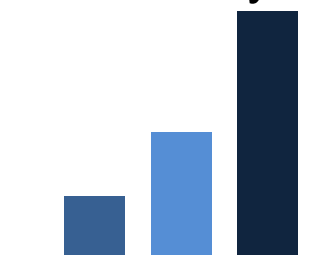
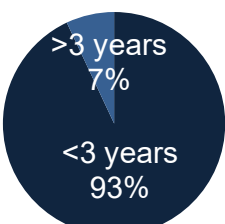
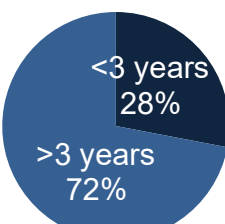
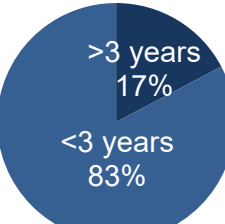
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 200%

(JPY million)

	FY15/2	FY16/2	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY21/2 Forecast
<b>Stock Earnings (A)</b>	8,805	12,578	14,502	14,939	18,485	18,450	15,065	15,001
<b>(Depreciation)</b>	503	731	716	967	1,632	2,507	4,603	4,494
<b>Flow Earnings</b>	4,591	8,986	14,139	13,015	15,273	18,567	5,850	5,831
<b>Cash Earnings</b>	13,396	21,563	28,641	27,953	33,759	37,016	20,915	20,833
<b>Fixed Expenses (B)</b>	5,069	5,846	6,502	6,371	7,071	7,877	7,723	7,552
	174%	215%	223%	234%	261%	234%	195%	199%

Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

# Post-GFC Shift in Earnings Base & Financial Position

	FY09/2 GFC	FY14/2 Start of Shift Up MTP	FY21/2	vs. GFC
<b>Stock Earnings/ Fixed Expenses Coverage Ratio</b>	75%	140%	195%	<u>2.6X</u>
<b>Loan Maturity</b> (Weighted avg., corporate + non-recourse loans)	2.8 years 	5.6 years 	10.2 years 	<u>3.6X</u>
<b>% of &lt;3 Year Loans</b> (corporate + non-recourse loans)	93% 	28% 	17% 	<u>-76%</u>
<b>Interest Cost</b> (Weighted avg., corporate loans)	2.22%	1.96%	0.92%	<u>-59%</u>

# Business Segments

---

## Asset Management

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

## Sustainable Real Estate

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.

## Clean Energy

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

# Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loan Investments	Operational Securities Investments	Real Estate for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management (AM)	–	–	–	–	–	701	122	692	<b>1,516</b>
Sustainable Real Estate (SRE)	16,481	1,324	590	64,109	183,870	3,026	3,531	2,920	<b>275,857</b>
Clean Energy	3,525	–	–	–	30,413	187	–	1,218	<b>35,345</b>
Company-Wide Assets	30,824	–	–	–	108	122	1,493	1,809	<b>34,358</b>
<b>Total</b>	<b>50,832</b>	<b>1,324</b>	<b>590</b>	<b>64,109</b>	<b>214,392</b>	<b>4,038</b>	<b>5,147</b>	<b>6,640</b>	<b>347,076</b>

# Consolidated P&L: Segment Breakdown

(JPY million)

Segment	Gross Profit			Operating Profit			
	FY20/2	FY21/2	YOY Change	FY20/2	FY21/2	YOY Change	FY21/2 Full-Year Forecast
<b>Asset Management (AM)</b>	<b>3,046</b>	<b>1,934</b>	<b>-36.5%</b>	<b>2,526</b>	<b>1,403</b>	<b>-44.5%</b>	<b>1,300</b>
Base AM Fees	2,062	1,832	-11.2%	—	—	—	—
Acquisition/Disposition Fees	984	101	-89.7%	—	—	—	—
<b>Sustainable Real Estate (SRE)</b>	<b>29,521</b>	<b>11,248</b>	<b>-61.9%</b>	<b>23,971</b>	<b>6,528</b>	<b>-72.8%</b>	<b>6,500</b>
Rental Income	11,940	6,219	-47.9%	—	—	—	—
Asset Sales	17,220	5,038	-70.7%	—	—	—	—
Other Flow Earnings	361	-9	—	—	—	—	—
<b>Clean Energy (CE)</b>	<b>1,940</b>	<b>2,409</b>	<b>+24.2%</b>	<b>1,272</b>	<b>1,834</b>	<b>+44.2%</b>	<b>1,800</b>
<b>Adjustment (including offsets of cross-segment transactions)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-49</b>	<b>-99</b>	<b>—</b>	<b>-100</b>
<b>Total</b>	<b>34,509</b>	<b>15,591</b>	<b>-54.8%</b>	<b>27,721</b>	<b>9,668</b>	<b>-65.1%</b>	<b>9,500</b>

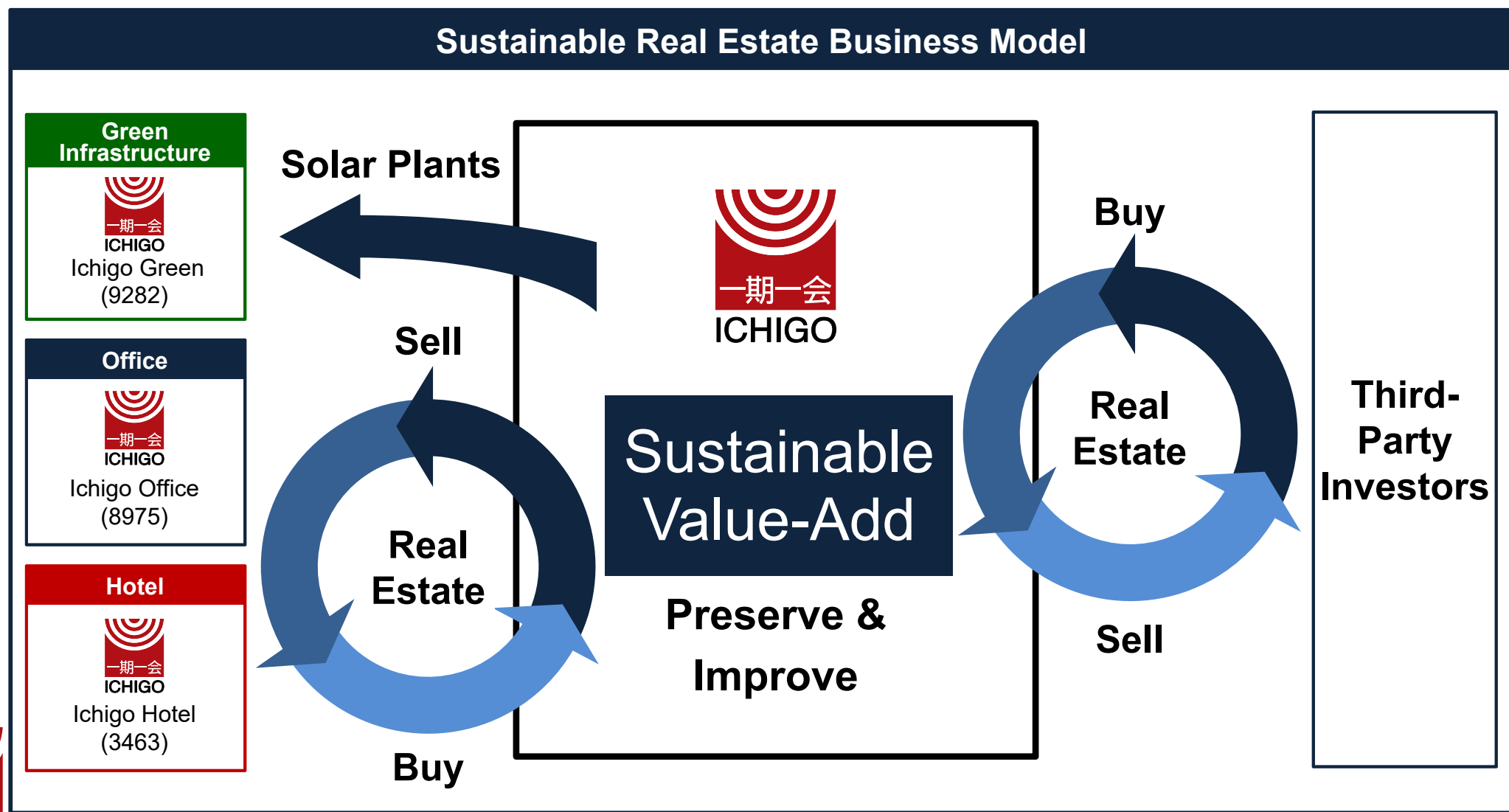
# Asset Management AUM Detail

		FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 165.1B	JPY 194.5B	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B
	Base AM Fee Gross Profit (Actual)	JPY 1,016M	JPY 1,291M	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	JPY 20.4B	JPY 47.6B	JPY 50.9B	JPY 50.7B	JPY 50.8B	JPY 51.9B
	Base AM Fee Gross Profit (Actual)	JPY 30M	JPY 287M	JPY 450M	JPY 461M	JPY 381M	JPY 42M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	JPY 10.0B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	–	JPY 11M	JPY 77M	JPY 85M	JPY 82M	JPY 79M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 15.4B	JPY 6.4B	JPY 12.3B	JPY 20.6B	JPY 36.8B	JPY 36.8B
	Base AM Fee Gross Profit (Actual)	JPY 60M	JPY 27M	JPY 12M	JPY 41M	JPY 116M	JPY 137M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 200.9B	JPY 258.6B	JPY 271.7B	JPY 285.8B	JPY 302.4B	JPY 306.4B
	Base AM Fee Gross Profit (Actual)	JPY 1,106M	JPY 1,617M	JPY 1,914M	JPY 2,014M	JPY 2,016M	JPY 1,782M

Ichigo Green Base AM Fee Gross Profit (Actual) includes operator fees.

# Powerful Sustainable Real Estate Business Model

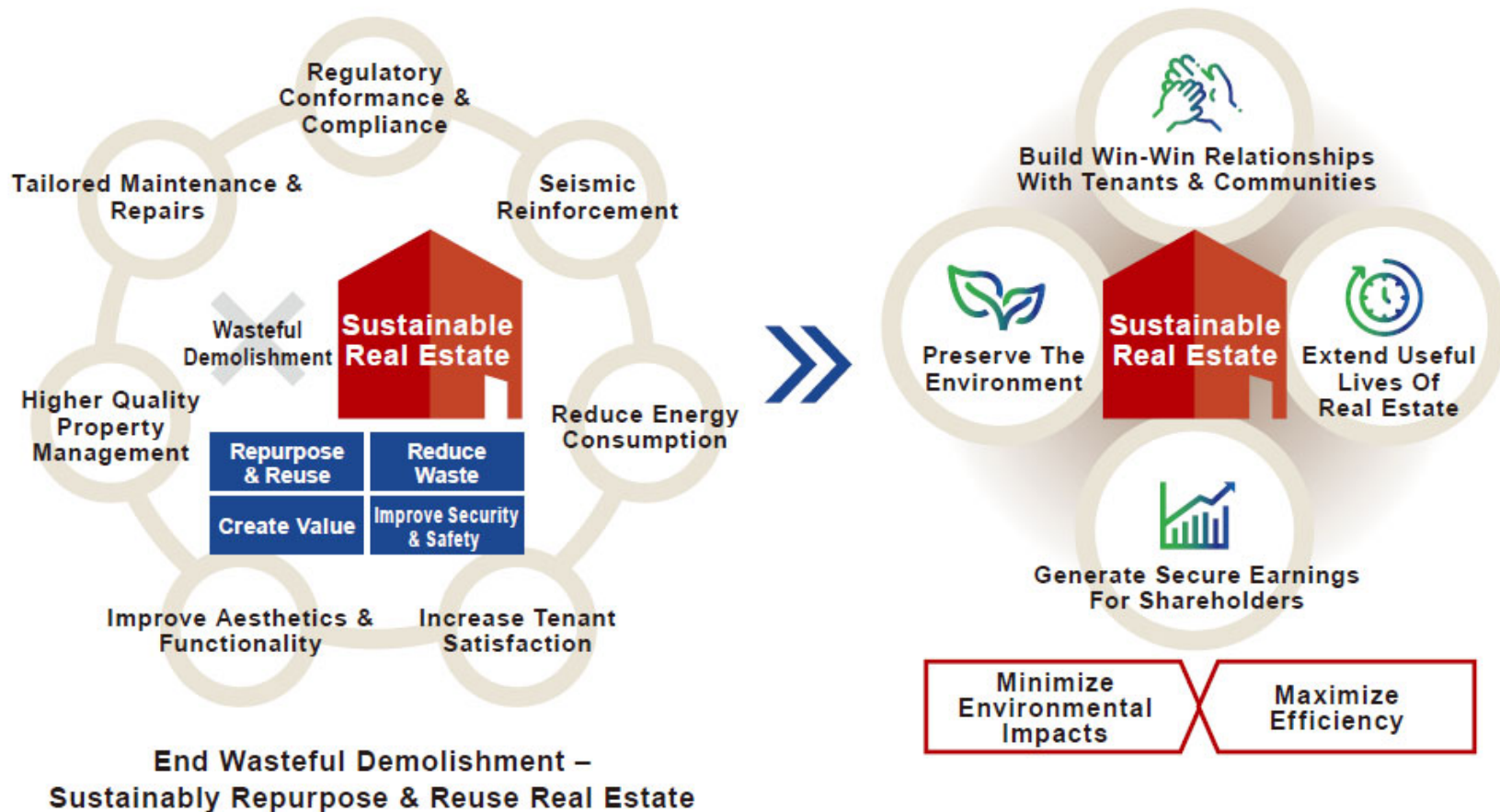
Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



# Sustainable Infrastructure for a Sustainable Society

## End Wasteful Demolishment and Embrace Sustainable Real Estate

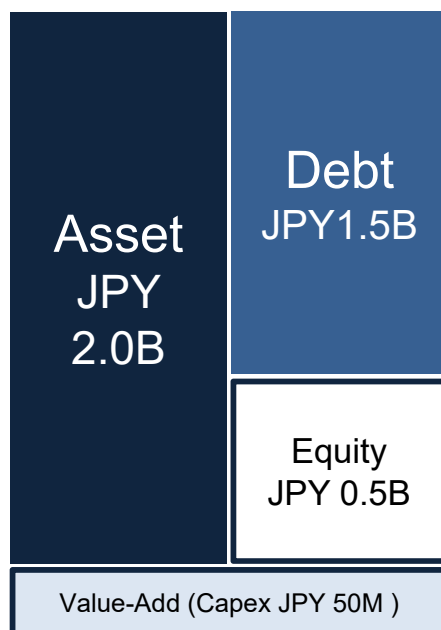
- Improve quality of assets via Sustainable Value-Add
- Preserve and improve highly functional real estate to contribute to environmental conservation and sustainability
- Lengthening buildings' useful lives beyond 100 years



# Ichigo Sustainable Real Estate Earnings Model Example

5.5% NOI Yield, JPY 2B Purchase, LTV 75%, 1.5% Interest Rate, JPY 50M Capex, 15% Increase in NOI, 3-Year Value-Add Period

Value-Add Measures: Improved exterior, interior, & tenant services; seismic strengthening; increased energy efficiency; new tenant leasing; etc.



## NOI at Acquisition

$(\text{JPY } 110\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 87.5\text{M NOI/year}$   
 $\text{NOI} \div \text{Initial Investment} = 17.5\% \text{ NOI return during investment period}$

## NOI after Value-Add

$(\text{JPY } 126.5\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 104\text{M NOI/year}$   
 $\text{NOI} \div \text{Total Investment (JPY } 500\text{M} + \text{JPY } 50\text{M}) = 18.9\% \text{ NOI return during investment period}$

## Capital Gain

The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%:  $\text{JPY } 2\text{B} \times 115\% = \text{JPY } 2.3\text{B}$   
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

## Outcome

JPY 550M investment generates JPY 512M over 3 years  $\rightarrow 31.1\% \text{ p.a.}$

# Sustainable Real Estate: Gross Profit Margin (GPM)

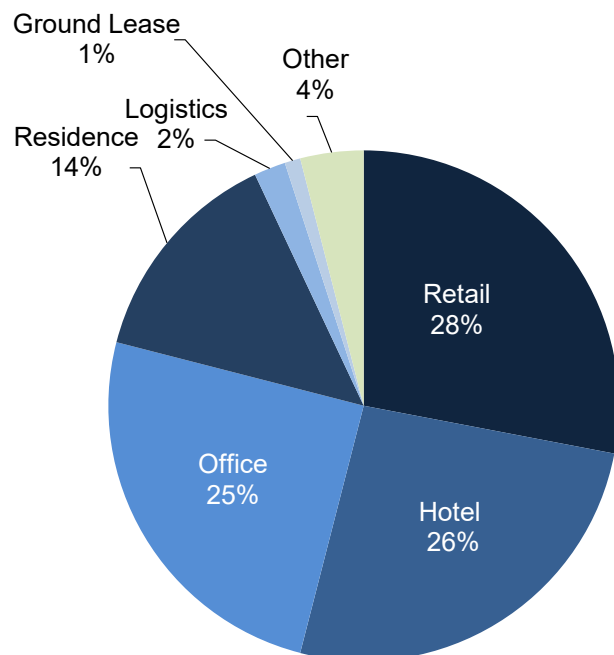
## Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2
GPM (vs. Revenue)	13.6%	33.7%	25.5%	28.3%	13.9%
GPM (vs. Book Value)	15.8%	50.9%	34.3%	39.5%	16.2%
Revenue (JPY M)	77,502	35,733	58,693	60,601	41,430
Gross Profit (JPY M)	10,562	12,050	14,986	17,158	5,762

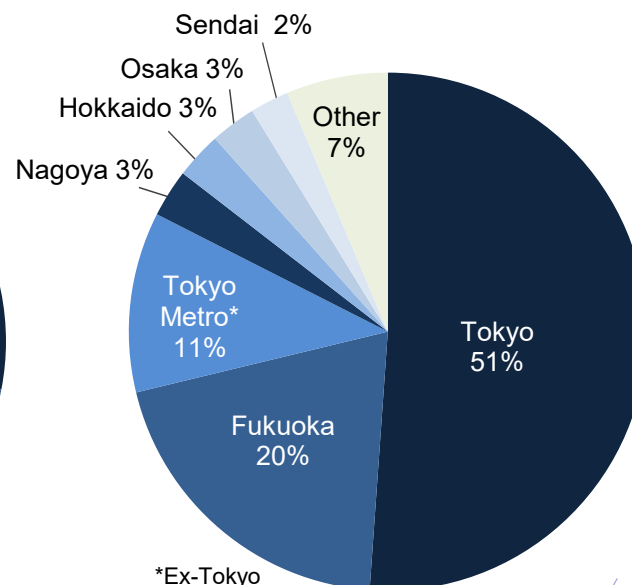
\* FY21/2 Results include revenue and gross profit from fixed asset sales

# Ichigo-Owned Real Estate Portfolio

**By Asset Type**

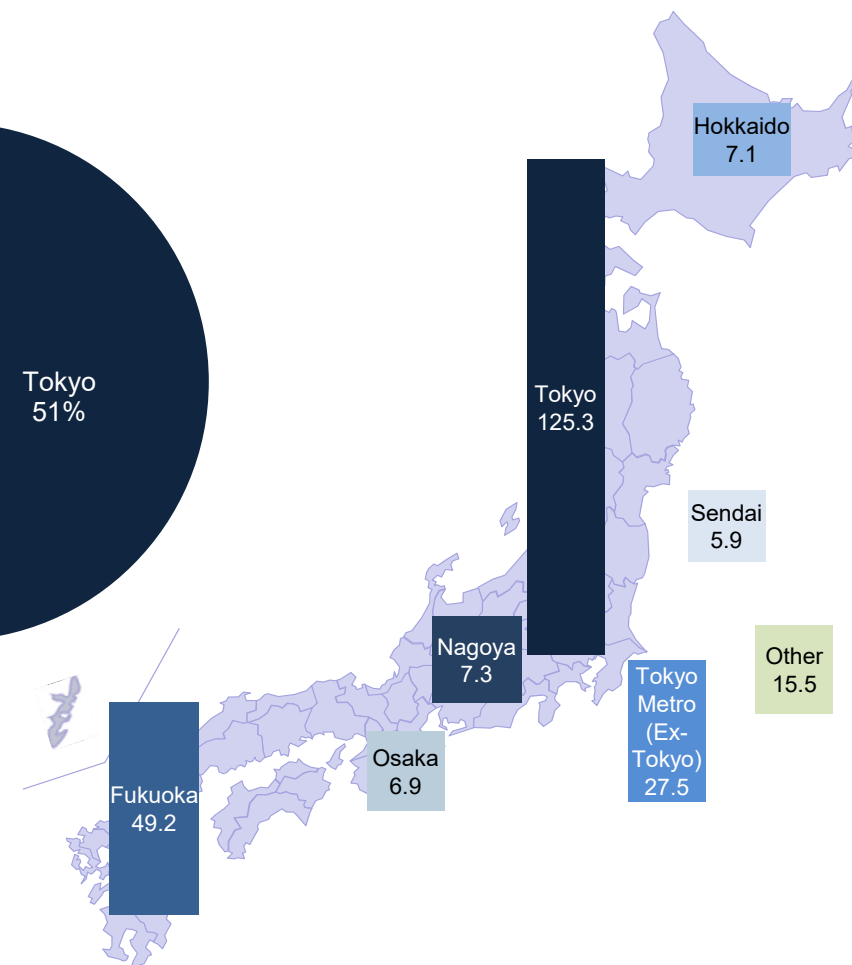


**By Location**

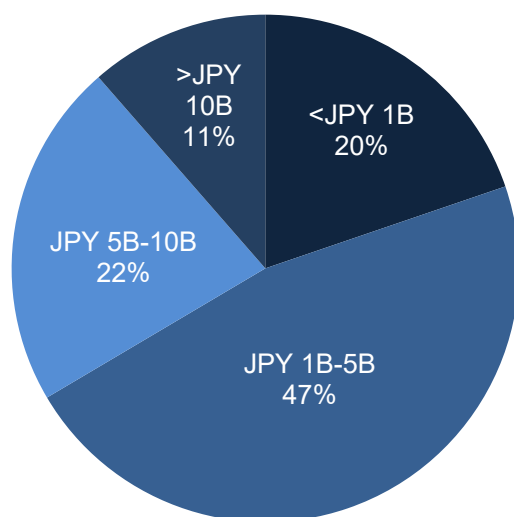


\*Ex-Tokyo

(JPY billion)



**By Asset Size**



**Total Ichigo-Owned Assets: JPY 245.1B**  
**Including Ichigo-Managed AUM: JPY 551.5B**

\* Acquisition price basis

Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.

Total Ichigo-Owned Assets Book Value: JPY 247.6B

# Sustainable Real Estate Asset Breakdown (1)

177 Assets, JPY 245.1 B, Forecast NOI JPY 14.9B (6.1% Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
1	Wholesale Market	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	48 years	–	JPY 1,900M	–	–
2	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2005/10	51 years	JPY 136M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2006/03	35 years	JPY 165M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	16 years	JPY 60M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	>JPY 3B	2006/10	12 years	JPY 240M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	>JPY 3B	2006/12	12 years	JPY 350M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	41 years	JPY 85M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	39 years	JPY 125M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 1B-2B	2011/06	–	JPY 172M	JPY 147M	–	–
15	Retail	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	25 years	JPY 77M	JPY 172M	–	–
16	Retail	Fixed Asset	Yokohama	<JPY 1B	2012/10	7 years	JPY 34M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	>JPY 3B	2013/03	10 years	JPY 244M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	34 years	JPY 57M	JPY 154M	–	–
19	Retail	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	35 years	JPY 135M	JPY 310M	–	–
21	Residential	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2013/06	5 years	JPY 47M	JPY 203M	–	–

Note: 6.1% yield excludes Ichigo Owners, Centro, and self-storage assets.

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (2)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	13 years	JPY 76M	JPY 92M	—	—
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	—	JPY 114M	JPY 273M	—	—
30	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2014/03	37 years	JPY 51M	JPY 108M	—	—
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	14 years	JPY 58M	JPY 279M	—	—
35	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2014/05	12 years	JPY 144M	JPY 434M	—	—
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	48 years	JPY 47M	JPY 77M	—	—
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	16 years	JPY 52M	JPY 213M	—	—
40	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/09	35 years	JPY 49M	JPY 252M	—	—
41	Hotel	Fixed Asset	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	33 years	JPY 143M	JPY 400M	—	—
42	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/09	20 years	JPY 60M	JPY 177M	—	—
43	Retail	Fixed Asset	Osaka	JPY 1B-2B	2014/09	18 years	JPY 117M	JPY 301M	—	—
45	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/11	18 years	JPY 92M	JPY 135M	—	—
57	Residential	Fixed Asset	Minato-ku, Tokyo	JPY 1B-2B	2014/12	17 years	JPY 56M	JPY 186M	—	—
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	17 years	JPY 41M	JPY 212M	—	—
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	14 years	JPY 85M	JPY 129M	—	—

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (3)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
64	Retail	Fixed Asset	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	–	JPY 26M	–	–	–
66	Retail	Fixed Asset	Sendai	<JPY 1B	2015/02	17 years	JPY 65M	JPY 8M	–	–
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	19 years	JPY 46M	JPY 79M	–	–
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	18 years	JPY 170M	JPY 633M	–	–
71	Retail	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	5 years	JPY 99M	JPY 126M	–	–
110	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/03	35 years	JPY 273M	JPY 905M	–	–
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	37 years	JPY 207M	JPY 228M	–	–
112	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	33 years	JPY 239M	JPY 354M	–	–
113	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	33 years	JPY 288M	JPY 344M	–	–
114	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/04	31 years	JPY 183M	JPY 550M	–	–
115	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2016/04	13 years	JPY 130M	JPY 274M	–	–
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	32 years	JPY 63M	JPY 86M	–	–
118	Retail	Fixed Asset	Nagoya	JPY 1B-2B	2016/06	23 years	JPY 83M	JPY 102M	–	–
119	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2016/06	33 years	JPY 42M	JPY 136M	–	–
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	>JPY 3B	2016/09	41 years	JPY 554M	JPY 349M	–	–

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (4)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
121	Office	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2016/10	20 years	JPY 1,540M	JPY 3,450M	—	—
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	23 years	JPY 78M	JPY 73M	—	—
133	Hotel	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2017/04	18 years	JPY 46M	JPY 152M	—	—
138	Hotel	Fixed Asset	Ogaki, Gifu	JPY 1B-2B	2017/05	31 years	JPY 116M	—	—	—
144	Office	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2018/02	32 years	JPY 129M	JPY 268M	—	—
145	Hotel	Fixed Asset	Fukuoka	JPY 2B-3B	2018/03	3 years	JPY 194M	JPY 301M	—	—
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	30 years	JPY 32M	—	—	—
147	Hotel	Fixed Asset	Kyoto	>JPY 3B	2018/08	2 years	JPY 327M	JPY 1,666M	—	—
148	Office (Land)	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2018/08	—	JPY 54M	JPY 166M	—	—
149	Retail	Fixed Asset	Chiyoda-ku, Tokyo	>JPY 3B	2018/09	30 years	JPY 308M	JPY 2,269M	—	—
151	Office	Fixed Asset	Fukuoka	<JPY 1B	2018/10	22 years	JPY 33M	JPY 38M	—	—
152	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/02	33 years	JPY 174M	JPY 382M	—	—
154	Residential	Fixed Asset	Kita Kyushu, Fukuoka	JPY 1B-2B	2019/03	7 years	JPY 83M	JPY 181M	—	—

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (5)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
155	Office	Fixed Asset	Shinagawa-ku, Tokyo	JPY 2B-3B	2019/03	35 years	JPY 169M	JPY 616M	—	—
157	Office	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2019/04	37 years	JPY 52M	—	—	—
158	Other	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2019/05	—	JPY 12M	—	—	—
159	Retail	Fixed Asset	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	41 years	JPY 123M	JPY 210M	—	—
160	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/06	23 years	JPY 129M	JPY 248M	—	—
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	26 years	JPY 368M	JPY 1,636M	—	—
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	22 years	JPY 353M	JPY 1,170M	—	—
164	Hotel	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2020/03	12 years	JPY 61M	JPY 62M	—	—
165	Hotel	Fixed Asset	Sapporo	>JPY 3B	2020/03	1 year	JPY 268M	JPY 700M	—	—
167	Hotel	Fixed Asset	Hiroshima	>JPY 3B	2020/08	1 year	JPY 306M	—	—	—
68 Fixed Assets				JPY 171,695M			JPY 10,531M	JPY 30,828M	—	—
				JPY 173,278M (Book Value)						

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (6)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
61	Retail	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	57 years	JPY 120M	JPY 57M	15.26X	51.7%
89	Office	Real Estate for Sale	Musashino, Tokyo	>JPY 3B	2015/07	31 years	JPY 131M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2015/07	13 years	JPY 85M	JPY 353M	1.82X	17.7%
135	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	29 years	JPY 114M	JPY 188M	6.18X	25.8%
136	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	29 years	JPY 152M	JPY 203M	8.75X	32.8%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	36 years	JPY 106M	JPY 223M	3.78X	19.9%
150	Retail	Real Estate for Sale	Chuo-ku, Tokyo	>JPY 3B	2018/10	33 years	JPY 359M	JPY 1,161M	6.17X	24.7%
153	Hotel	Real Estate for Sale	Fukuoka	<JPY 1B	2019/02	27 years	JPY 110M	—	—	—
156	Logistics	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/03	32 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	23 years	JPY 479M	JPY 1,146M	3.47X	17.0%
166	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2020/03	15 years	JPY 39M	JPY 83M	3.23X	13.5%
168	Office	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2020/11	30 years	JPY 100M	—	3.17X	53.6%
12 Real Estate for Sale				JPY 31,415M						
				JPY 31,957M (Book Value)			JPY 1,944M	JPY 4,734M	4.28X	25.9%
Subtotal 80 Assets				JPY 203,111M						
				JPY 205,235M (Book Value)			JPY 12,476M	JPY 35,562M	—	—

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

<sup>2</sup> Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

# Sustainable Real Estate Asset Breakdown (7)

No.	Asset Type		Acquisition Price	vs. FY20/2 Q4	Expected NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR
A	Ichigo Owners (Residential)	24 Assets	JPY 21,958M	-JPY 1,986M	JPY 989M	JPY 6,906M	–	–
B	Ichigo Owners (Other)	18 Assets	JPY 8,519M	-JPY 4,170M	JPY 515M	JPY 2,993M	–	–
C	Centro (Primarily Office & Residential)	20 Assets	JPY 7,796M	+JPY 968M	JPY 580M	JPY 1,927M	–	–
C	Self-Storage	35 Assets	JPY 3,751M	+JPY 1,395M	JPY 413M	JPY 896M	–	–
		<b>Total 177 Assets</b>	<b>JPY 245,136M</b> <b>JPY 247,648M (Book Value)</b>		<b>JPY 14,974M</b>	<b>JPY 48,286M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired in FY21/2 Q1 (3M)</b>		<b>Total 13 Assets</b>	<b>JPY 8,135M</b>		<b>JPY 567M</b>	<b>JPY 942M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired in FY21/2 Q2 (3M)</b>		<b>Total 10 Assets</b>	<b>JPY 9,382M</b>		<b>JPY 566M</b>	<b>JPY 1,792M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired in FY21/2 Q3 (3M)</b>		<b>Total 7 Assets</b>	<b>JPY 7,398M</b>		<b>JPY 365M</b>	<b>JPY 1,581M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired in FY21/2 Q4 (3M)</b>		<b>Total 9 Assets</b>	<b>JPY 8,974M</b>		<b>JPY 419M</b>	<b>JPY 2,872M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired in FY21/2 (12M)</b>		<b>Total 39 Assets</b>	<b>JPY 33,890M</b>		<b>JPY 1,918M</b>	<b>JPY 7,189M</b>	<b>–</b>	<b>–</b>
<b>Assets acquired and sold in FY21/2*</b>		<b>Total 5 Assets</b>	<b>JPY 3,125M</b>		<b>JPY 143M</b>	<b>JPY 2,265M</b>	<b>–</b>	<b>–</b>

\* Sold 5 Ichigo Owners assets

<sup>1</sup> Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

# Ichigo Solar Power Plant Portfolio

## Ichigo Solar Power Plants (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	Apr 2014
Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	Oct 2014
Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	Mar 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	Mar 2016
Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	Feb 2017
Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	Aug 2017
Ichigo Showamura Ogose	Kanto	43.34	JPY 36	Sep 2017
Ichigo Memuro Nishi-Shikari	Hokkaido	1.32	JPY 40	Feb 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	JPY 36	Mar 2018
Ichigo Tsu	Chubu	2.94	JPY 24	Mar 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.64	JPY 24	Mar 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.31	JPY 24	Apr 2018
Ichigo Itoshima Iwara	Kyushu	1.48	JPY 36	Jan 2019
Ichigo Sakahogi Fukagaya	Chubu	2.89	JPY 21	May 2019
Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	Jul 2019
Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	Jan 2020
Ichigo Takashima Kutsuki	Kansai	3.74	JPY 32	Jan 2020
Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.67	JPY 21	Feb 2020
Ichigo Hitachiomiya	Kanto	2.99	JPY 24	Mar 2020
Ichigo Hokota Aoyagi	Kanto	2.48	JPY 24	Apr 2020
Ichigo Kasaoka Osakaike	Chugoku	2.66	JPY 21	Apr 2020
Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.29	JPY 18	Sep 2020
Ichigo Seto Jokojicho	Chubu	1.45	JPY 18	Oct 2020
Ichigo Toride Shimotakai Nishi	Kanto	2.84	JPY 18	Jan 2021
<b>Total (Operating)</b>	36 Plants 120.6MW			

## Ichigo Solar Power Plants (In Pipeline)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	Aug 2021
Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	Aug 2021
Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	Sep 2021
Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	Sep 2021
Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	Oct 2021
Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	Oct 2021
Ichigo Sera Shimotsuda	Chugoku	2.93	JPY 18	Jan 2022
Ichigo Obu Yoshidamachi	Chubu	1.10	JPY 18	Jan 2022
Ichigo Kobe Pompuike	Kansai	2.47	JPY 18	Jan 2022
Ichigo Ueda Yoshidaike	Chubu	1.01	JPY 18	Feb 2022
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	Feb 2022
Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	Jan 2024
<b>Total (In-Development)</b>	12 Plants 30.5MW			
<b>Total (Operating &amp; In-Development)</b>	48 Plants 151.1MW			

48 Ichigo Solar Power Plants (Operating/In Pipeline) 151.1MW

## Ichigo Wind Power Plants (Operating)

Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	Mar 2021
<b>Total</b>	1 Plant 7.3MW			

## Ichigo Wind Power Plants (In Pipeline)

Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Takashinoyama	Tohoku	6.99	JPY 21	Dec 2023
Ichigo Onjuku Iwawada Nishi	Kanto	1.99	JPY 22	Dec 2024
Ichigo Onjuku Iwawada Higashi	Kanto	1.99	JPY 22	Dec 2024
<b>Total</b>	3 Plants 10.9MW			

4 Ichigo Wind Power Plants (Operating/In Pipeline) 18.3MW

Total: 52 Plants (169.5MW)

# Ichigo Green (9282) Solar Power Plant Portfolio

## Ichigo Green Solar Power Plants (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	Feb 2014
Ichigo Muroan Hatchodaira	Hokkaido	1.24	JPY 40	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	Mar 2014
Ichigo Miyakonojo Yasuhasacho	Kyushu	1.44	JPY 40	Jul 2015
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	Dec 2014
Ichigo Toyokoro	Hokkaido	1.02	JPY 40	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	JPY 40	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	Jun 2015
Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	Sep 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	Dec 2015
Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	Apr 2016
<b>Total (Operating)</b>		15 Plants 29.4MW		

**Ichigo Total: 198.9MW**

**Solar Power Plants (Operating/In Pipeline) 151.1MW**

**Wind Power Plants 18.3MW**

**Ichigo Green (9282) Solar Power Plants 29.4MW**

## Reference: Japan's Feed-In Tariff (FIT)

- A policy mechanism to encourage investment in renewable energies by guaranteeing a fixed purchase price for electricity over a 20-year contract period
- The fixed price for new contracts is adjusted every year, but locked in for the duration of the contract period

### Solar Power FIT

Contract Date	FIT	Guarantee Period
FY2012	JPY 40	20 years
FY2013	JPY 36	20 years
FY2014	JPY 32	20 years
FY2015 (4/1~6/30)	JPY 29	20 years
FY2015 (7/1~3/31)	JPY 27	20 years
FY2016	JPY 24	20 years
FY2017~	Determined via auction process <sup>1</sup>	—

### Wind Power FIT

Contract Date	FIT	Guarantee Period
FY2017 (4/1~9/30)	JPY 22	20 years
FY2017 (10/1~3/31)	JPY 21	20 years
FY2018	JPY 20	20 years
FY2019	JPY 19	20 years
FY2020	JPY 18	20 years
FY2021	Determined via auction process <sup>2</sup>	—

<sup>1</sup> 2017 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020~ FIT >0.25MW non-residential solar power production

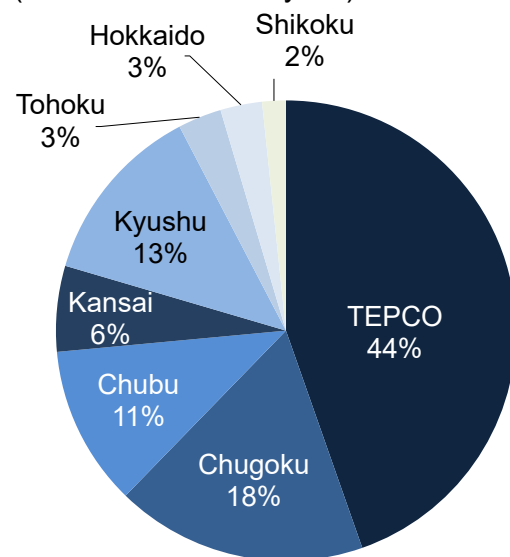
<sup>2</sup> FIT for >0.25MW wind power generation

# Ichigo-Owned Solar Power Plant Details

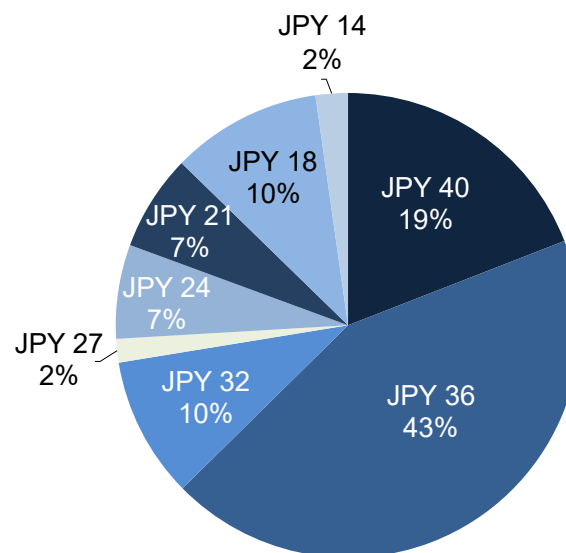
Total Operating and In-Pipeline Ichigo-Owned Solar Power Plants: 48 Plants (151.1MW)

By Customer

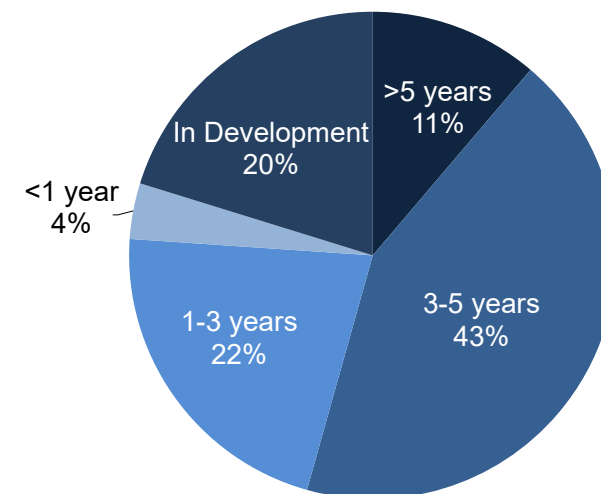
(Electric Power Utility Co)



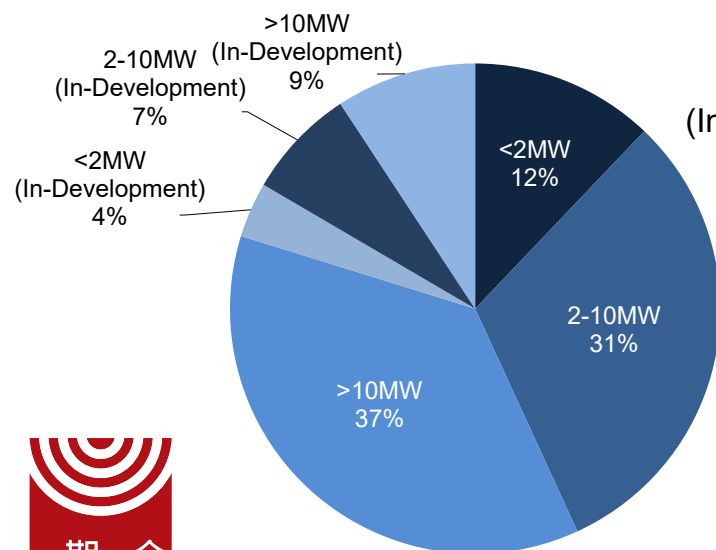
By Feed-In Tariff



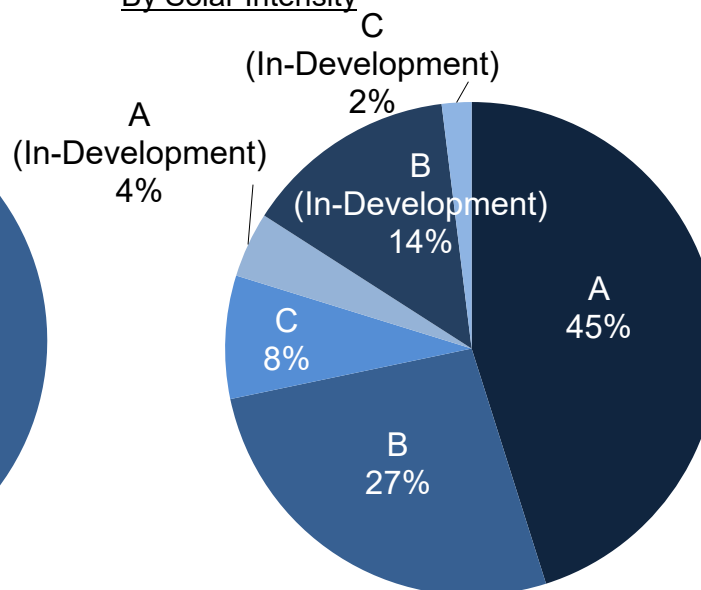
By Years in Operation



By Output



By Solar Intensity



Panel Output and FIT by Customer

Area	Operating		In Pipeline	
	Panel Output (MW)	FIT (Pre-tax) (JPY)	Panel Output (MW)	FIT (Pre-tax) (JPY)
TEPCO	66.0	18 – 40	1.5	14
Chugoku	21.1	21 – 40	5.6	18
Kyushu	2.4	36 – 40	17.0	32 – 40
Chubu	13.0	18 – 36	4.0	14 – 18
Kansai	6.6	21 – 32	2.5	18
Tohoku	4.6	36	–	–
Hokkaido	4.4	40	–	–
Shikoku	2.5	40	–	–
Total	120.6		30.5	

Solar Intensity Rank

A:  $\geq 4.00$  B:  $\geq 3.75, < 4.00$  C:  $\geq 3.50, < 3.75$  D:  $< 3.5$

Unit: kWh/m<sup>2</sup> per day

# Consolidated Balance Sheet: Assets

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	vs. FY20/2
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	47,678	45,510	50,225	41,067	50,832	+9,765
Trade notes and accounts receivable	913	1,097	1,344	2,308	1,382	-926
Operational loan investments	1,324	1,324	1,324	1,324	1,324	—
Operational securities investments	1,433	2	1,218	902	590	-312
Real estate for sale	167,805	180,789	161,322	68,290	64,109	-4,181
Deferred tax assets	516	342	—	—	—	—
Other	3,125	2,643	2,156	3,721	2,698	-1,023
Less: allowance for doubtful accounts	-453	-28	-2	-6	-167	-161
<b>Total Current Assets</b>	<b>222,344</b>	<b>231,681</b>	<b>217,590</b>	<b>117,608</b>	<b>120,771</b>	<b>+3,163</b>
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	7,375	10,600	20,338	55,050	60,673	+5,623
Solar power plant equipment (net)	7,246	19,773	19,058	23,425	24,191	+766
Land	18,627	26,993	49,924	122,114	122,592	+478
Other (net)	12,402	1,190	5,655	5,607	6,935	+1,328
<b>Total Property, Plant, and Equipment</b>	<b>45,654</b>	<b>58,558</b>	<b>94,976</b>	<b>206,198</b>	<b>214,392</b>	<b>+8,194</b>
Intangible Assets						
Goodwill	1,864	1,600	1,346	1,090	968	-122
Leasehold rights	62	135	316	687	1,272	+585
Other	29	233	331	705	1,797	+1,092
<b>Total Intangible Assets</b>	<b>1,956</b>	<b>1,968</b>	<b>1,993</b>	<b>2,482</b>	<b>4,038</b>	<b>+1,556</b>
Investments and Other Assets						
Securities investments	1,426	2,184	2,455	4,321	5,147	+826
Long-term loans receivable	10	10	10	510	10	-500
Deferred tax assets	339	68	177	568	605	+37
Other	1,820	2,132	2,231	2,128	2,202	+74
Less: allowance for doubtful accounts	-92	-91	-91	-91	-91	—
<b>Total Investments and Other Assets</b>	<b>3,504</b>	<b>4,303</b>	<b>4,782</b>	<b>7,436</b>	<b>7,874</b>	<b>+438</b>
<b>Total Fixed Assets</b>	<b>51,115</b>	<b>64,831</b>	<b>101,752</b>	<b>216,118</b>	<b>226,305</b>	<b>+10,187</b>
<b>Total Assets</b>	<b>273,459</b>	<b>296,512</b>	<b>319,343</b>	<b>333,726</b>	<b>347,076</b>	<b>+13,350</b>

# Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	vs. FY20/2
<b>Liabilities</b>						
Current Liabilities						
Trade notes and accounts payable	110	—	—	—	—	—
Short-term loans	805	1,042	3,275	3,086	4,879	+1,793
Short-term non-recourse loans	611	—	—	—	—	—
Bonds (due within one year)	112	112	112	274	274	—
Long-term loans (due within one year)	5,209	4,449	7,881	12,277	9,751	-2,526
Long-term non-recourse loans (due within one year)	6,825	3,921	1,666	1,178	1,358	+180
Income taxes payable	1,655	1,609	3,760	2,416	573	-1,843
Deferred tax liabilities	62	494	—	—	—	—
Accrued bonuses	36	34	31	33	9	-24
Other current liabilities	4,119	4,652	5,178	5,013	5,527	+514
<b>Total Current Liabilities</b>	<b>19,548</b>	<b>16,316</b>	<b>21,905</b>	<b>24,280</b>	<b>22,374</b>	<b>-1,906</b>
Long-Term Liabilities						
Bonds	632	520	538	6,082	5,878	-204
Non-recourse bonds	100	—	—	—	—	—
Long-term loans	91,604	112,366	131,569	151,483	156,890	+5,407
Long-term non-recourse loans	68,319	63,588	51,068	39,156	40,974	+1,818
Deferred tax liabilities	1,147	1,744	2,164	1,890	1,868	-22
Long-term security deposits received	8,038	8,492	8,292	8,118	7,795	-323
Other long-term liabilities	624	758	946	1,107	1,039	-68
<b>Total Long-Term Liabilities</b>	<b>170,467</b>	<b>187,470</b>	<b>194,579</b>	<b>207,838</b>	<b>214,446</b>	<b>+6,608</b>
<b>Total Liabilities</b>	<b>190,015</b>	<b>203,787</b>	<b>216,484</b>	<b>232,119</b>	<b>236,820</b>	<b>+4,701</b>
<b>Net Assets</b>						
Shareholders' Equity						
Capital	26,650	26,723	26,820	26,885	26,888	+3
Capital reserve	11,056	11,113	11,207	11,272	11,275	+3
Retained earnings	42,840	54,324	66,730	71,505	73,160	+1,655
Treasury shares	-15	-2,995	-5,988	-8,988	-11,988	-3,000
<b>Total Shareholders' Equity</b>	<b>80,532</b>	<b>89,165</b>	<b>98,769</b>	<b>100,674</b>	<b>99,335</b>	<b>-1,339</b>
Accumulated Other Comprehensive Income						
Valuation gains (losses) on other securities	117	543	386	158	90	-68
Deferred gains (losses) on long-term interest rate	-365	-372	-408	-397	-375	+22
Foreign currency translation adjustment	55	—	—	—	—	—
<b>Total Accumulated Other Comprehensive Income</b>	<b>-192</b>	<b>171</b>	<b>-21</b>	<b>-239</b>	<b>-285</b>	<b>-46</b>
Stock Options	491	666	827	988	1,007	+19
Minority Interests	2,612	2,722	3,283	184	10,197	+10,013
<b>Total Net Assets</b>	<b>83,443</b>	<b>92,725</b>	<b>102,859</b>	<b>101,607</b>	<b>110,255</b>	<b>+8,648</b>
<b>Total Liabilities and Net Assets</b>	<b>273,459</b>	<b>296,512</b>	<b>319,343</b>	<b>333,726</b>	<b>347,076</b>	<b>+13,350</b>

# Consolidated P&L

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	Change (YOY)	FY21/2 Full-Year Forecast	vs. Forecast
<b>Revenue</b>	<b>109,253</b>	<b>57,846</b>	<b>83,540</b>	<b>87,360</b>	<b>61,368</b>	<b>-25,992</b>	—	—
Cost of Goods Sold	81,327	30,860	51,413	52,851	45,776	-7,075	—	—
<b>Gross Profit</b>	<b>27,925</b>	<b>26,986</b>	<b>32,126</b>	<b>34,509</b>	<b>15,591</b>	<b>-18,918</b>	—	—
SG&A	5,025	5,067	5,847	6,787	5,923	-864	—	—
<b>Operating Profit</b>	<b>22,900</b>	<b>21,919</b>	<b>26,279</b>	<b>27,721</b>	<b>9,668</b>	<b>-18,053</b>	<b>9,500</b>	<b>101.8%</b>
Non-Operating Income								
Interest income	—	3	3	8	17	+9	—	—
Dividend income	85	57	68	78	78	—	—	—
Mark-to-market gains on long-term interest rate hedges	—	—	5	—	243	+243	—	—
Other	32	100	70	62	78	+16	—	—
<b>Total Non-Operating Income</b>	<b>118</b>	<b>161</b>	<b>147</b>	<b>150</b>	<b>417</b>	<b>+267</b>	—	—
Non-Operating Expenses								
Interest expenses	2,278	2,249	2,328	2,293	2,338	+45	—	—
Mark-to-market losses on long-term interest rate hedges	53	270	491	336	29	-307	—	—
Debt financing-related fees	714	207	327	538	279	-259	—	—
Other	217	168	203	307	258	-49	—	—
<b>Total Non-Operating Expenses</b>	<b>3,263</b>	<b>2,895</b>	<b>3,350</b>	<b>3,476</b>	<b>2,906</b>	<b>-570</b>	—	—
<b>Recurring Profit</b>	<b>19,755</b>	<b>19,185</b>	<b>23,076</b>	<b>24,395</b>	<b>7,179</b>	<b>-17,216</b>	<b>6,800</b>	<b>105.6%</b>
Extraordinary Gains								
Gains on sales of fixed assets	—	—	—	—	720	+720	—	—
Gains on sales of securities investments	2,466	—	2	11	—	-11	—	—
Gains on sales of shares in affiliates	—	1,221	—	—	—	—	—	—
Gains on sales of subsidiary shares	—	—	—	169	—	-169	—	—
Other	—	41	—	35	—	-35	—	—
<b>Total Extraordinary Gains</b>	<b>2,466</b>	<b>1,263</b>	<b>2</b>	<b>215</b>	<b>720</b>	<b>+505</b>	—	—
Extraordinary Losses								
Loss on disposal of fixed assets	—	11	—	27	—	-27	—	—
Valuation losses on securities investments	—	—	—	229	114	-115	—	—
Office move expenses	31	—	—	—	—	—	—	—
Impairment loss	1,090	327	—	319	27	-292	—	—
Earthquake-related damages	244	—	—	—	—	—	—	—
Covid writedown of real estate for sale	—	—	—	7,487	—	-7,487	—	—
Other	224	—	—	—	146	145	—	—
<b>Total Extraordinary Losses</b>	<b>1,590</b>	<b>339</b>	<b>—</b>	<b>8,065</b>	<b>288</b>	<b>-7,777</b>	—	—
<b>Pre-Tax Income</b>	<b>20,630</b>	<b>20,109</b>	<b>23,079</b>	<b>16,545</b>	<b>7,610</b>	<b>-8,935</b>	—	—
Income Taxes - Current	4,863	—	—	7,990	2,622	-5,368	—	—
Income Taxes - Deferred	573	—	—	-584	-58	+526	—	—
<b>Total Income Taxes</b>	<b>5,436</b>	<b>5,923</b>	<b>7,333</b>	<b>7,406</b>	<b>2,564</b>	<b>-4,842</b>	—	—
<b>Pre-Minority Interest Net Income</b>	<b>15,194</b>	<b>14,185</b>	<b>15,746</b>	<b>9,139</b>	<b>5,046</b>	<b>-4,093</b>	—	—
Net Income Attributable to Minority Interests	299	167	373	938	18	-920	—	—
<b>Net Income</b>	<b>14,894</b>	<b>14,018</b>	<b>15,373</b>	<b>8,201</b>	<b>5,027</b>	<b>-3,174</b>	<b>5,000</b>	<b>100.5%</b>

# Consolidated Cash Flows: Operations

(JPY million)

	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)
<b>Cash Flows from Operations</b>					
Pre-tax income	20,630	20,109	23,079	16,545	7,610
Depreciation	778	1,015	1,696	2,630	4,797
Share-based compensation expenses	223	215	213	194	21
Amortization of goodwill	141	111	254	174	121
Increase (decrease) in accrued bonuses	23	32	-3	2	-24
Increase (decrease) in allowance for doubtful accounts	-3	-355	-26	4	161
Interest and dividend income	-85	-61	-71	-86	-96
Interest expense	1,303	2,249	2,328	2,293	2,338
Losses (gains) on sales of subsidiary shares	—	—	—	-169	—
Losses (gains) on sales of shares in affiliates	—	-1,221	—	—	—
Losses (gains) on sales of securities investments	-2,466	—	-2	-11	—
Losses (gains) on sales of fixed assets	—	—	—	—	-720
Impairment loss	1,090	327	—	319	27
Valuation losses on securities investments	—	—	—	229	114
Decrease (increase) in trading notes and receivables	-367	-468	-247	-903	925
Decrease (increase) in operational securities investments	2,727	1,663	3,509	11,682	343
Decrease (increase) in real estate for sale	-6,303	-8,112	-3,163	-17,447	5,342
Covid writedown of real estate for sale	—	—	—	7,487	—
Decrease (increase) in power plant for sale	7,251	996	—	—	—
Valuation losses on SPC capital contributions	16	—	—	—	4
Decrease (increase) in advances paid	-190	871	-333	16	61
Decrease (increase) in accounts receivable	-193	-10	-399	29	16
Increase (decrease) in accounts payable	204	573	-332	201	-437
Increase (decrease) in accrued expenses	92	-47	25	-36	94
Increase (decrease) in advances received	-49	30	269	-285	-57
Increase (decrease) in security deposits received	-667	125	-264	-169	-323
Other	1,304	585	1,887	600	1,550
<b>Sub-Total</b>	<b>25,460</b>	<b>18,628</b>	<b>28,420</b>	<b>23,304</b>	<b>21,870</b>
Interest and dividend income received	85	61	71	86	96
Interest expenses paid	-1,146	-2,231	-2,118	-2,068	-2,119
Income taxes paid and refunded	-2,852	-5,854	-4,610	-9,430	-4,384
<b>Net Cash from (Used for) Operations</b>	<b>21,547</b>	<b>10,603</b>	<b>21,762</b>	<b>11,892</b>	<b>15,463</b>

# Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)
<b>Cash Flows from Investments</b>					
Payments into time deposits	-6,100	-6	-118	-113	-7
Proceeds from withdrawal from time deposits	201	—	1,060	5,033	—
Payments for securities investments	-300	-140	-539	-2,361	-547
Proceeds from sales of securities investments	6,136	—	32	111	10
Proceeds from redemptions of securities investments	—	—	—	—	-16,447
Acquisitions of property, plant, and equipment	-11,719	-4,796	-15,440	-11,244	2,850
Acquisitions of intangible assets	-1	-83	-425	-562	-1,468
Payments of SPC capital contributions	-63	-28	-6	-2	-3
Redemptions of SPC capital contributions	—	—	32	—	15
Payments of security deposits	-5	-36	-16	-34	—
Acquisitions of subsidiary shares resulting in change of consolidation scope	-93	-2,619	—	—	—
Sales of subsidiary shares resulting in change of consolidation scope	—	2,096	—	—	—
Acquisitions of consolidated subsidiary	—	—	—	-187	—
Other	11	-32	-181	-902	-30
<b>Net Cash from (Used for ) Investments</b>	<b>-11,933</b>	<b>-5,645</b>	<b>-15,602</b>	<b>-10,263</b>	<b>-15,630</b>
<b>Cash Flows from Financing</b>					
Net increase (decrease) in short-term loans	-1,383	-306	2,232	426	1,793
Net increase (decrease) in short-term non-recourse loans	532	-611	—	—	—
Proceeds from bond issuance	785	—	129	5,828	70
Repayment of maturing bond principal to bondholders	-56	-112	-112	-193	-274
Redemption of non-recourse bonds	—	-100	—	—	—
Proceeds from long-term loans	55,674	32,660	43,062	49,957	51,877
Repayment of long-term loans	-61,221	-13,402	-20,352	-26,475	-48,996
Proceeds from long-term non-recourse loans	30,850	3,518	3,500	5,300	3,300
Repayment of long-term non-recourse loans	-15,400	-22,366	-18,473	-17,701	-1,301
Proceeds from employee exercise of stock options	137	110	143	95	4
Share buyback	—	-2,999	-2,999	-2,999	-2,999
Proceeds from minority interests	—	—	90	—	10,000
Payments to minority interests	-2,000	—	—	-1,276	—
Sales of subsidiary shares resulting in no change of consolidation scope	—	—	100	—	—
Dividends paid to minority interests	-39	—	—	-8	-5
Dividends paid	-1,501	-2,513	-2,972	-3,416	-3,298
<b>Net Cash from (Used for ) Financing</b>	<b>6,377</b>	<b>-6,124</b>	<b>4,346</b>	<b>9,537</b>	<b>10,167</b>

## Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

---

# Go for Growth

Grow & Expand Ichigo's Core Businesses into New Areas, Creating New Earnings Streams and Increasing Both Earnings and Earnings Stability

## Sustainability

Sustainability is integral to the health and development of people, society, and the environment. Ichigo's current core business of preserving and improving real estate is a highly sustainable business model that combines high efficiency with low environmental impact.

Under Ichigo 2030, Ichigo will continue its long-standing commitment to sustainability while developing new technologies to extend the lives of key social infrastructure beyond 100 years.

## Infrastructure

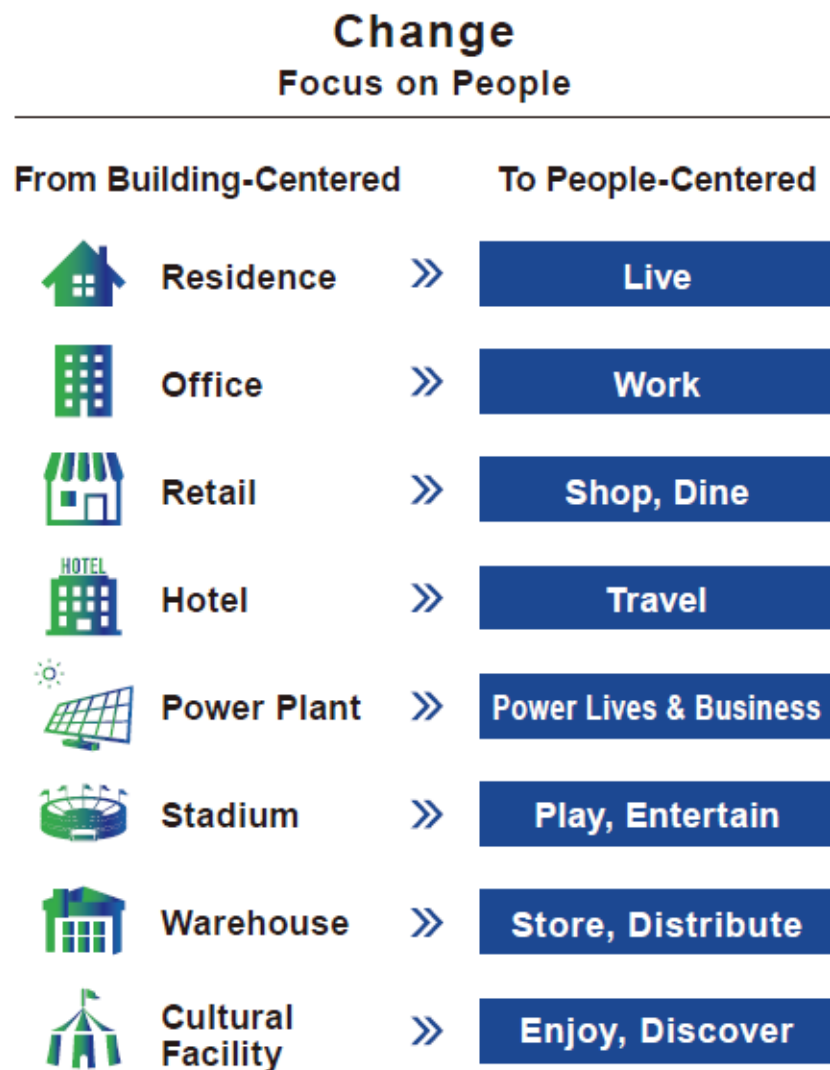
Ichigo has a direct and critically important role in preserving and improving the social infrastructure that supports the quality of people's lives.

By expanding its current real estate and clean energy businesses into other infrastructure areas, Ichigo will integrate the "hard" physical elements and "soft" service elements of infrastructure to serve broad client needs.

Critical to success will be unifying Ichigo's Sustainable Value-Add and IT capabilities. Ichigo will work to deliver first-in-class and best-in-class solutions to drive significant value for clients and society across a diverse set of infrastructures. Being one of many is not enough. Ichigo needs to lead.

Ichigo as a Sustainable Infrastructure Company

# Addressing Needs of Diverse Individuals & Communities



# KPI Targets

---

## 1. High Capital Efficiency

- FY20/2~FY30/2 Average ROE >15%
  - ✓ Increase long-term ROE by driving higher capital efficiency and earnings stability
  - ✓ Via high ROE, grow long-term EPS as a key driver of shareholder value
- FY20/2~FY30/2 Continuous JPX-Nikkei 400 Index Inclusion
  - ✓ Target 11 consecutive years of inclusion

## 2. High Cash Flow Generation

- FY20/2~FY30/2 Continuous Economic Operating Cash Flow > Net Income
  - ✓ Ichigo's robust cash flows fund both growth investments and shareholder returns
  - ✓ Target 11 consecutive years of EOCF > NI

## 3. High Earnings Stability

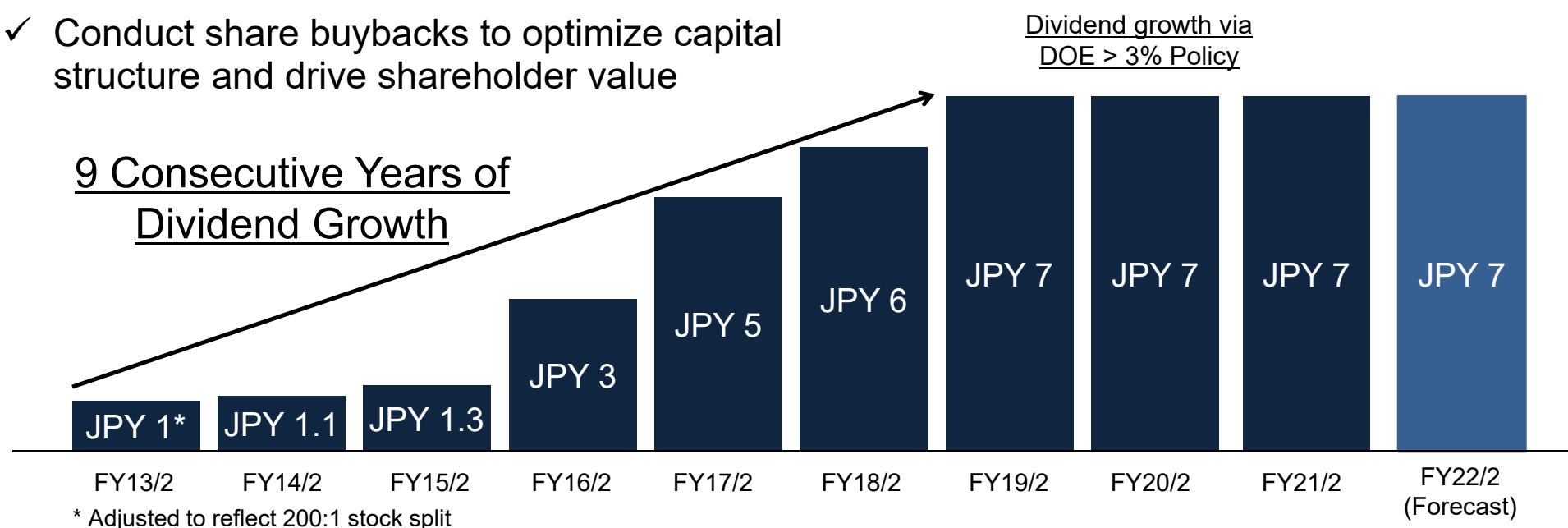
- FY30/2 Stock Earnings Ratio >60%
  - ✓ Raise Stock Earnings ratio from FY19/2's 53%
  - ✓ Concurrently increase and diversify Flow Earnings, which are currently centered on Sustainable Real Estate Gains on Sales

Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net investment in Real Estate and Power Plants for Sale

# Shareholder Return Policy

## Ichigo Dividend Policy: Growth, Certainty, and Stability

- Progressive Dividend Policy
  - ✓ Ichigo's progressive dividend policy underscores our commitment to driving continued organic earnings and dividend growth for shareholders. Under this policy, the dividend is maintained or raised every year (but not cut), providing shareholders with the security of a durable dividend.
- DOE (Dividend on Equity) Payout Ratio of >3%
  - ✓ Stable and growing dividend unaffected by short-term earnings volatility
- Flexible Deployment of Share Buybacks (New)
  - ✓ Conduct share buybacks to optimize capital structure and drive shareholder value



## Ichigo 2030: New Initiatives

---

# Top Partner of J.League, Japan's Professional Soccer League

Partner with J.League to Promote Community Development, Revitalize Local Economies, and Help People Enjoy Fuller and Healthier Lives

## J.League's 100-Year Vision: Promote Sports Development

J.League's mission is to establish sports clubs rooted in local communities, cooperating with local residents, businesses, and municipalities to promote community development

## Ichigo's Mission: Serve Important Social Needs

Ichigo believes that companies exist to serve society, and seeks to contribute to local communities as a sustainable infrastructure company

Ichigo's role as the only real estate company that is a J.League Top Partner:

- Renovate and upgrade stadiums and help local governments find solutions for the rising costs of operating stadiums
- Work to build stronger and healthier communities in cooperation with local residents, businesses, and municipalities



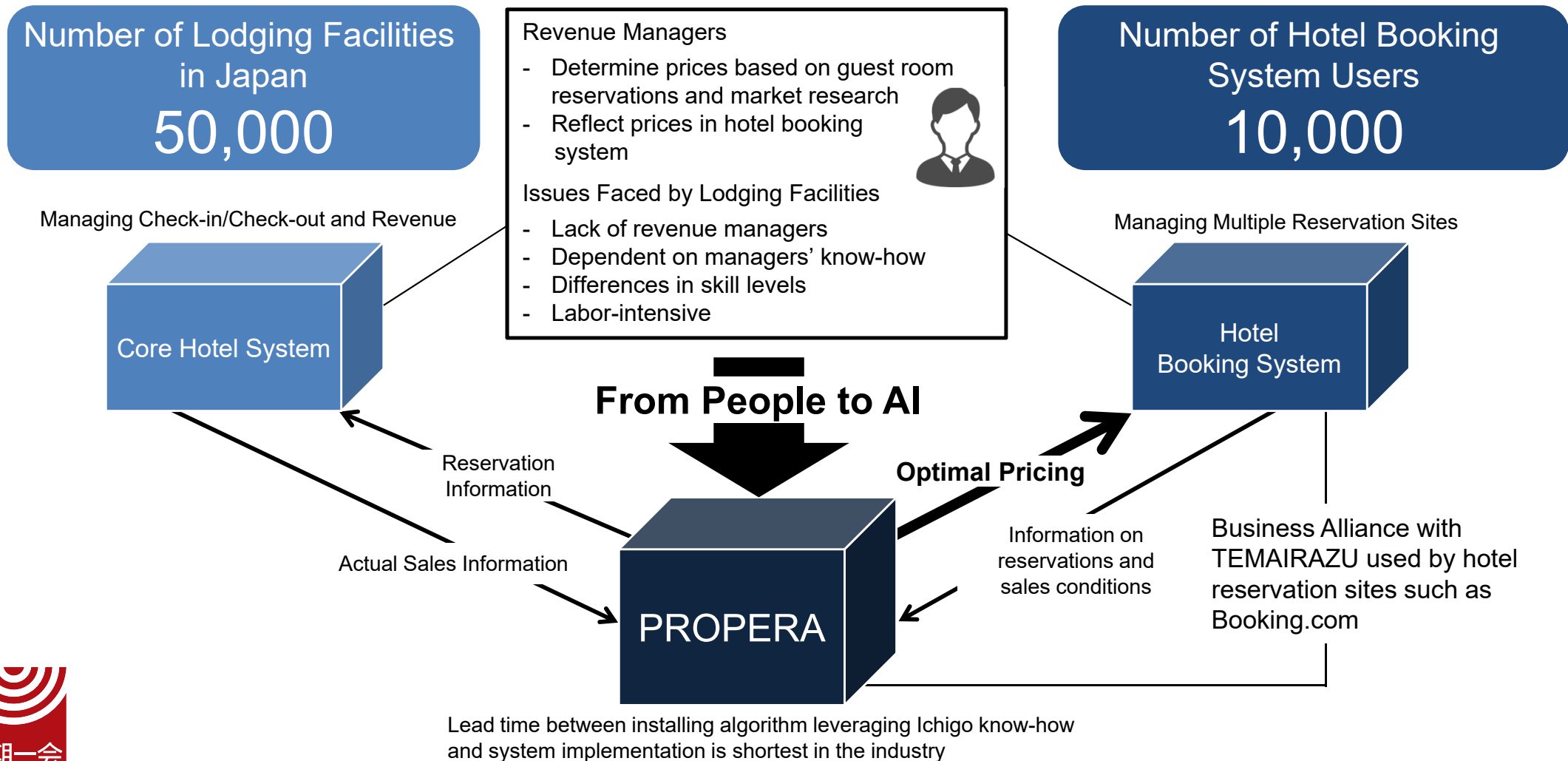
©J.LEAGUE



# PROPERA: Ichigo's AI Hotel Revenue Management System

- Maximizes Hotel Revenues and Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite\* Tailored to Hotels' Needs

\* Provides limited information on pricing levels



# Hakata Hotels: Hotel Operations

## Hotel Operator in Kyushu/Yamaguchi Region Seeing Inbound Tourism Growth

- Started operations at 3 hotels on June 1, 2019 & will operate 14 hotels as of July 1, 2021

## PROPERA Deployment

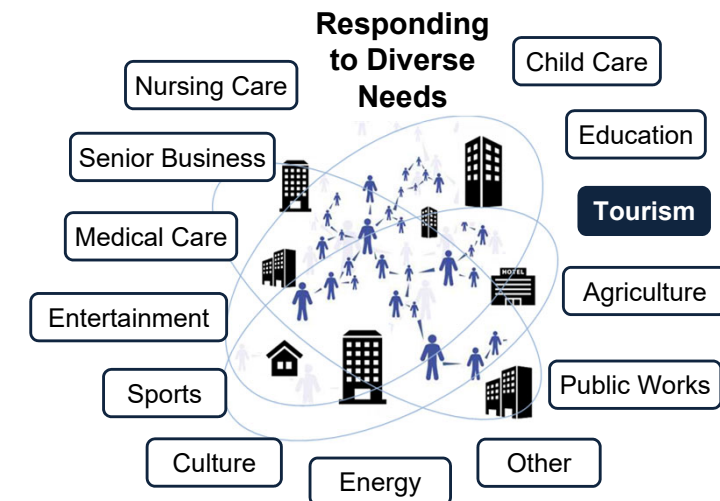
- Generating 10 to 40% revenue increases p.a.
- Sales of PROPERA to non-Ichigo hotel operators expected to drive Ichigo non-asset revenue streams



Ichigo's Hotel Il Palazzo in Fukuoka was the first building outside the U.S. to win an American Institute of Architects Honor Award in 1991

# HAKATA HOTELS

The Hakata Hotels logo features *hakata-ori* woven silk textiles that are a local Fukuoka craft, including the *koukou shima* weaving pattern in which a thick vertical line is surrounded by thin vertical lines. The thin lines represent children, and the thick lines represent parents, expressing the sense of care shown within families. The multiple colors reflect Ichigo's values of respect for diversity. The values represented in the logo are also resonant with Ichigo's philosophy of *Ichigo Ichie*, literally meaning "One lifetime, one encounter."



# Ichigo Animation: Anime + Real Estate Synergies

Released the Complete Series of New Anime VLADLOVE Written & Directed by Mamoru Oshii, with Co-Director Junji Nishimura

- Established Ichigo Animation in April 2019
- Introducing tenant collaboration initiatives that go beyond typical owner/tenant, hands-off leasing relationships
- Collaborating across multiple industries to drive new synergies with Ichigo's existing businesses

New Earnings via Anime Content Streaming & Sales of DVDs, CDs, & Goods  
Promote Ichigo's AKIBA CULTURES ZONE (ACZ) as Global Anime Landmark

- Increase ACZ's value by integrating anime content & events (anime, dance, music, entertainment, retail, tourism, etc.)

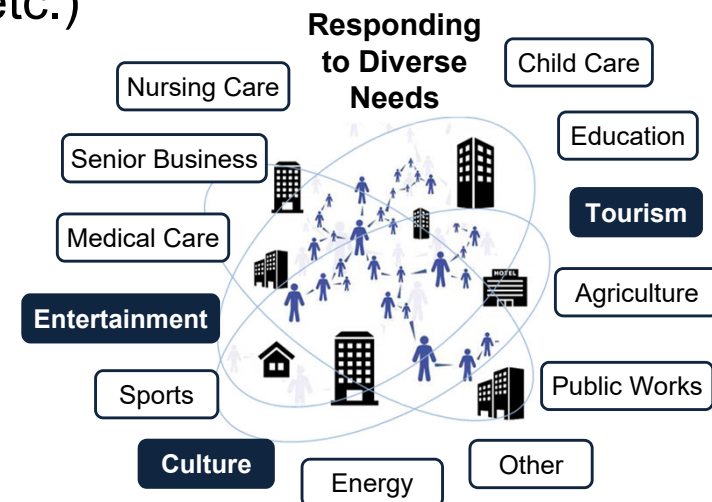
- ✓ Anime-related events & sales of goods at ACZ will drive both customer traffic & higher earnings



©2020 Mamoru Oshii/Ichigo Animation



AKIBA CULTURES ZONE



# TSUBASA+: Real-World Augmented Reality (AR) Game

## Investing in TSUBASA+, an AR Game that Uses Smartphone GPS

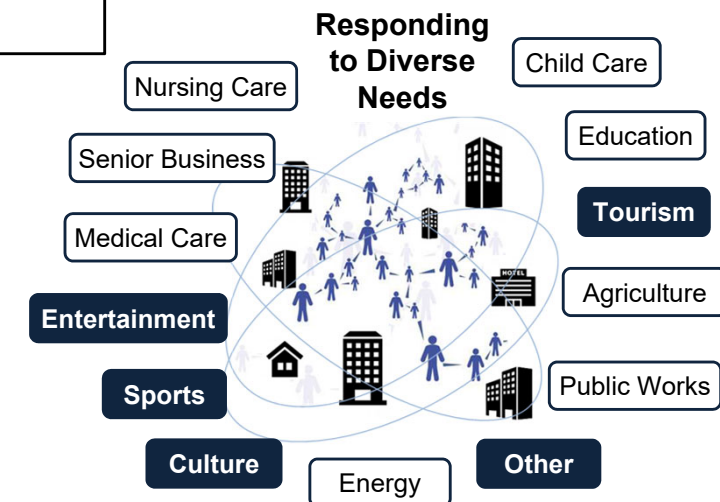
<b>Game Features</b>	Japanese soccer manga, <u>Captain Tsubasa</u> , with avatars of world-class soccer players
	Integrates real-world stadiums around the world
	Users can play on-line with professional soccer players
	Global launch started in September 2020
<b>Business Opportunity</b>	Royalties on sales
	Build virtual stadiums at Ichigo assets to drive customer traffic & activity
	Increase value of Ichigo assets, collaborate with hotels and retailers, promote community development, & support sports



Development by MIRAIRE Inc.



Development by MIRAIRE Inc.

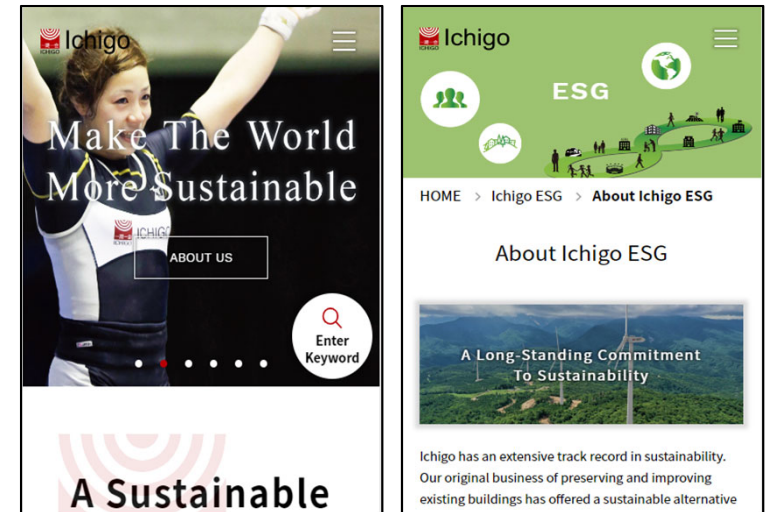


# Website Renewal

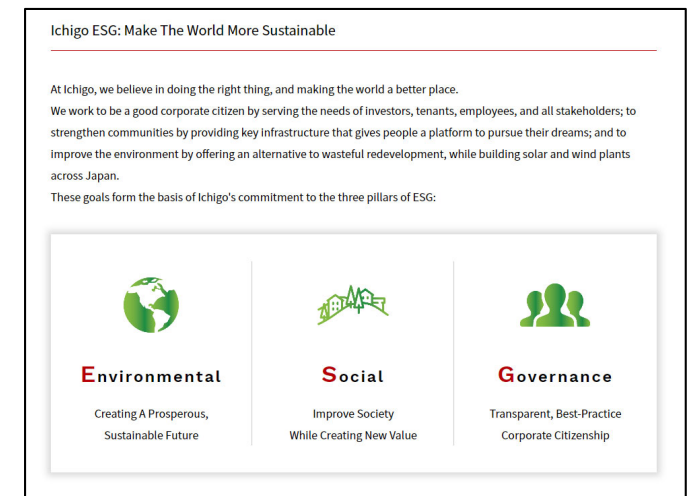
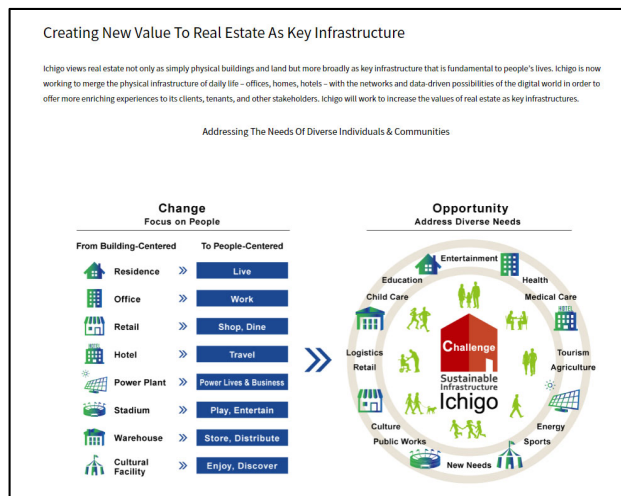
## Website Overhaul to Improve Usability & Site Content



### Smartphone Version



## Added New Sustainable Value-Add Examples & ESG Initiatives [www.ichigo.gr.jp/en](http://www.ichigo.gr.jp/en)



---

These materials were prepared to explain Ichigo's businesses and are not for the purpose of soliciting investment in marketable securities issued by Ichigo. Ichigo does not guarantee the accuracy of the figures, information, estimates, or other statements included herein, and accepts no responsibility for damages or losses arising through the use of the figures, information, estimates, or other statements contained herein.

These materials are based upon information available as of the publication date, and may contain forward-looking statements pertaining to Ichigo's expectations, targets, plans, and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information currently available. Actual operating results or developments concerning Ichigo may differ substantially from those indicated by forward-looking statements. The information enclosed is subject to revision without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.



**Make The World  
More Sustainable**

Contact:  
**Ichigo (TSE First Section 2337)**  
Investor Relations

TEL: +81-3-3502-4818  
E-mail: [ir@ichigo.gr.jp](mailto:ir@ichigo.gr.jp)  
[www.ichigo.gr.jp/en](http://www.ichigo.gr.jp/en)



Ichigo is Japan's first zero-carbon listed real estate company.  
We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.