



FY23/2 Q3 Corporate Presentation

January 12, 2023

Ichigo (2337)



We would like to express our deepest condolences to all those affected by the global Covid pandemic and by the war and humanitarian crisis in Ukraine, along with our heartfelt wish for the immediate cessation of hostilities and the earliest and fullest possible recovery for all.

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



Ichigo

TOP PARTNER

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Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

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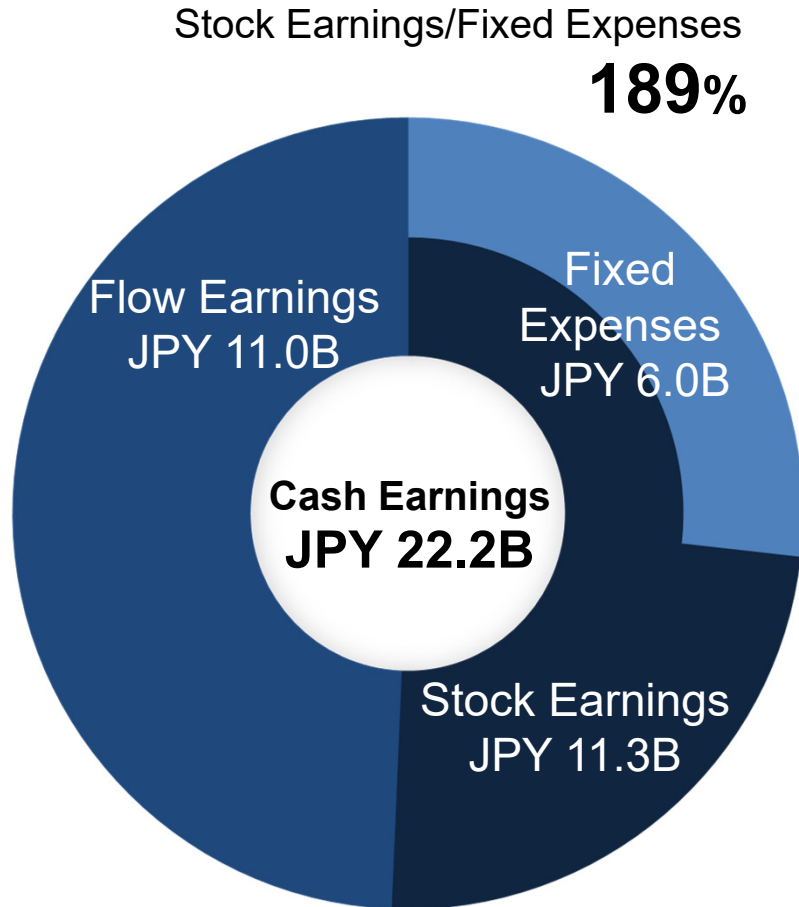
FY23/2 Q3 Earnings

FY23/2 Q3 Summary

- Full-Year Forecast Upward Revision
 - ✓ Operating Profit: JPY11.9B (Initial Forecast: JPY 9.7B – JPY 10.6B)
Net Income: JPY 9B (Initial Forecast: JPY 6.5B – JPY 8.5B)
 - ✓ Strong Hotel Recovery
 - Q3 RevPAR (3M): +92% YOY, Recovered to Pre-Covid Level
 - Q3 RevPAR (9M): +77% YOY, -27% vs. Pre-Covid (+ >10% vs. H1)
 - ✓ Ichigo Office (8975) Performance Fee on Asset Sale in Q4 (JPY 1.6B)
- Launched Ichigo Residence Token Digital Real Estate Business
 - ✓ Strengthening Solution Business via New Investment Products & Client Base Expansion
 - ✓ First Token Sold Out Immediately – Planning to Launch Additional Tokens
- Robust Cash Generation Funding Both Growth Investments & Buybacks
 - ✓ FY23/2 Acquisitions: Forecast JPY 44.7B
 - ✓ FY23/2 Share Buybacks: JPY 4.5B

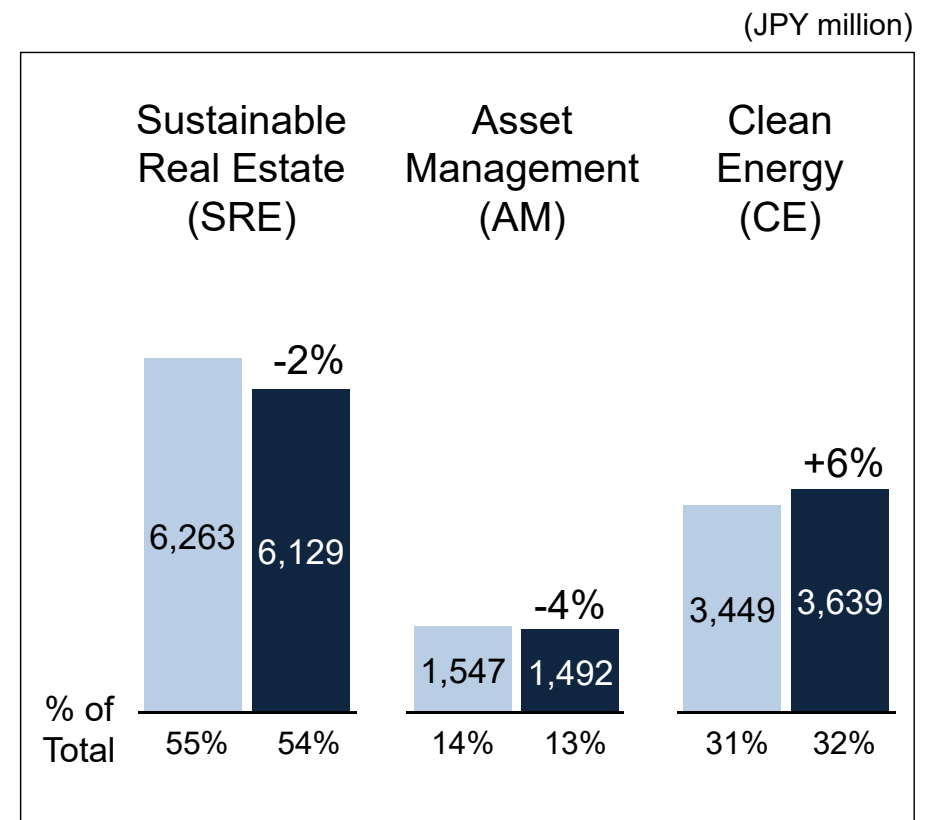
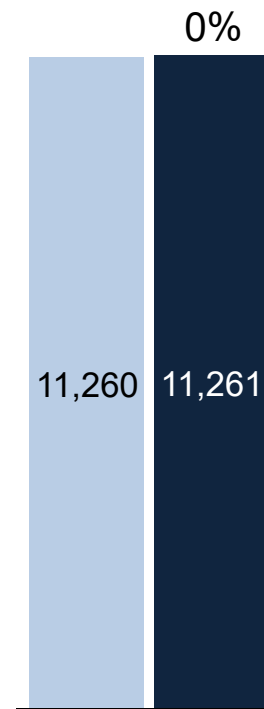
FY23/2 Q3 Summary

Durable Earnings Model



Robust Stock Earnings

■ FY22/2 Q3
■ FY23/2 Q3



Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Non-Cash Expenses (e.g., Depreciation, Goodwill Amortization)



FY23/2 Full-Year Forecast Upward Revision (1)

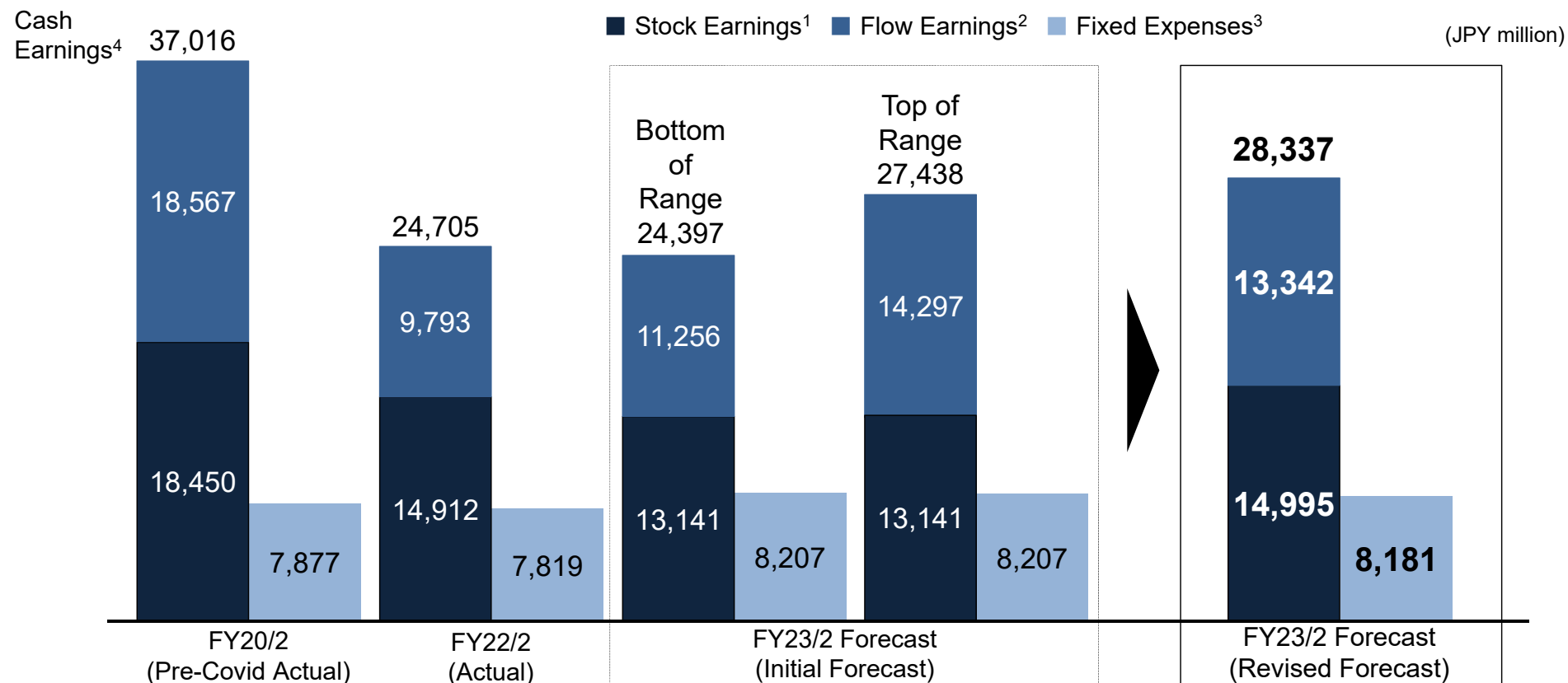
(JPY million)

	FY22/2 Actual	FY23/2 Revised Forecast	YOY	FY23/2 Initial Forecast	
				Bottom of Range	Top of Range
Operating Profit	10,018	11,900	+18.8%	9,700	– 10,600
All-In Operating Profit	13,266	16,300	+22.9%	12,700	– 15,600
Recurring Profit	7,471	10,000	+33.9%	6,700	– 7,600
All-In Recurring Profit	10,719	14,400	+34.3%	9,700	– 12,600
Net Income	6,473	9,000	+39.0%	6,500	– 8,500
Cash Net Income	13,004	15,000	+15.3%	12,500	– 14,500
EPS	JPY 13.81	JPY 19.56	+41.6%	JPY 14.04	– JPY 18.36
Cash EPS	JPY 27.74	JPY 32.59	+17.5%	JPY 27.00	– JPY 31.32
DPS	JPY 7	JPY 7	–	JPY 7	
ROE	6.5%	8.9%	–	6.4%	– 8.3%
Cash ROE	13.0%	14.8%	–	12.3%	– 14.1%

FY23/2 Full-Year Forecast Upward Revision (2)

Strength in Both Stock & Flow Earnings

- Stock Earnings: Strong Recovery in Hotel Revenues & Hotel Operator Earnings
- Flow Earnings: Ichigo Office Performance Fee (JPY 1.6B) in Q4
 - ✓ Ichigo's REITs Are the Only J-REITs with a No Fixed Fee, Performance Fee-Only Structure to Maximize Alignment with Positive Shareholder Outcomes



¹ Primarily Rental Income, Power Generation Revenues, Base AM Fees, & Depreciation (Non-Cash) ² Primarily SRE Real Estate Sales

³ Fixed SG&A + Interest Expenses ⁴ Gross Profit + Fixed Asset Gains on Sale + Depreciation Expenses (Non-Cash)

All-In Disclosure for Increased Earnings Transparency

- All-In disclosure allows for transparent tracking of full profitability contribution of Sustainable Real Estate (SRE)
- SRE is a core business, and Ichigo executes value-add on SRE assets regardless of whether they are classified in accounting terms as Real Estate for Sale (Current Assets) or Fixed Assets
- Adding SRE's Fixed Asset Gains on Sales (which are accounted for as Extraordinary Gains in J-GAAP) to Operating Profit (OP) and Recurring Profit (RP) to generate All-In OP & RP numbers thus provides transparency on SRE's actual core profit contribution

All-In OP +167%, Cash EPS +99% (YOY)

- Upward Earnings Revision on Strong Asset Sales & Hotel Recovery
- Cash Earnings Significantly Exceed Accounting Earnings Due to Ichigo's Focus on Maximizing Long-Term Cash Flows for Shareholders
- Cash EPS = 1.4X EPS

(JPY million)

	FY22/2 Q3 (9M)	FY23/2 Q3 (9M)	YOY	FY23/2 Revised Forecast
Operating Profit	5,036	9,111	+80.9%	11,900
All-In Operating Profit	5,065	13,527	+167.1%	16,300
Recurring Profit	3,030	8,000	+164.0%	10,000
All-In Recurring Profit	3,059	12,416	+305.8%	14,400
Net Income	1,969	8,470	+330.1%	9,000
Cash Net Income	6,051	11,897	+96.6%	15,000
EPS	JPY 4.20	JPY 18.32	+336.2%	JPY 19.56
Cash EPS	JPY 12.90	JPY 25.73	+99.4%	JPY 32.59

All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

All-In Recurring Profit = Recurring Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

Cash Net Income = Net Income + Non-Cash Expenses (e.g., Depreciation, Goodwill Amortization)

Cash EPS = Cash Net Income / Average Number of Shares Outstanding in the Fiscal Year

Segment Earnings Details

- Asset Management: Strong Ichigo Hotel (3463) Demand & AM Fee Recovery
Ichigo Office Performance Fee (JPY 1.6B) in Q4
- SRE Stock Earnings: Strong Hotel Demand Recovery & Inbound Growth
- SRE Flow Earnings: Multi-Asset & Ichigo Owners Sales Up YOY
- Clean Energy: Continuing Strong Stock Earnings Growth

(JPY million)

Segment	All-In Operating Profit				All-In Gross Profit			Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY22/2 Q3	FY23/2 Q3	YOY	FY23/2 Revised Forecast	FY22/2 Q3	FY23/2 Q3	YOY	
Asset Management (AM)	1,124	1,055	-6.1%	2,900	1,547	1,492	-3.6%	Base AM Fees 1,424 (-53) Ichigo Office 1,140 (-135) Ichigo Hotel 99 (+34) Ichigo Green Operator Fees 31 (0)
Sustainable Real Estate (SRE)	2,120	10,729	+406.0%	11,500	5,865	14,548	+148.0%	Rental Income 3,586* (+54) * Net of Depreciation 2,543 (-188) Gains on Sales 10,954 (+8,607) Fixed Asset Gains on Sales 4,416 (+4,387)
Multi-Asset	2,507	7,615	+203.8%	7,900	5,799	10,727	+85.0%	
Ichigo Owners	-386	3,113	–	3,600	66	3,820	+4,628.2%	
Clean Energy	1,814	1,772	-2.4%	1,900	2,229	2,326	+4.4%	Power Generation Revenue 2,326* (+97) * Net of Depreciation 1,312 (+92)
Adjustment (including offsets of cross-segment transactions)	5	-29	–	–	–	–	–	
Total	5,065	13,527	+167.1%	16,300	9,642	18,366	+90.5%	

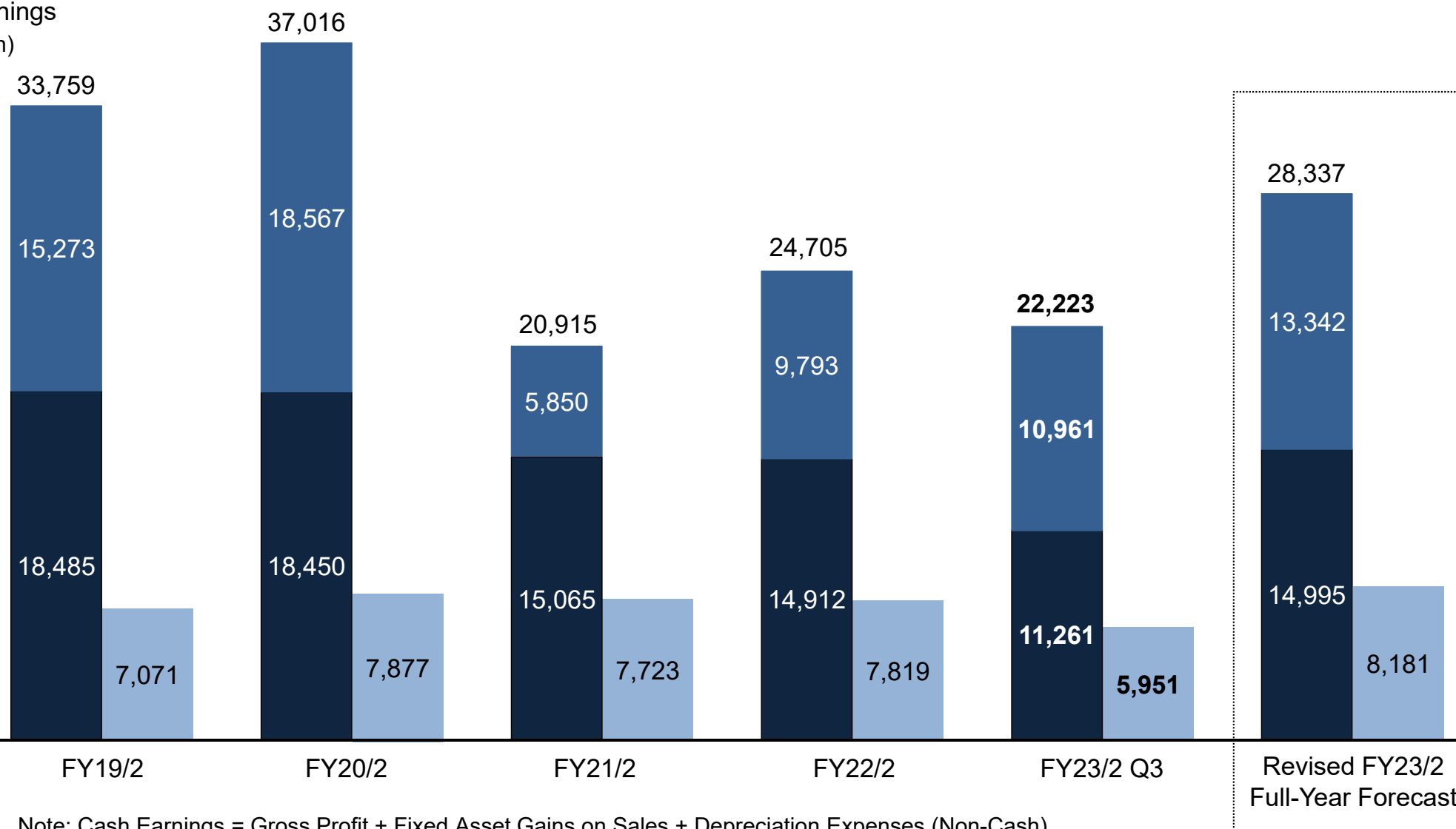
Note: From 23/2 Q1, corporate expense allocations to subsidiaries have been adjusted to better reflect resource use – please see page 51 for details.

Powerful Value-Add Business Model & Sustainability Focus Drives Sustainable Growth

Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, Power Generation Revenues, Base AM Fees, & Non-Cash Expenses (e.g., Depreciation))
- 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)

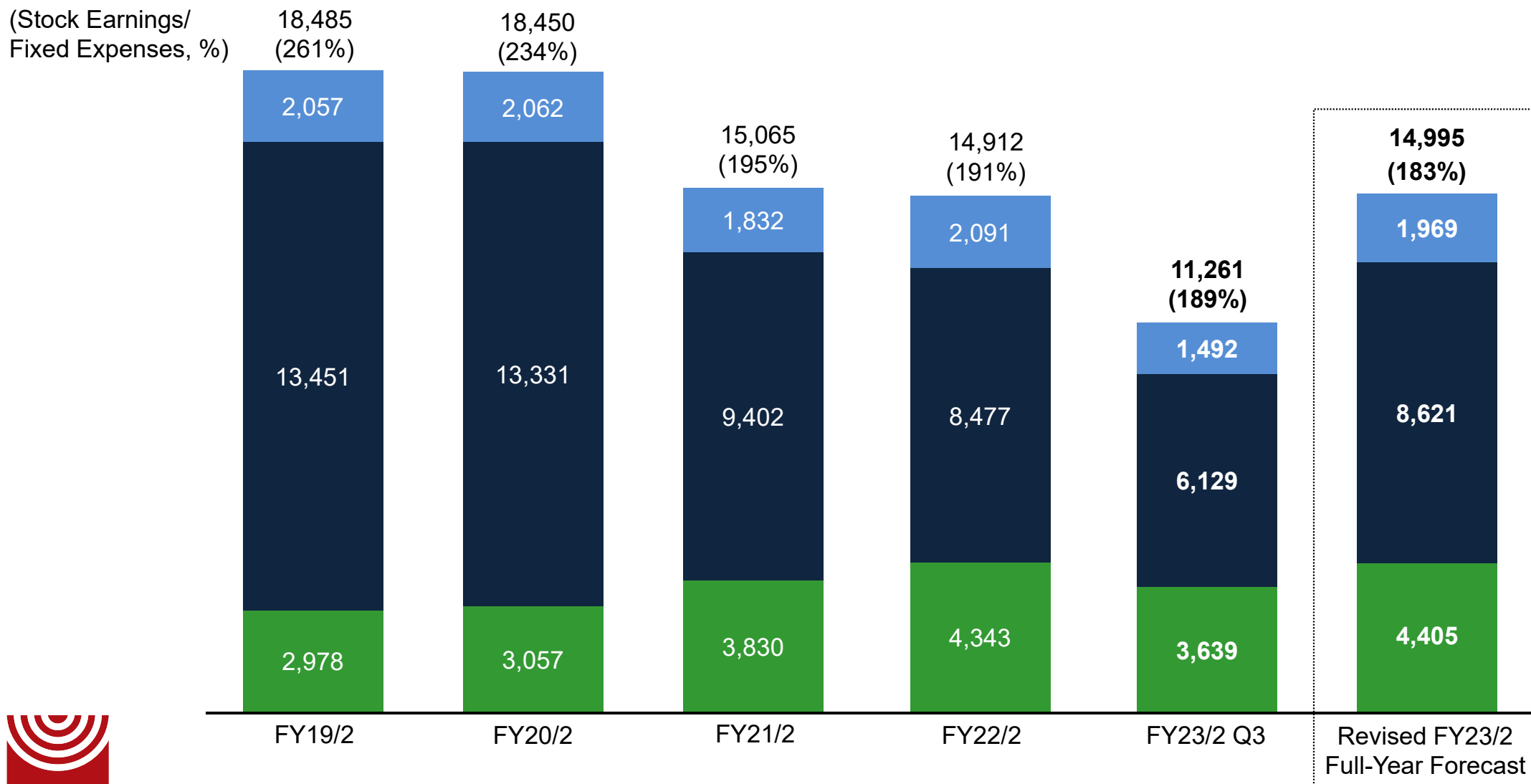
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Stable Stock Earnings

Stock Earnings by Segment

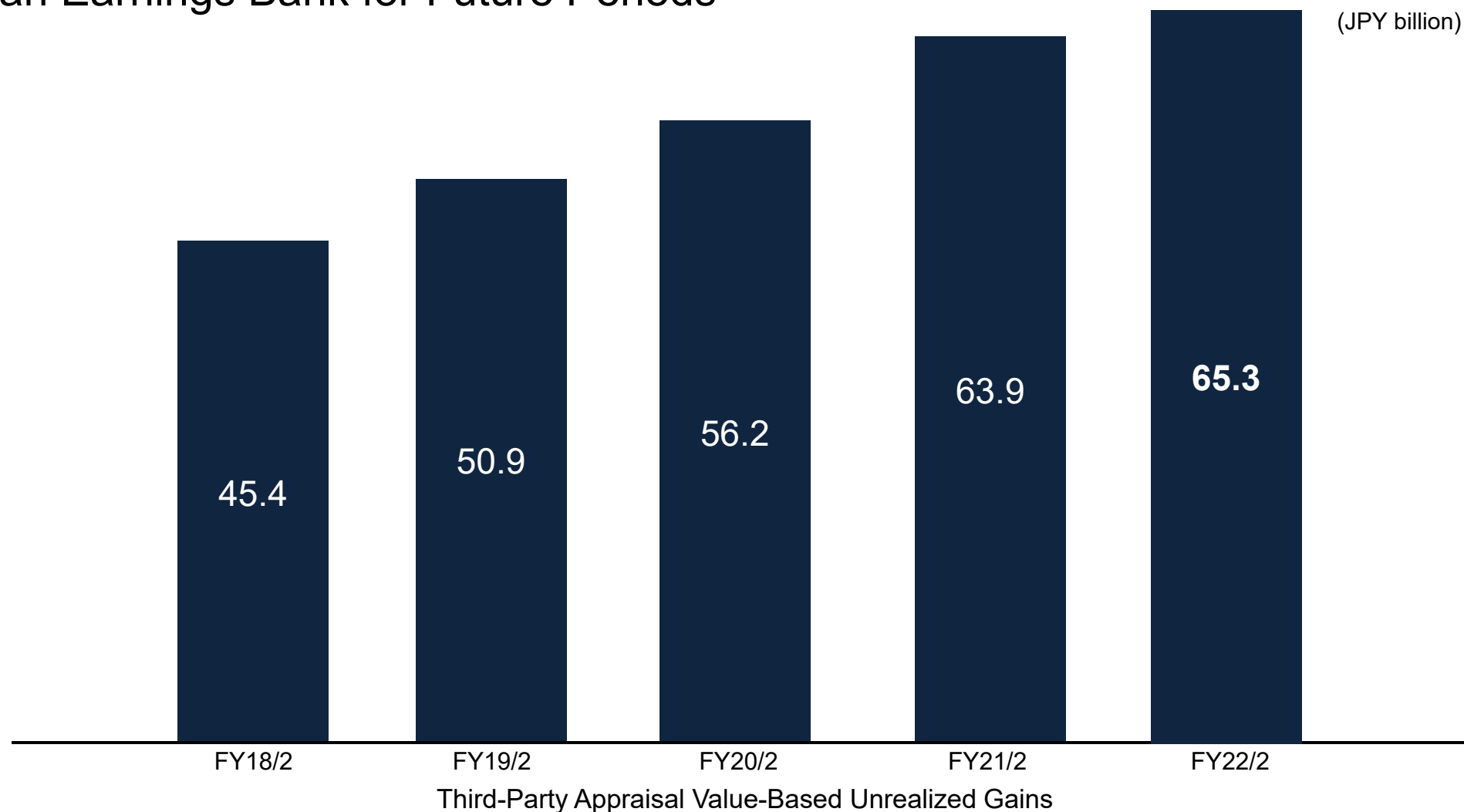
■ Asset Management ■ Sustainable Real Estate ■ Clean Energy

(JPY million)

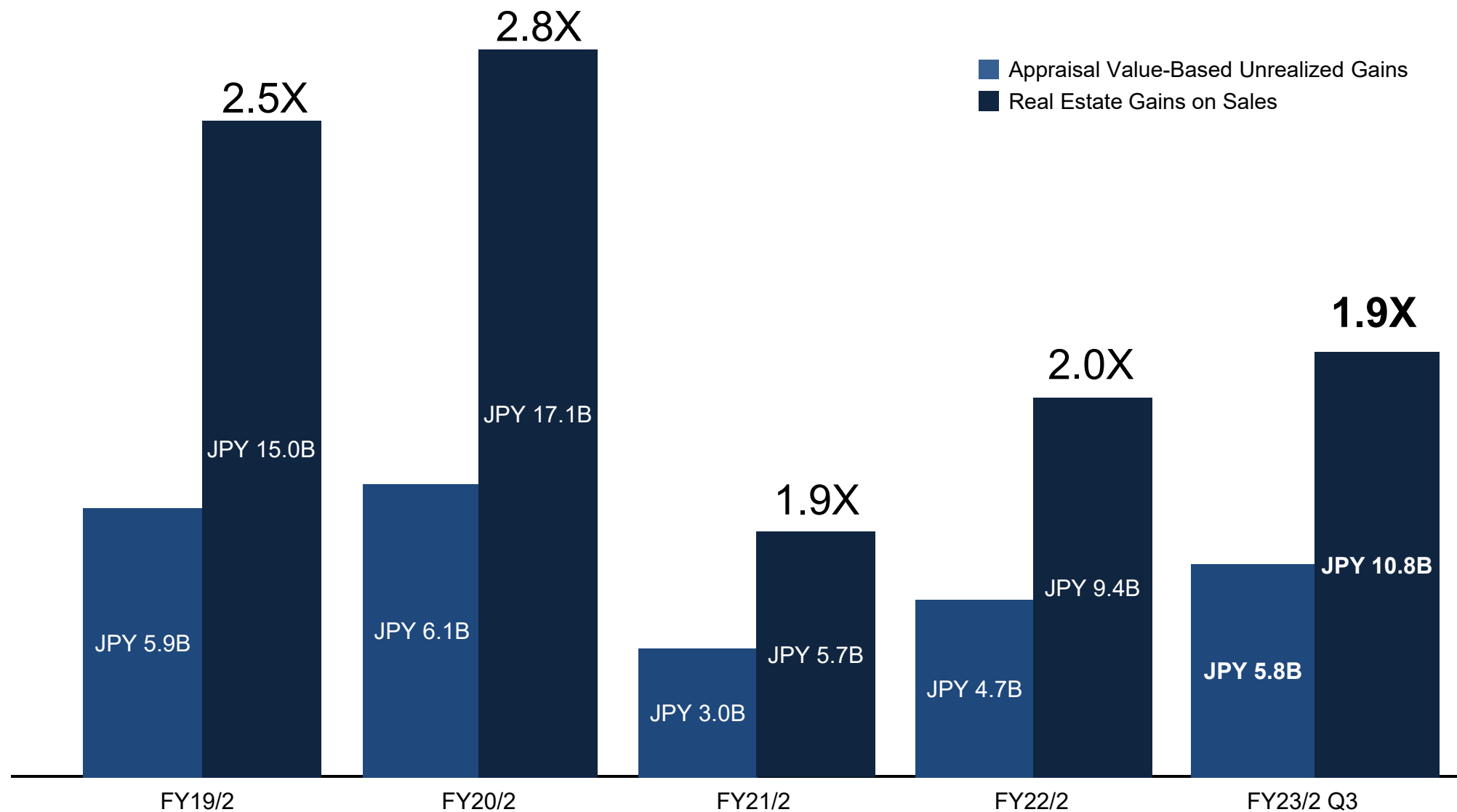


Embedded Forward Earnings

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



Value-Add Drives Durable Value Growth

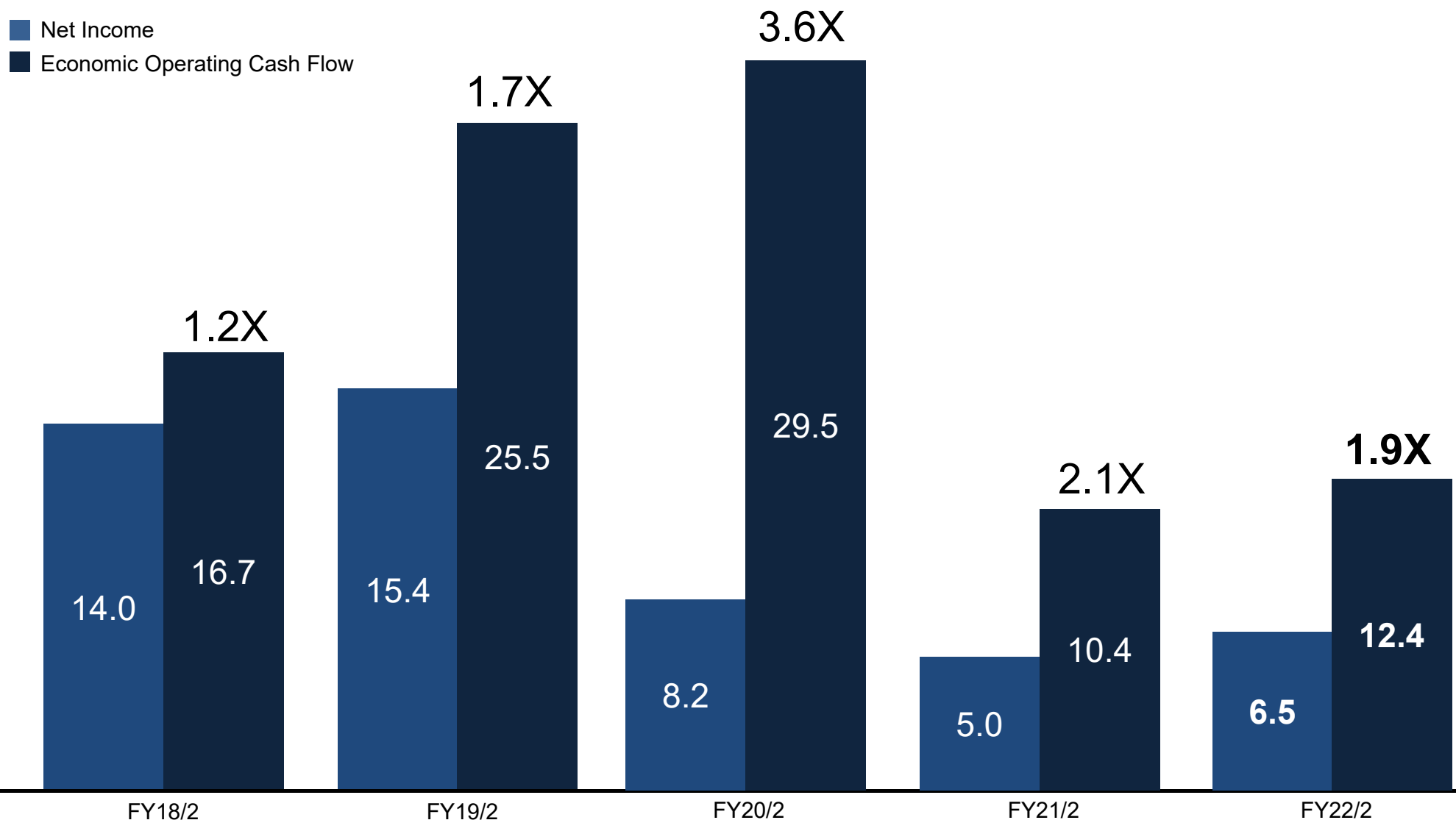


Real Estate Gains on Sales = Gross Profit + Fixed Asset Gains on Sales

Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income

(JPY billion)

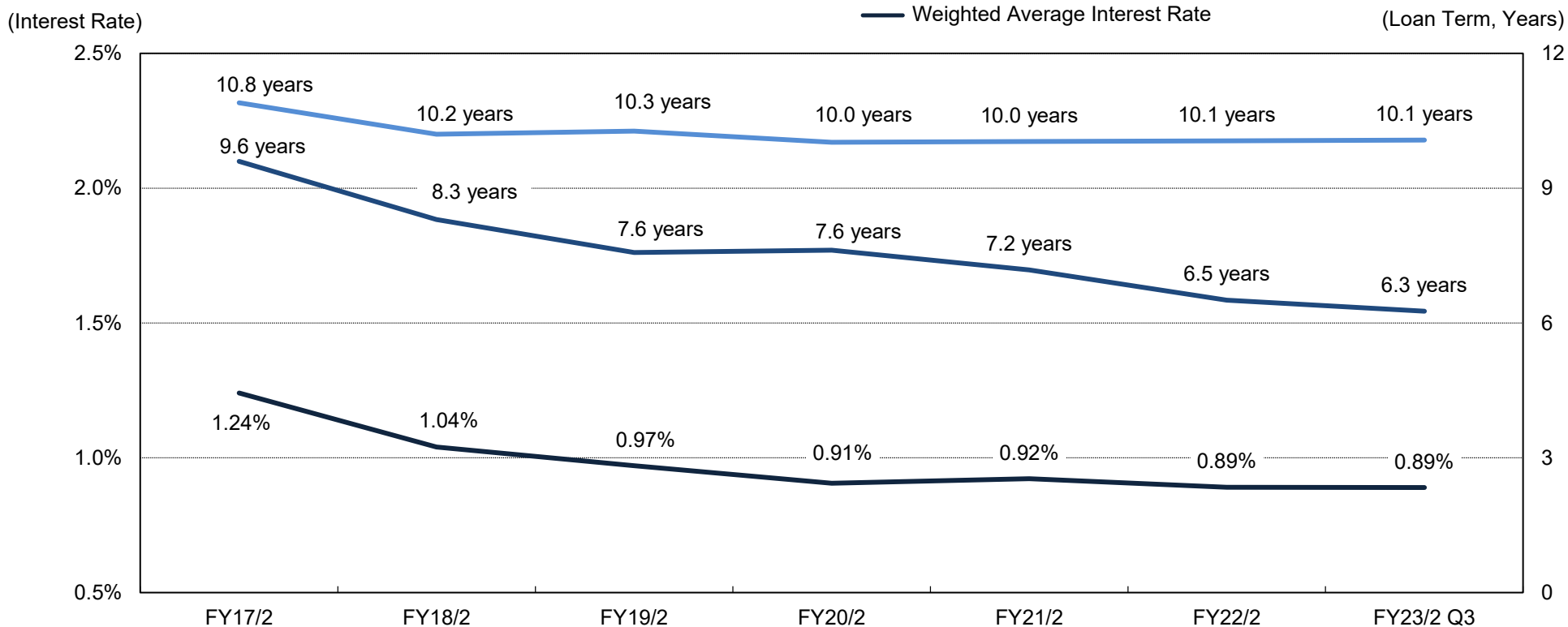


Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale

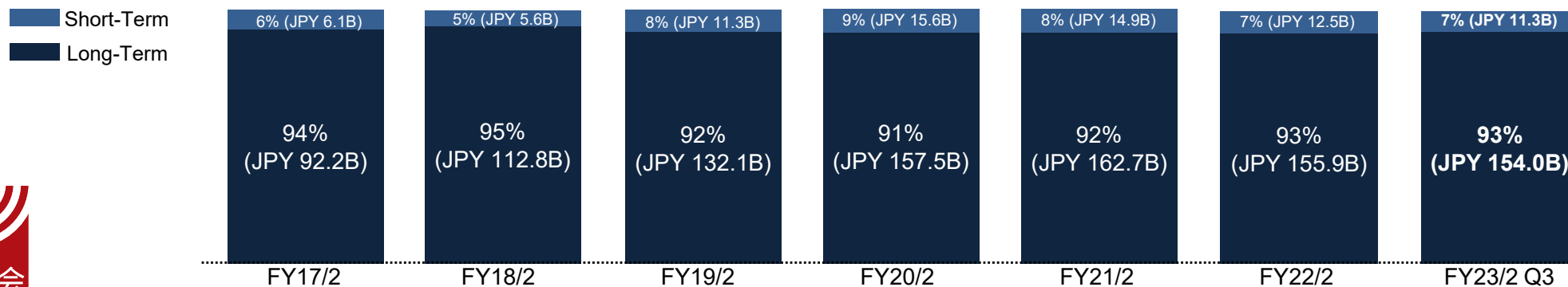
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Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans

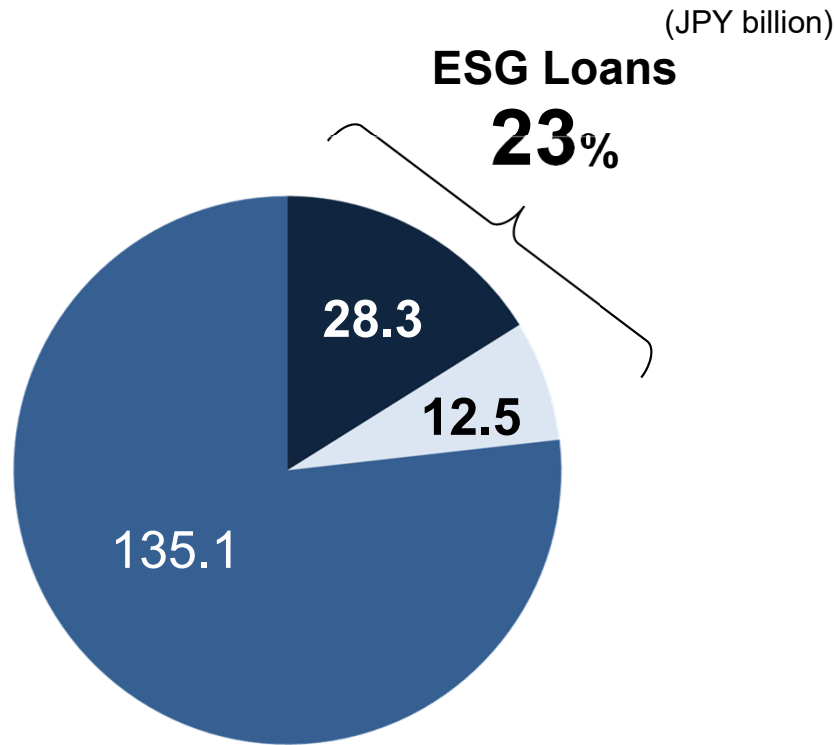


ESG Finance

Ichigo's ESG Execution Driving Attractive ESG Financing Terms

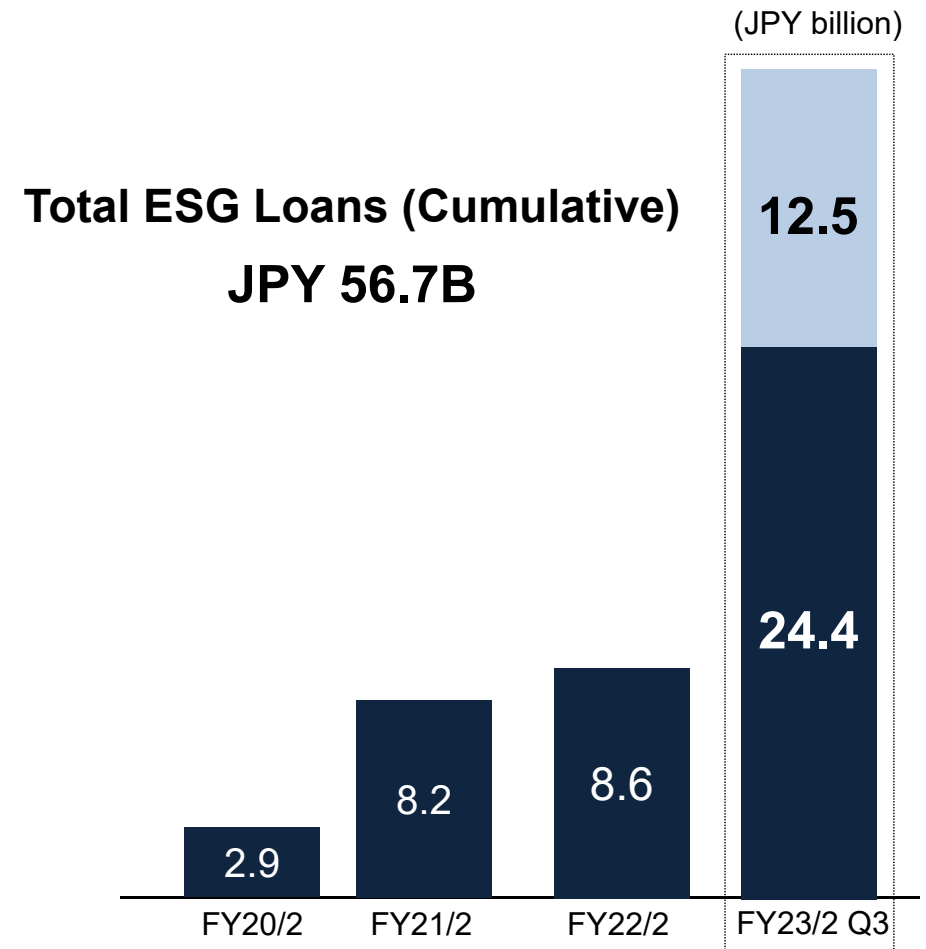
ESG Loans as % of Total Borrowings

- ESG loans & green bonds
- Remaining ESG commitment line
- Other corporate loans & bonds (excludes short-term loans)



ESG Loans

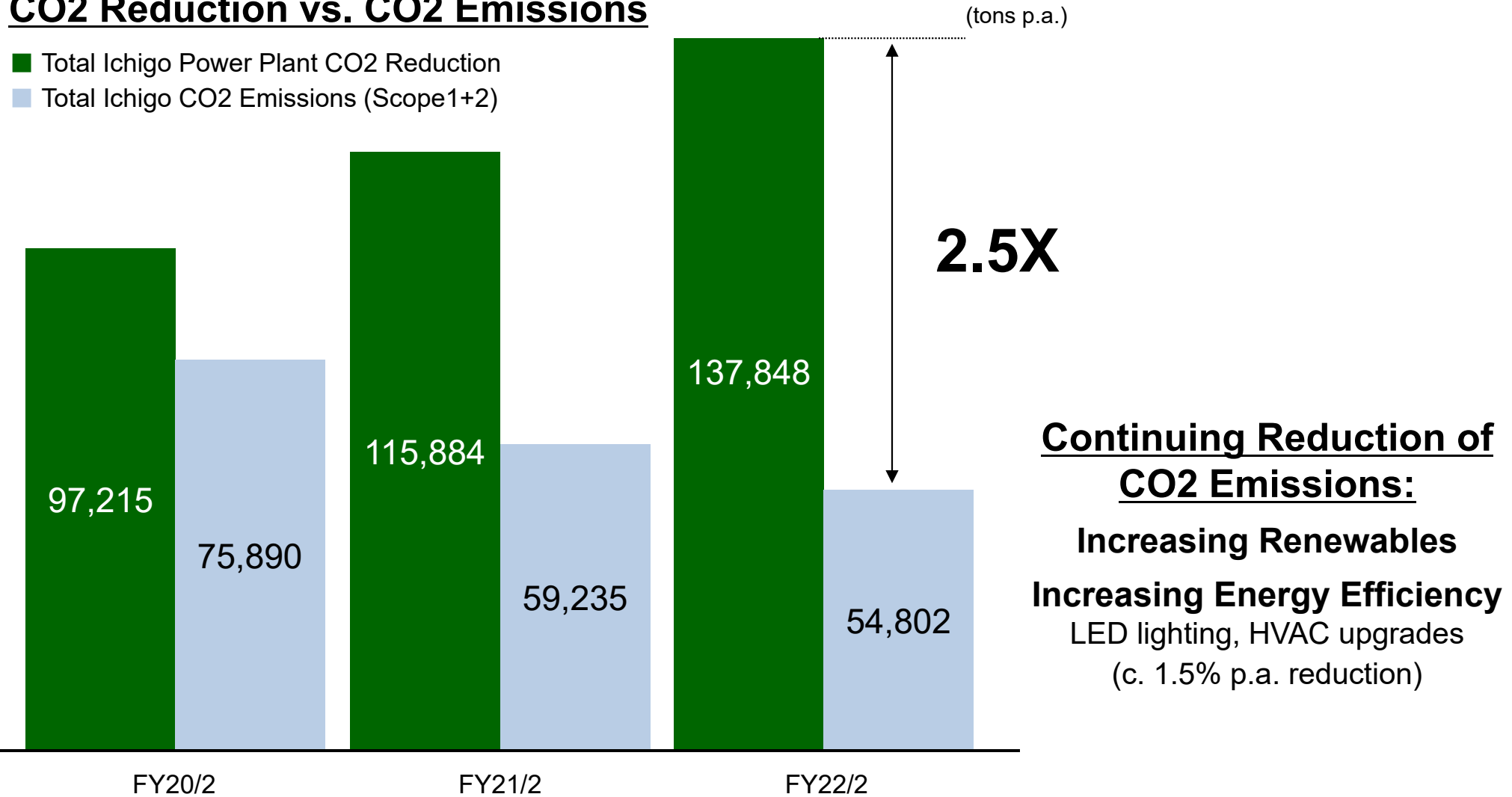
- ESG loans & green bonds
- Remaining ESG commitment line



Ichigo Climate Positive: CO2 Reduction > Emissions

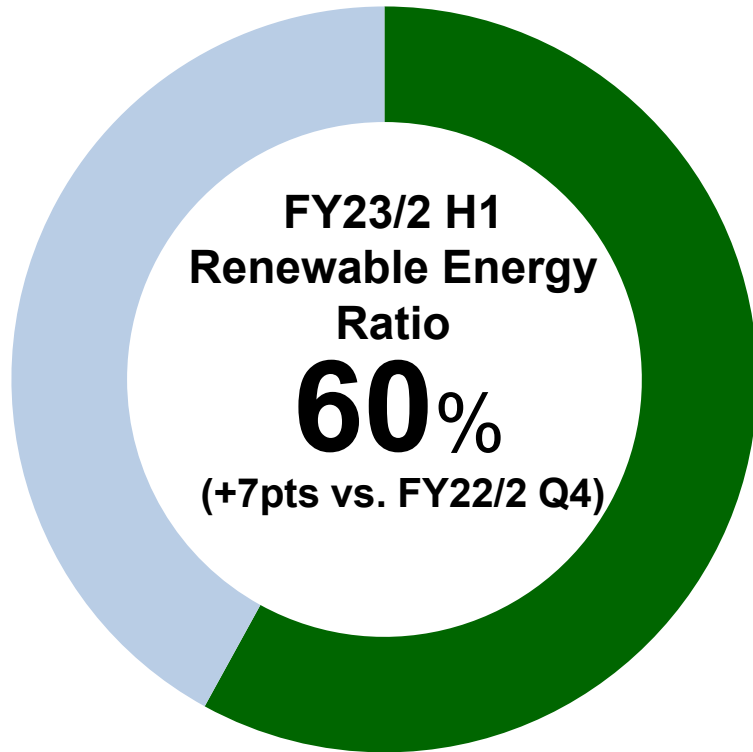
Ongoing Ichigo Clean Energy Production Growth & Renewable Energy Transition

CO2 Reduction vs. CO2 Emissions



RE100 by 2025 On Track

Ichigo RE100 Progress




Includes all Ichigo, Ichigo Office (8975), and Ichigo Hotel (3463) assets

FY23/2 Renewable Energy Transition Impact

CO2 Reduction **35,815** tons p.a.

% Reduction **47.2%**

CO2 Emissions
of Cars

 × **15,572**

Note:

% Reduction = Amount of CO2 reduction vs. 75,890 tons (FY20/2 actual)
Annual CO2 emission per car c. 2,300kg (Ministry of Environment)

RE100

**CLIMATE
GROUP**



CDP: Ichigo Recognized as Highest Leadership Level

A- Scores in Both Climate Change & Water Security Assessments

– “A” Level Recognizes Companies with Best Practice Environmental Initiatives



CDP is a global initiative led by a non-profit organization representing over 500 global investors that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

2022 Climate Change Assessment

Score: A- (2nd Year in a Row)

Information disclosure system relating to climate change-related risks of global companies and organizations

Scores range from A to D-, based on assessment questionnaire on initiatives addressing climate change

2022 Water Security Assessment

Score: A- (1st Year)

Information disclosure system relating to water security risks of global companies and organizations

Scores range from A to D-, based on assessment questionnaire on initiatives addressing water security

Ichigo's CDP Assessments (Japanese only)

Climate Change Assessment

www.ichigo.gr.jp/pdf/esg/Ichigo_CDP_Climate_Change_Report_2022.pdf

Water Security Assessment

www.ichigo.gr.jp/pdf/esg/Ichigo_CDP_Water_Security_Report_2022.pdf

Sustainable Growth as a Sustainable Infrastructure Company

Selective on Acquisitions & Sales

Acquisitions: Q3 YTD JPY 37.3B, Full-Year Forecast JPY 44.7B

- Multi-Asset: Strengthening Ichigo Office Acquisition Pipeline
- Owners: Expanding Customer Base via New Digital Real Estate & Small-Lot Investment Products, FY23/2 Forecast JPY 32.7B

Sales: Q3 YTD JPY 48.6B, Full-Year Forecast JPY 54.6B

- Gross Profit Margin: 22% (vs. Sale Price), 29% (vs. Book Value)

FY23/2 Q3 YTD Net Sales: JPY 11.2B

(JPY million)

		Acquisitions		Sales		Difference (A) - (B)
		No. Of Assets	Book Value (A)	No. Of Assets	Sale Price (B)	
Multi-Asset	Office	5	10,958	1	1,062	+9,896
	Retail	–	–	2	5,156	-5,156
	Hotel	–	–	4	14,994	-14,994
	Residential	2	93	7	3,529	-3,436
	Other	–	–	4	1,773	-1,773
Ichigo Owners	Residential	25	26,318	19	22,118	+4,200
Total		32	37,369	37	48,631	-11,262

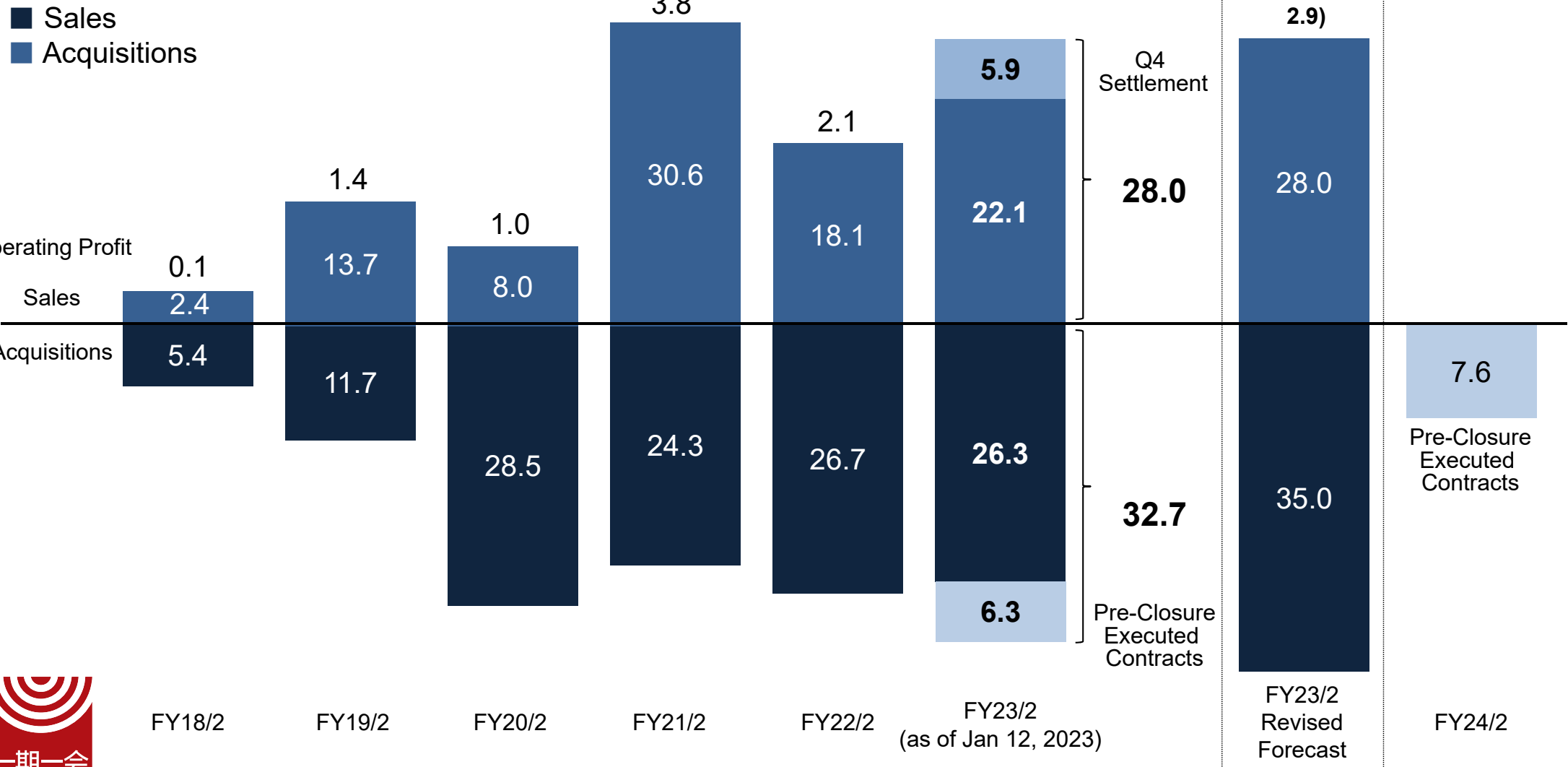
Note: Book Value of Sales: JPY 37.42B

Ichigo Owners: Robust Demand Driving Growth

FY23/2 Sales: JPY 28.0B (+55% YOY)

FY23/2 Acquisitions: JPY 32.7B (+22% YOY)

Ichigo Owners Residential Acquisitions & Sales



New Ichigo Residence Token Digital Real Estate Business

Driving Growth with Investment Products Meeting Diverse Needs


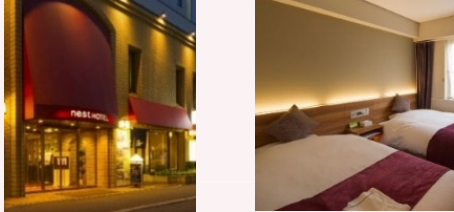

- First Ichigo Residence Token (Azabu, Shirokane, & Nihonbashi) Sold Out Immediately
 - AUM JPY 5.2B (3 Assets), Security Token Issue Amount JPY 1.5B
- Expect to Launch Additional Security Tokens & Grow into Core AM Business

	Listed REITs Ichigo Office, Ichigo Hotel, & Ichigo Green	New Real Estate Security Tokens <u>Ichigo Residence Token</u>	Private Equity Funds
Characteristics	<ul style="list-style-type: none"> ▪ Able to buy/sell like stocks ▪ Diversify risk via small-lot investments 	<ul style="list-style-type: none"> ▪ Highly secure blockchain platform enables online transactions ▪ Diversify risk via small-lot investments 	<ul style="list-style-type: none"> ▪ Direct transactions between professional investors ▪ Requires large-scale financing
Investment Type	Security (small lot, large number of assets) Invest in broad portfolio	Security token (small lot, small number of assets) Can select real estate assets	Real Estate (typically big lot, can be single asset) Can select real estate assets
Investors	All investors	All investors, particularly individuals	Professional investors
Market Size	JPY 21T (2001 start)	JPY 43B (2021 start) Large Market with Upside Potential	JPY 24T (2000 start)
Ichigo Earnings Drivers	<div style="background-color: #002060; color: white; padding: 5px; text-align: center;">Stock Earnings: Asset Management fees</div> <div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;">Flow Earnings: Gains on sales as seller</div>		



Note: A digital token has the properties of a real estate-backed security that is a financial product. It is managed using blockchain technology, a type of highly secure, distributed ledger.

Growth Support for Ichigo REITs & Ichigo Green

	Ichigo Office 8975	Ichigo Hotel 3463	Ichigo Green 9282
Portfolio	JPY 205.9B (86 Assets)	JPY 54.7B (25 Hotels)	JPY 11.4B (15 Solar Plants)
Dividend Yield (as of January 10, 2023)	7.2%	2.6%	5.7%
Overview	 <ul style="list-style-type: none"> Entered FTSE Global REIT Index, a key benchmark for global investors Ichigo Office & Ichigo Hotel only J-REITs with a no fixed fee, performance fee-only fee structure 100% renewable energy for all assets with full Ichigo ownership (74 assets, excludes partially-owned and co-owned assets) 	 <ul style="list-style-type: none"> 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 acquisitions & sales 33% renewable energy 	 <ul style="list-style-type: none"> Solar power producers 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
Sponsor Support	<ul style="list-style-type: none"> Sold 4 assets to bridge fund Supporting REIT tenants & assets via inclusion in Ichigo's real-time natural disaster reporting system 	<ul style="list-style-type: none"> Provided subordinated debt (JPY 870M) Reduced operator risk by bringing in Hakata Hotels (5 hotels, 594 rooms) 	<ul style="list-style-type: none"> Operating all plants Providing ongoing performance guarantee
Ichigo-Wide Initiatives	UN Global Compact RE100 ESG & Value-Add	Includes Ichigo Office, Ichigo Hotel, & Ichigo Green Group-wide RE100 targets & strengthened environmental initiatives Accelerating ESG & sustainable value-add initiatives	

Ichigo Office Acquisitions & Sales Driving Shareholder Value

Ichigo's REITs Are the Only J-REITs with a No Fixed Fee, Performance Fee-Only Structure to Maximize Alignment with Positive Shareholder Outcomes

Acquisitions
(2 Assets)

Total Acquisition Price
JPY 5.6B



Sales
(2 Assets)

Total Gains on Sale
JPY 6.5B

Acquired Assets with Ichigo Value-Add Upside



Ichigo Higashi Ikebukuro 3 Chome Building
(Tokyo)

Acquisition Price JPY 3,840M



Ichigo Marunouchi South Building
(Nagoya)

Acquisition Price JPY 1,750M

Ichigo Office Bridge Fund JPY 13.1B (4 Assets)

Ichigo Hakataeki Higashi Building
(Appraisal Value JPY 3,580M)

Ichigo Hakata Meiji Dori Building
(Appraisal Value JPY 3,360M)

Fukuoka Kensetsu Kaikan
(Appraisal Value JPY 2,820M)

Ogaku Building (Chiyoda-ku)
(Appraisal Value JPY 3,380M)

Monetizing Asset Value Growth via Asset Sales

Ichigo Akasaka 5 Chome Building

Sale Price: 2.3X Book Value, 1.9X Appraisal Value

Book Value: JPY 727M Gains on Sale: JPY 993M
AM Fee: JPY 276M

Ichigo Ikenohata Building

Sale Price: 2.1X Book Value, 1.9X Appraisal Value

Book Value: JPY 5,111M Gains on Sale: JPY 5,488M
AM Fee: JPY 1,603M

Scaling Rapidly

3 New Plants (Total 5.1MW) Online in FY23/2, Growing Stable Earnings

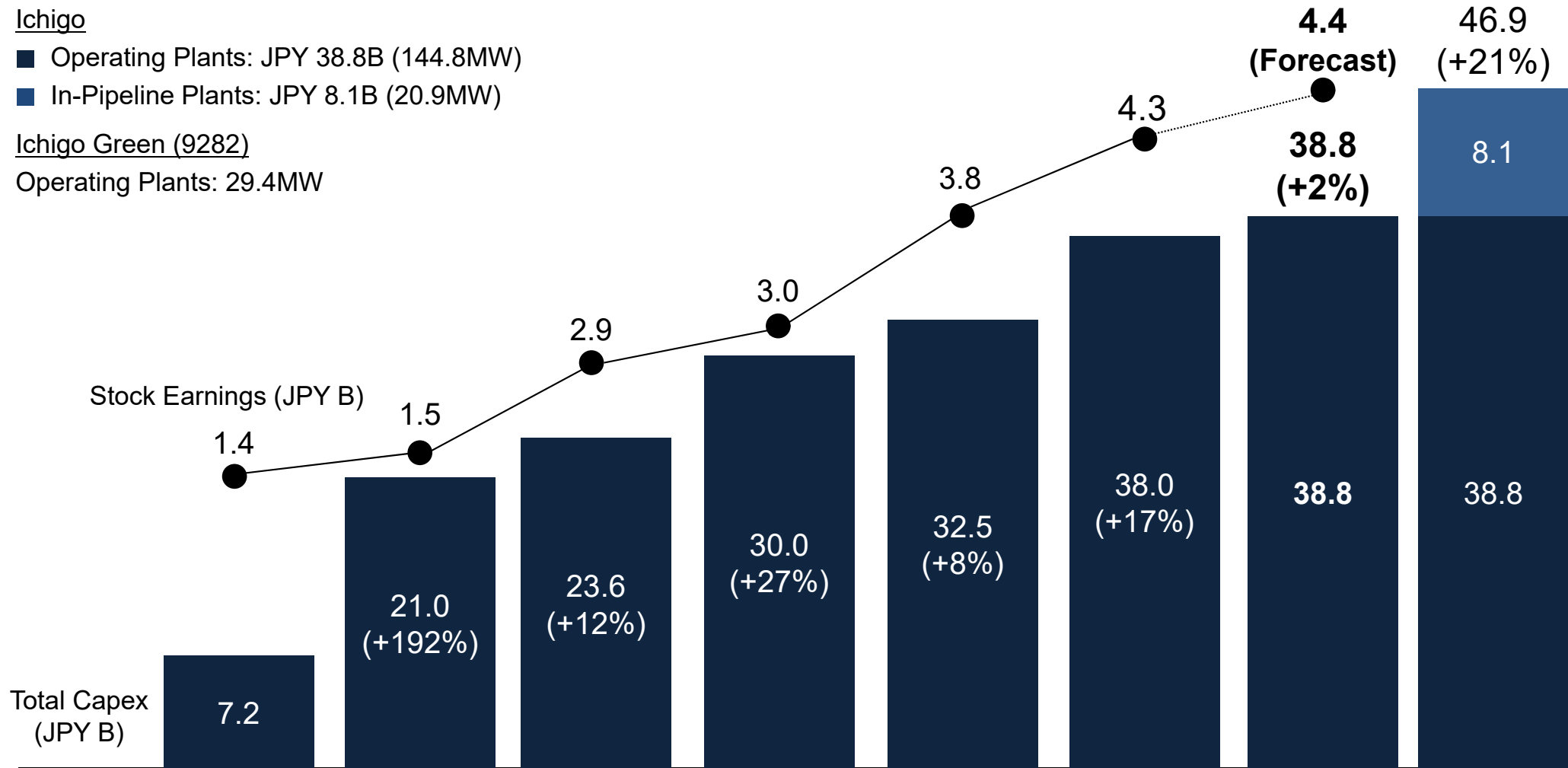
Ichigo

■ Operating Plants: JPY 38.8B (144.8MW)

■ In-Pipeline Plants: JPY 8.1B (20.9MW)

Ichigo Green (9282)

Operating Plants: 29.4MW



	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 ~	FY24/2 ~
Power Generation	28.4MW	72.3MW	83.6MW	106.8MW	120.6MW	139.7MW	144.8MW	165.8MW
Avg FIT	JPY 37.3	JPY 36.4	JPY 35.3	JPY 34.3	JPY 32.8	JPY 31.2	JPY 30.7	JPY 31.1



Share Buybacks – 6th Consecutive Year (FY23/2: JPY 4.5B)

Continued Flexible Deployment of Share Buybacks

Share Buybacks

	Number of Shares Purchased (% of Shares Outstanding)	Average Purchase Price	Amount
FY23/2 Aug~Nov	9,448,400 (1.9%)	JPY 317	JPY 3 billion
FY23/2 Apr~Jun	5,103,800 (1.0%)	JPY 293	JPY 1.5 billion
FY22/2	4,363,500 (0.9%)	JPY 343	JPY 1.5 billion
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 (70,000 shareholders in total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

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



Ichigo J.League Shareholder Program Website Landing Page

Additional Special Holiday Gift

Gift set featuring food products selected by Ichigo-sponsored J3 soccer team, Tegevajaro Miyazaki



Products from store at Ichigo Miyako City's Miyazaki Thanks Market

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.

ESG Initiatives: Environmental

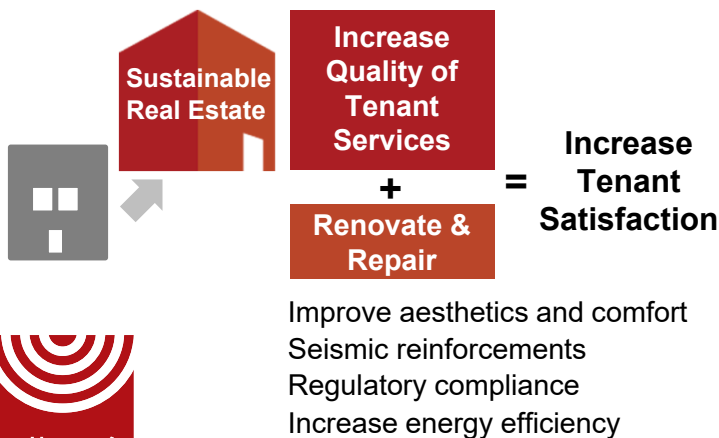


Climate Positive & Sustainability-Driven

Preserve & Improve Real Estate to End Wasteful Demolition

Ichigo's Sustainable Real Estate business has a proven track record of preserving and improving existing real estate. Ichigo will build on this long-standing commitment to sustainability by developing new technologies to extend the lives of buildings and other social infrastructure 100 years and beyond.

Ichigo's Sustainable Real Estate Preserve & Create Value



Community-Based, 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.

Annual Power Production



208,861,776 kWh
 Equivalent to annual energy consumption of 69,600 households

Annual CO2 Reduction



137,848 tons
 Equivalent to annual CO2 emission of 60,000 cars

* FY22/2 Actuals

Pro-Active Environmental Certifications

By obtaining certifications such as GRESB, CASBEE, BELS, and DBJ Green Building, Ichigo is demonstrating our long-standing commitment to sustainability via initiatives that benefit investors, tenants, clients, and other stakeholders.

Ichigo Group-Wide



Ichigo & Ichigo Office (8975)
 Total 16 Assets



Ichigo Office (8975)
 3 Stars / Green Star

GRESB
 ★★★★★ 2022



Ichigo Hotel (3463)
 2 Stars / Green Star

GRESB
 ★★★★★ 2022

BELS 2 Assets
 DBJ Green Building 2 Assets



ESG Initiatives: Social



Contributing to Society

Contributing to Regional Revitalization

Ichigo works to revitalize local communities and promote regional economic development. Ichigo's model of preserving and improving existing real estate creates jobs and supports businesses, and our renewable energy power plants also support their host communities by providing new and sustainable sources of income.



◀ Miyako City Retail Asset / Miyazaki
www.miyakocity.com

THE KNOT TOKYO ▶
Shinjuku Hotel / Tokyo
<https://hotel-the-knot.jp/tokyoshinjuku/en>



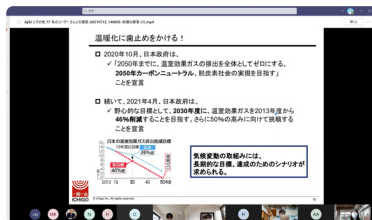
Ichigo University

Ichigo established Ichigo University in May 2013 to support employees' continuing education and personal growth.

Ichigo University courses are taught by employees and external professionals who are specialists in their fields and have deep experience.

Average Annual Number of Courses: 30

Ichigo University Classes



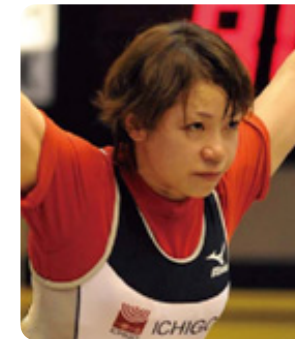
Online



In-Person

Sports Initiatives

As a top partner of the J.League professional soccer league, we support the league's mission to promote community development. Ichigo supports outstanding athletes in weightlifting, rifle shooting, and track and field.



Hiromi Miyake (Weightlifting)



Chisato Kiyoyama (Track and Field)

Ichigo Sports Site (Japanese only)
www.ichigo.gr.jp/ichigosports



Global Best Practice Governance

Early Adopter of Global Best Practice Corporate Governance Structure

All Directors on Ichigo's Board of Directors are aware of their fiduciary responsibility towards shareholders and work collaboratively and appropriately with other stakeholders to ensure sustained value creation for shareholders.

Major Initiatives

- Adopted Independent Director-led, committee based governance system in 2006
- 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 10 members of Ichigo's Board of Directors, 6 are Independent Directors Including former CEOs of TSE Prime (formerly 1st Section)

FY20/2 to Present



Masatoshi Matsuzaki
(former CEO of
Konica Minolta)



Nobuhide Nakaido
(former CEO of SCSK)

FY16/2 to FY17/2

Takashi Kawamura (former CEO of Hitachi; stepped down from Ichigo's board upon appointment as Chairman of TEPCO)

FY16/2 to May 2019

Kosuke Nishimoto (former CEO of Meitec; stepped down from Ichigo's board upon appointment as EVP of Misumi Group)

Annual Board of Directors Evaluation

Board evaluations are conducted by having each Director assess the Board along the criteria shown below, with aggregate survey results collectively reviewed by the Board.

- (1) Board Composition
- (2) Board Operation
- (3) Board Effectiveness
- (4) Board Support Resources
- (5) Engagement with Shareholders and Stakeholders
- (6) Board Operation Under Covid
- (7) SDGs and Sustainability Initiatives

Sustainability Initiatives

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



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.

TCFD (Task Force on Climate-related Financial Disclosures)

TCFD was established by the Financial Stability Board (“FSB”) in December 2015, at the request of the G20, to develop a framework on climate-related financial risk disclosures and how the financial sector can address climate change. TCFD recommends that companies disclose their climate-related risks and opportunities.

CDP

CDP is a global initiative led by a non-profit organization representing over 500 global investors that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Assessment is based on governance, risk management, business strategy, targets and performance, etc., and companies are scored from A to D-.

Ichigo's scores for 2022: A- (Climate Change Assessment), A- (Water Security Assessment)

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 across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463), by 2025

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.

Accelerated RE100 Target 15 Years From 2040 to 2025

Further Lowering Energy Impacts as a Sustainable Infrastructure Company

Ichigo RE100 Target

100% Renewable Electricity by 2025

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 net zero carbon society.

RE100

CLIMATE GROUP



CDP

A global initiative led by a non-profit organization representing over 500 global investors that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

Rich ESG Content

ICHIGO Sustainable City



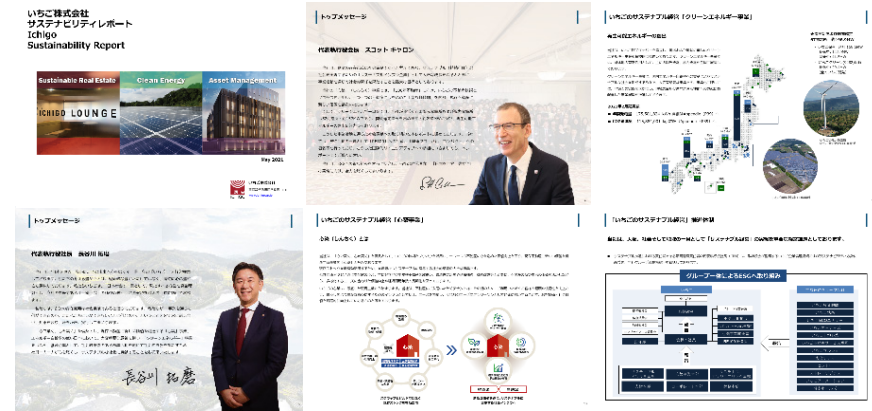
Introducing Ichigo's Vision for Society's Future

Sustainable Infrastructure	Sports
Culture	Smart Agriculture
Regional Development	ESG/SDGs



Ichigo Brand Site: ICHIGO Sustainable City
www.ichigo.gr.jp/company/brand (Japanese only)

Ichigo Sustainability Report



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

Senior Management Message	Sustainable Business Management
Sustainability Policy	ESG Initiatives
Third-Party Assessments	ESG Data



Ichigo Sustainability Report
www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_ENG.pdf



Appendix: Financial & Operational Data

Business Segments

Asset Management

Asset Management (AM) generates fee income via management of Ichigo Office (8975), Ichigo Hotel (3463), 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.

Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

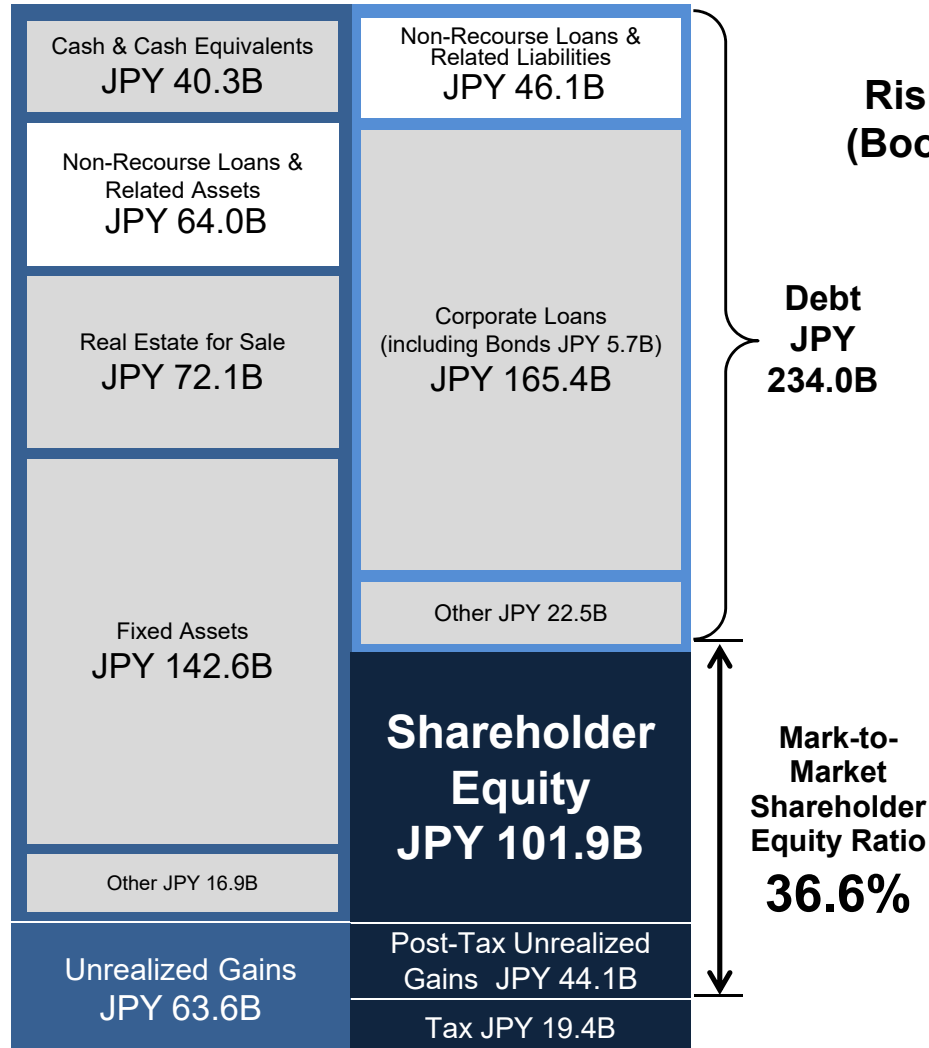
(JPY million)

Location	Book Value as of November 30, 2022 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	86,825	5,271	6.1%	119,722	+32,897
Outside Tokyo	95,135	6,400	6.7%	122,364	+27,229
Total	181,960	11,671	6.4%	242,086	+60,126

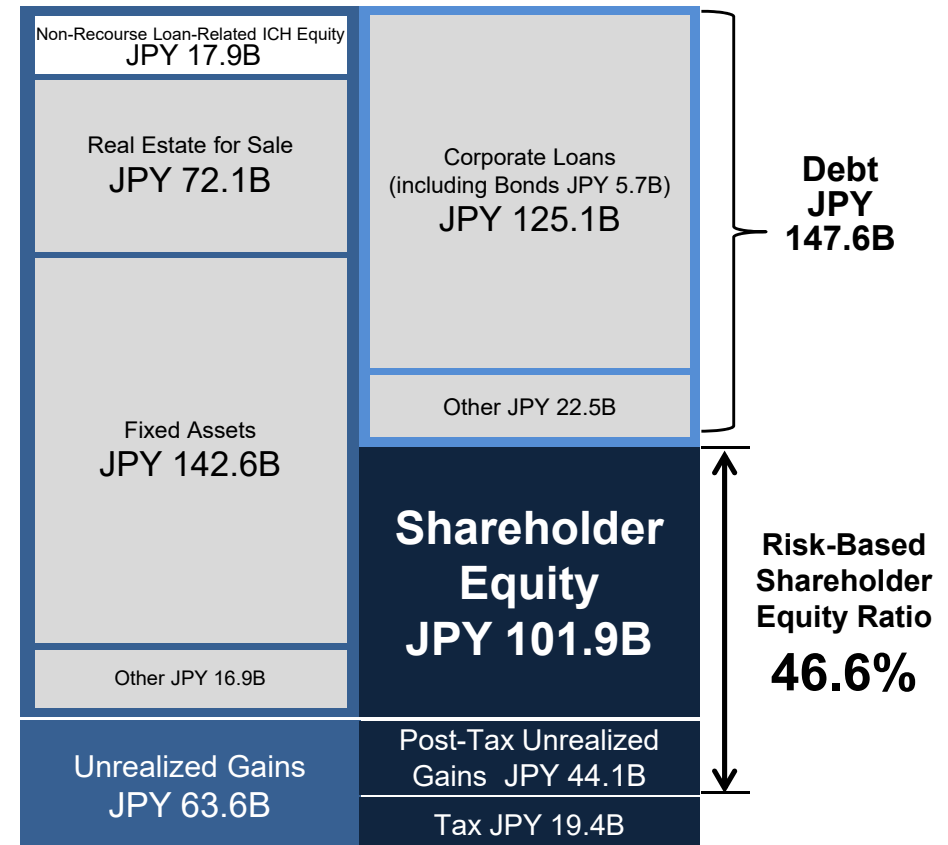
Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 59.58B)

Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 399.6B
(Book Value JPY 336.0B + Unrealized Gains JPY 63.6B)



Risk-Based Consolidated Balance Sheet: JPY 313.2B
(Book Value JPY 249.6B + Unrealized Gains JPY 63.6B)



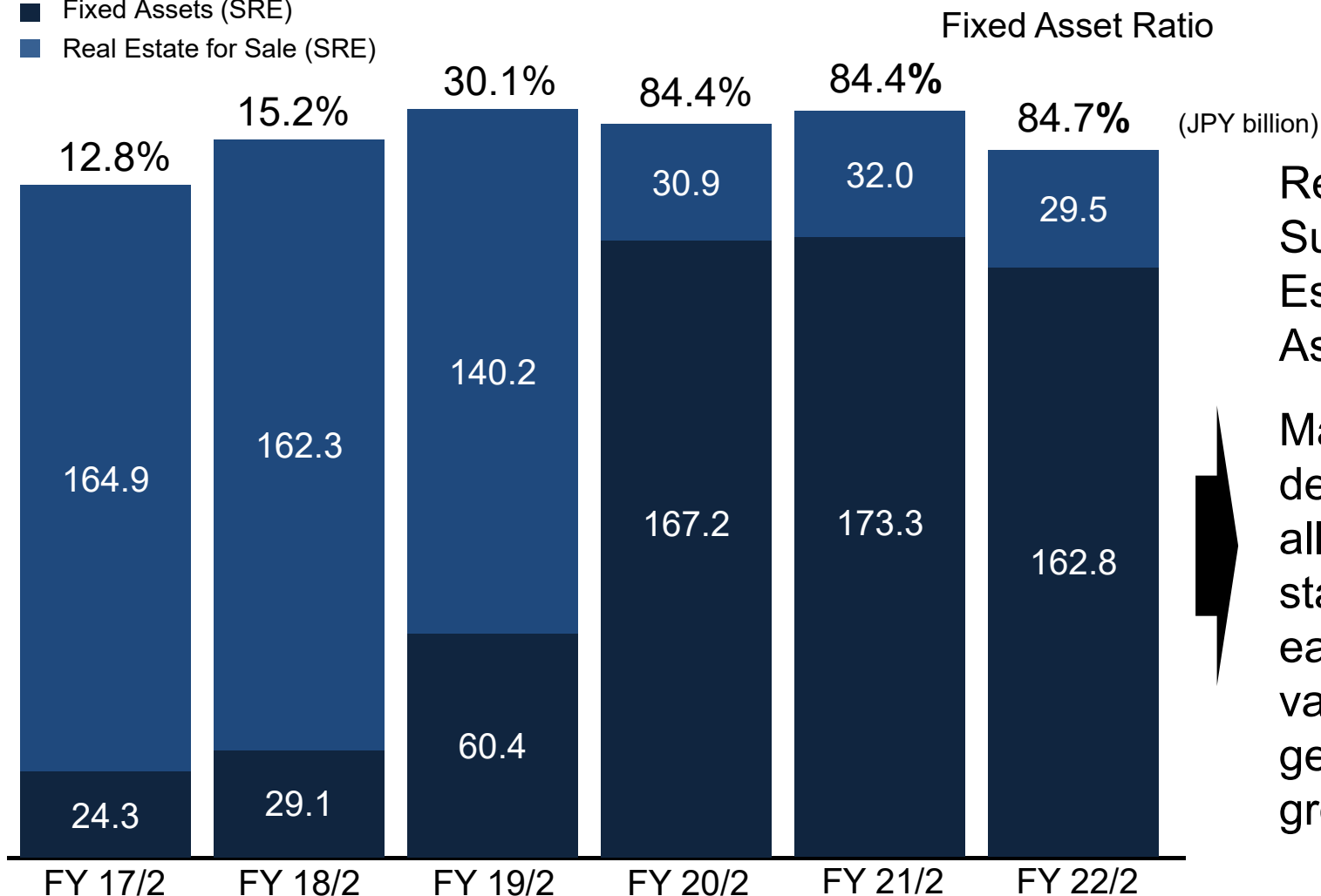
Note: Risk-Based Balance Sheet excludes client and non-recourse assets & liabilities and nets out Cash & Cash Equivalents.

Cash Flow Maximization

Maximal Use of Depreciation to Increase Cash Flow

Real Estate for Sale & Fixed Assets

- Fixed Assets (SRE)
- Real Estate for Sale (SRE)



Reclassification of Sustainable Real Estate Assets to Fixed Assets in FY20/2

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

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

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Robust Cash Flow Generation & Strong Earnings Base

Key Ichigo Strength: Robust Cash Generation to Fund Growth

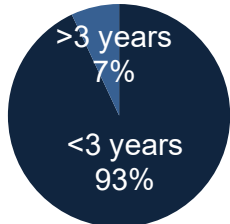
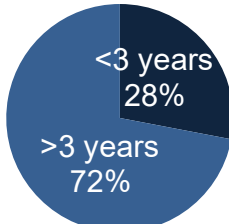
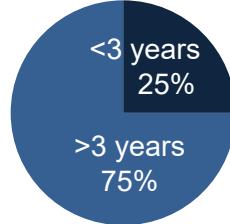
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 189%

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q3 (9M)	FY23/2 Full-Year Revised Forecast
Stock Earnings (A)	14,502	14,939	18,485	18,450	15,065	14,912	11,261	14,995
Depreciation	716	967	1,632	2,507	4,603	5,278	3,856	5,121
Flow Earnings	14,139	13,015	15,273	18,567	5,850	9,793	10,961	13,342
Cash Earnings	28,641	27,953	33,759	37,016	20,915	24,705	22,223	28,337
Fixed Expenses (B)	6,502	6,371	7,071	7,877	7,723	7,819	5,951	8,181
Stock Earnings/ Fixed Expenses (A/B)	223%	234%	261%	234%	195%	191%	189%	183%

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	FY22/2	vs. GFC
Stock Earnings/ Fixed Expenses Coverage Ratio	75%	140%	191%	<u>2.5X</u>
Loan Maturity (Weighted avg., corporate + non-recourse loans)	2.8 years	2.8 years, 5.6 years	2.8 years, 5.6 years, 10.1 years	<u>3.6X</u>
% of <3 Year Loans (corporate + non-recourse loans)	93% 	28% 	25% 	<u>-68%</u>
Interest Rate (Weighted avg., corporate loans)	2.22%	1.96%	0.89%	<u>-60%</u> (Interest Rate -1.33%)

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)	–	–	–	–	–	578	119	1,070	1,768
Sustainable Real Estate (SRE)	18,980	1,324	69	72,134	168,241	2,365	1,762	4,383	269,263
Clean Energy (CE)	3,735	–	–	–	30,449	161	–	1,561	35,907
Company-Wide Assets	24,258	–	–	–	115	91	2,089	2,561	29,116
Total	46,974	1,324	69	72,134	198,805	3,197	3,972	9,576	336,055

Expense Allocation Adjustment

New segment forecasts from FY23/2 Q1 reflect adjusted allocation of corporate expenses to subsidiaries to more accurately reflect their use of corporate resources

(JPY million)

	All-In Operating Profit			
	FY22/2 Actual	FY23/2 Revised Forecast	YOY	FY23/2 Initial Forecast Bottom of Range – Top of Range
Asset Management (AM)	1,839	2,900	+57.7%	1,100
Sustainable Real Estate (SRE)	9,318	11,500	+23.4%	9,400 – 12,300
Multi-Asset	7,224	7,900	+9.3%	6,500 – 9,400
Ichigo Owners	2,093	3,600	+71.9%	2,900
Clean Energy	2,134	1,900	-11.0%	2,200
Adjustment (including offsets of cross-segment transactions)	-25	-	-	-
Total	13,266	16,300	+22.9%	12,700 – 15,600

Consolidated P&L: Segment Breakdown

(JPY million)

Segment	All-In Gross Profit			All-In Operating Profit			
	FY22/2 Q3	FY23/2 Q3	YOY Change	FY22/2 Q3	FY23/2 Q3	YOY Change	FY23/2 Revised Forecast
Asset Management (AM)	1,547	1,492	-3.6%	1,124	1,055	-6.1%	2,900
Base AM Fees	1,547	1,492	-3.6%	—	—	—	—
Acquisition/Disposition Fees	—	—	—	—	—	—	—
Sustainable Real Estate (SRE)	5,865	14,548	+148.0%	2,120	10,729	+406.0%	11,500
Rental Income	3,531	3,586	+1.5%	1,226	2,470	+101.5%	—
Asset Sales	2,347	10,954	+366.7%	893	8,258	+823.8%	—
Other Flow Earnings	-13	7	—	—	—	—	—
Clean Energy (CE)	2,229	2,326	+4.4%	1,814	1,772	-2.4%	1,900
Adjustment (including offsets of cross-segment transactions)	—	—	—	5	-29	—	—
Total	9,642	18,366	+90.5%	5,065	13,527	+167.1%	16,300

AM & CE All-In Gross Profit = Gross Profit; SRE All-In Gross Profit = Gross Profit + SRE Fixed Asset Gains on Sales

AM & CE All-In Operating Profit = Operating Profit; SRE All-In Operating Profit = Operating Profit + SRE Fixed Asset Gains on Sales

Asset Management AUM Detail

		FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q3 (9M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 205.4B	JPY 211.0B
	Base AM Fee Gross Profit (Actual)	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 1,725M	JPY 1,140M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	JPY 50.9B	JPY 50.7B	JPY 50.8B	JPY 51.9B	JPY 51.9B	JPY 54.7B
	Base AM Fee Gross Profit (Actual)	JPY 450M	JPY 461M	JPY 381M	JPY 42M	JPY 95M	JPY 99M
Ichigo Green (9282)	AUM (Fiscal Year End)	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	JPY 77M	JPY 85M	JPY 82M	JPY 79M	JPY 77M	JPY 64M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 12.3B	JPY 20.6B	JPY 36.8B	JPY 36.8B	JPY 49.3B	JPY 49.3B
	Base AM Fee Gross Profit (Actual)	JPY 12M	JPY 41M	JPY 116M	JPY 137M	JPY 144M	JPY 150M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 271.7B	JPY 285.8B	JPY 302.4B	JPY 306.4B	JPY 318.2B	JPY 326.6B
	Base AM Fee Gross Profit (Actual)	JPY 1,914M	JPY 2,014M	JPY 2,016M	JPY 1,782M	JPY 2,042M	JPY 1,455M

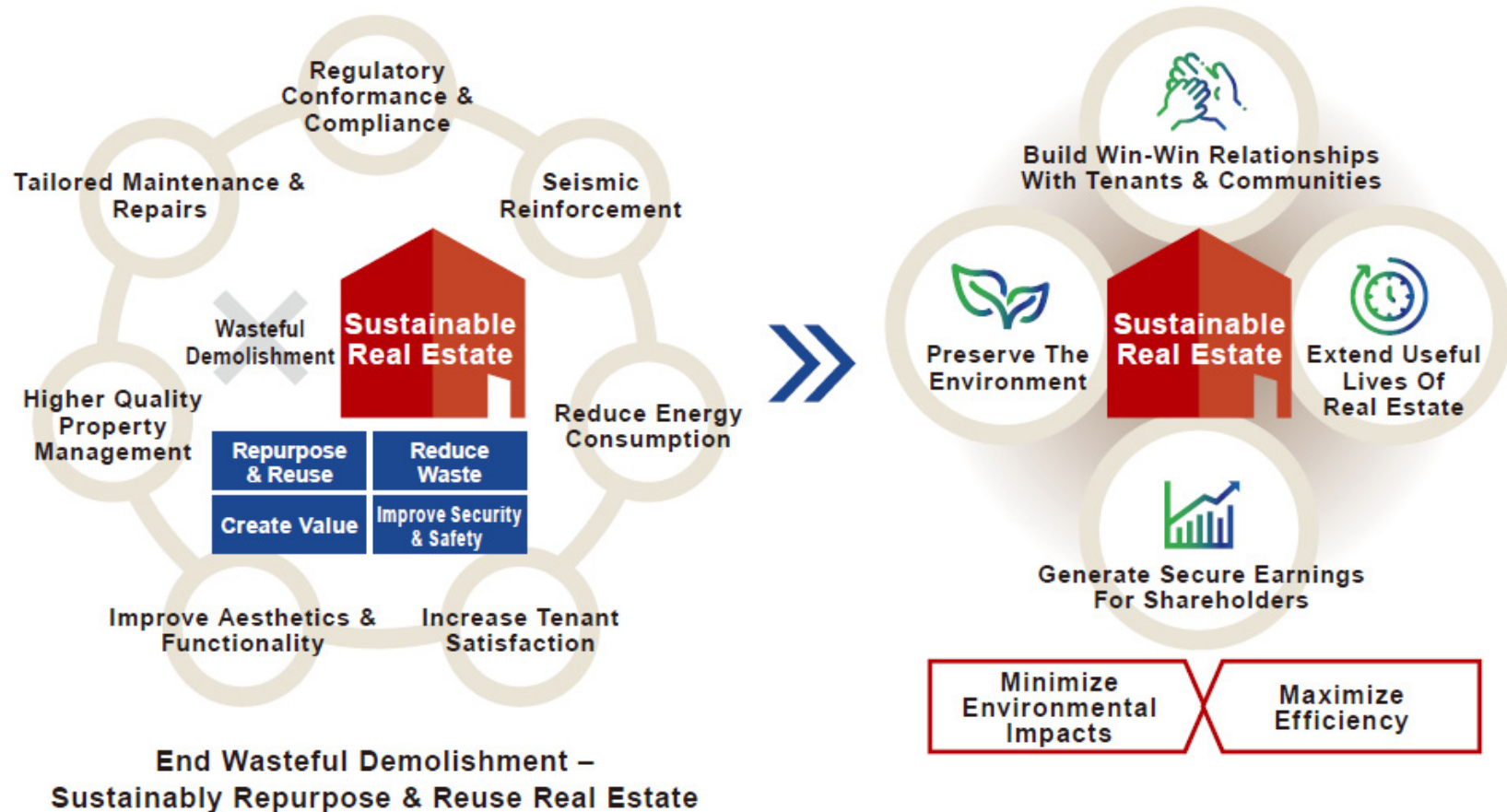
Ichigo Green Base AM Fee Gross Profit (Actual) includes operator fees.

Appendix: Sustainable Real Estate Details

Sustainable Infrastructure for a Sustainable Society

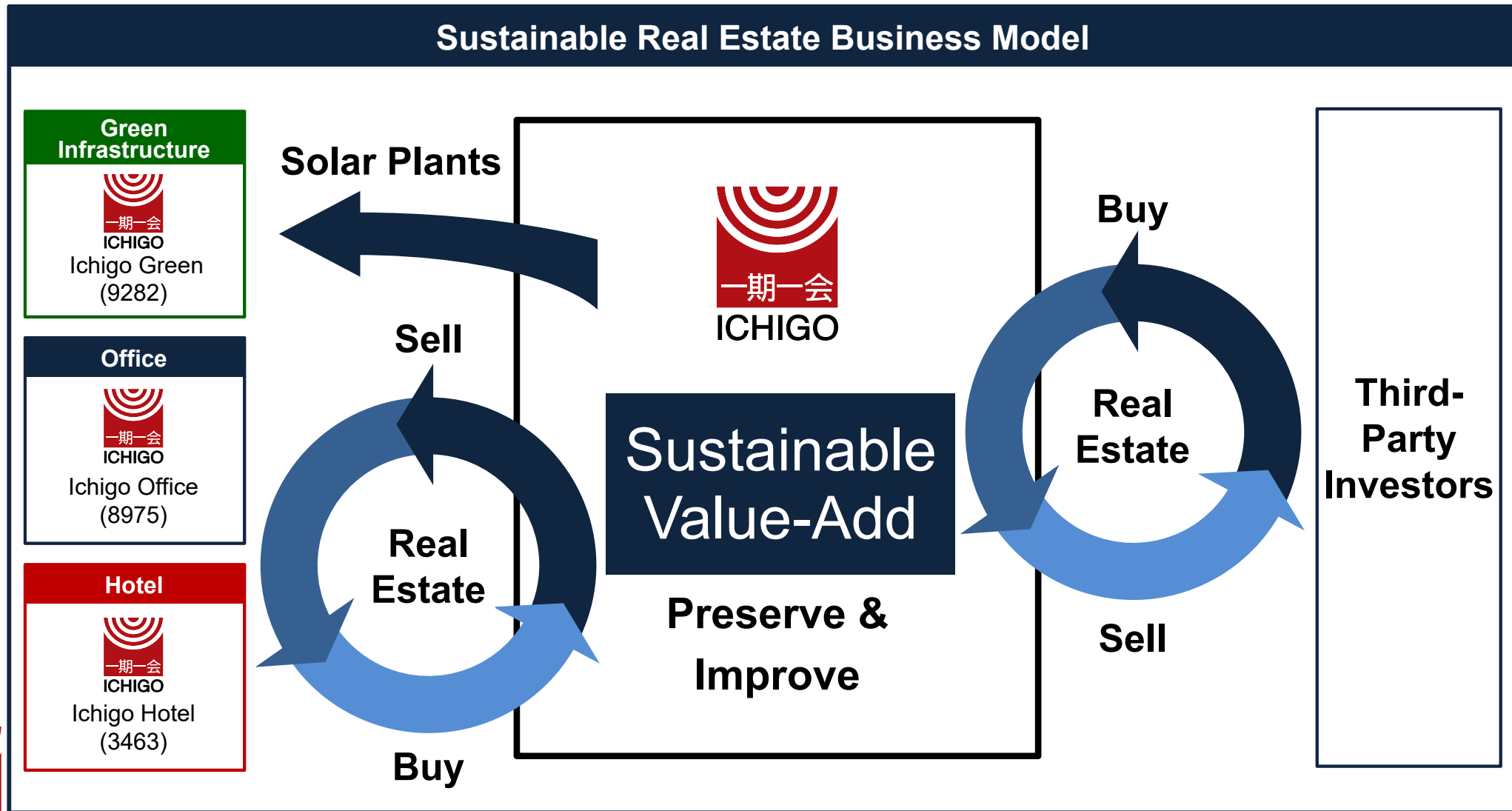
End Wasteful Demolishment and Embrace Sustainable Real Estate

- 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



Powerful Sustainable Real Estate Business Model

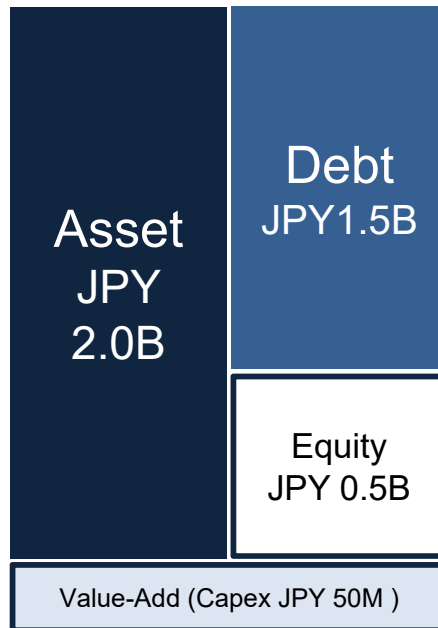
Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



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

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

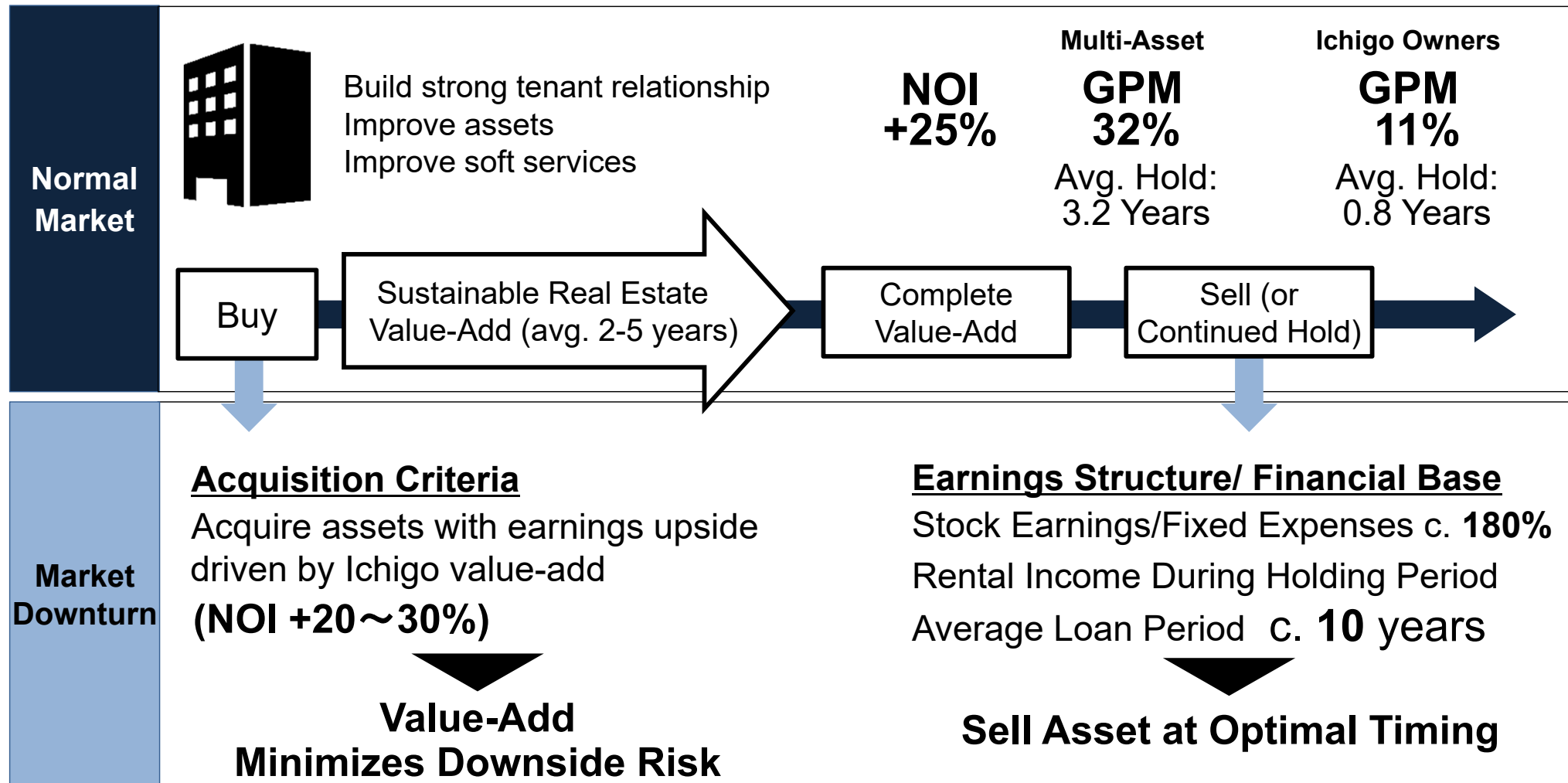
Capital Gain

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

Outcome

JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Value-Add Robust to Changes in Market Environment



Note: NOI = FY18~FY20 Actual Office, Retail, Hotel NOI at acquisition vs. NOI at sale

Multi-Asset GPM = FY18~FY20 Actual Office, Retail, Hotel (weighted average)

Ichigo Owners GPM = FY18~FY21 Actual Residential (weighted average)

Sustainable Real Estate: Gross Profit Margin (GPM)

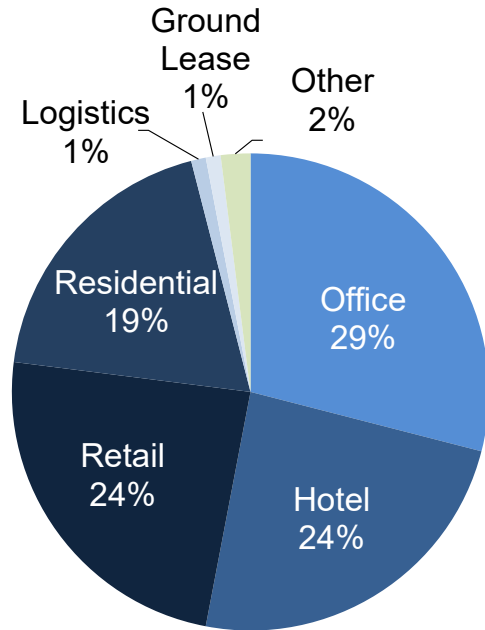
Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q3
GPM (vs. Revenue)	25.5%	28.3%	13.9%	20.6%	22.4%
GPM (vs. Book Value)	34.3%	39.5%	16.2%	26.2%	29.1%
Revenue (JPY M)	58,693	60,601	41,430	45,830	48,632
Gross Profit (JPY M)	14,986	17,158	5,762	9,421	10,883

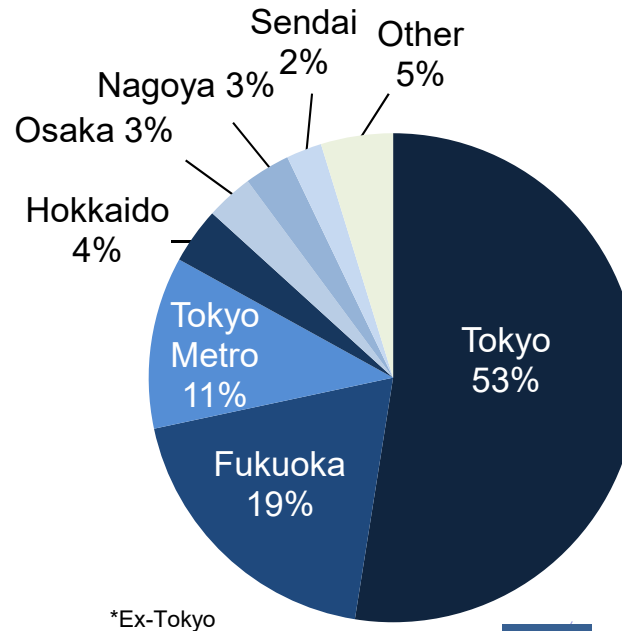
Includes Fixed Asset Gains on Sales

Ichigo-Owned Real Estate Portfolio

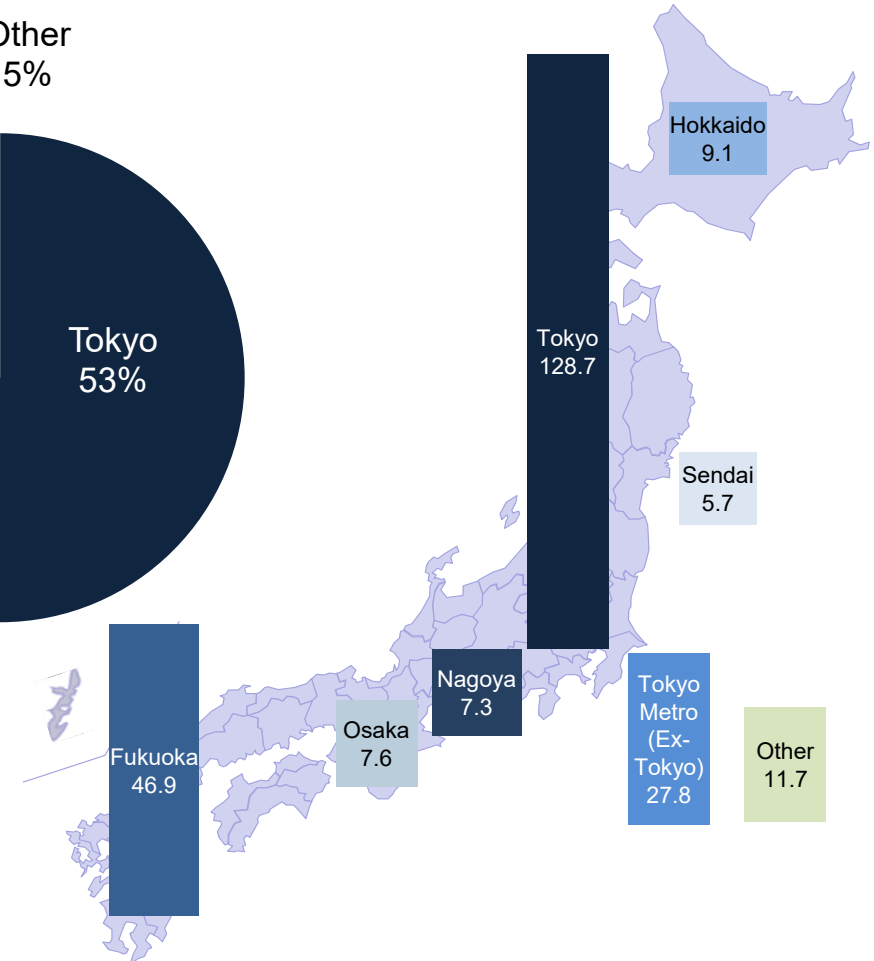
By Asset Type



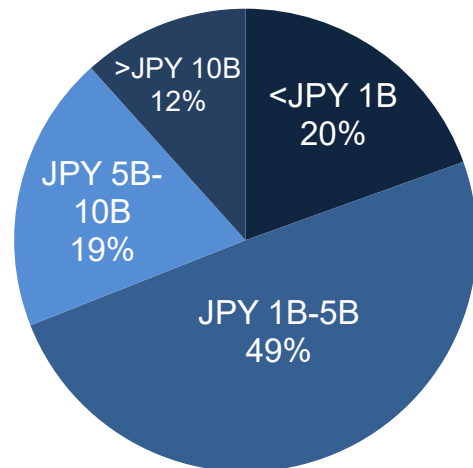
By Location



(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 245.2B
Including Ichigo-Managed AUM: JPY 571.9B

* Acquisition price basis

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

Total Ichigo-Owned Assets Book Value: JPY 239.5B



Sustainable Real Estate Asset Breakdown (1)

170 Assets, JPY 239.5B, Annual NOI JPY 11.6B (6.4% Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple ²	Forecast IRR ³
1	Retail	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	50 years	–	JPY 1,900M	–	–
2	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2005/10	53 years	JPY 136M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2006/03	37 years	JPY 165M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	17 years	JPY 60M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	>JPY 3B	2006/10	14 years	JPY 240M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	>JPY 3B	2006/12	14 years	JPY 350M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	43 years	JPY 85M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	41 years	JPY 125M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 2B-3B	2011/06	–	JPY 172M	JPY 147M	–	–
15	Retail	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	27 years	JPY 75M	JPY 172M	–	–
16	Retail	Fixed Asset	Yokohama	<JPY 1B	2012/10	9 years	JPY 34M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	>JPY 3B	2013/03	11 years	JPY 243M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	36 years	JPY 57M	JPY 154M	–	–
19	Retail	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	37 years	JPY 136M	JPY 310M	–	–
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	15 years	JPY 74M	JPY 92M	–	–

Note: Annual NOI & Yield excludes Ichigo Owners, Centro, and self-storage assets.

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

² 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.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

Sustainable Real Estate Asset Breakdown (2)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple ²	Forecast IRR ³
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	–	JPY 113M	JPY 273M	–	–
30	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2014/03	38 years	JPY 51M	JPY 108M	–	–
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	16 years	JPY 58M	JPY 279M	–	–
35	Office	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2014/05	13 years	JPY 144M	JPY 434M	–	–
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	50 years	JPY 47M	JPY 77M	–	–
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	18 years	JPY 50M	JPY 213M	–	–
40	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/09	37 years	JPY 49M	JPY 252M	–	–
41	Hotel	Fixed Asset	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	35 years	JPY 143M	JPY 400M	–	–
42	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/09	22 years	JPY 59M	JPY 177M	–	–
43	Retail	Fixed Asset	Osaka	JPY 1B-2B	2014/09	20 years	JPY 114M	JPY 301M	–	–
57	Residential	Fixed Asset	Minato-ku, Tokyo	JPY 1B-2B	2014/12	18 years	JPY 56M	JPY 186M	–	–
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	18 years	JPY 41M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	16 years	JPY 85M	JPY 129M	–	–
64	Retail	Fixed Asset	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	–	JPY 180M	–	–	–
66	Retail	Fixed Asset	Sendai	<JPY 1B	2015/02	18 years	JPY 65M	JPY 8M	–	–

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

² 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.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

Sustainable Real Estate Asset Breakdown (3)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple ²	Forecast IRR ³
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	21 years	JPY 48M	JPY 79M	–	–
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	20 years	JPY 174M	JPY 633M	–	–
71	Retail	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	7 years	JPY 100M	JPY 126M	–	–
110	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/03	37 years	JPY 273M	JPY 905M	–	–
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	38 years	JPY 207M	JPY 228M	–	–
112	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	35 years	JPY 319M	JPY 354M	–	–
114	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/04	32 years	JPY 182M	JPY 550M	–	–
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	34 years	JPY 63M	JPY 86M	–	–
118	Retail	Fixed Asset	Nagoya	JPY 1B-2B	2016/06	25 years	JPY 83M	JPY 102M	–	–
119	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2016/06	35 years	JPY 42M	JPY 136M	–	–
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	>JPY 3B	2016/09	43 years	JPY 554M	JPY 349M	–	–
121	Office	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2016/10	21 years	JPY 1,540M	JPY 3,450M	–	–
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	24 years	JPY 78M	JPY 73M	–	–
138	Hotel	Fixed Asset	Ogaki, Gifu	JPY 1B-2B	2017/05	33 years	JPY 116M	–	–	–

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

² 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.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

Sustainable Real Estate Asset Breakdown (4)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple ²	Forecast IRR ³
145	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2018/03	4 years	JPY 194M	JPY 301M	–	–
147	Hotel	Fixed Asset	Kyoto	>JPY 3B	2018/08	4 years	JPY 327M	JPY 1,666M	–	–
149	Retail	Fixed Asset	Chiyoda-ku, Tokyo	>JPY 3B	2018/09	32 years	JPY 308M	JPY 2,269M	–	–
151	Office	Fixed Asset	Fukuoka	<JPY 1B	2018/10	24 years	JPY 36M	JPY 38M	–	–
155	Office	Fixed Asset	Shinagawa-ku, Tokyo	JPY 2B-3B	2019/03	37 years	JPY 169M	JPY 616M	–	–
157	Office	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2019/04	39 years	JPY 52M	–	–	–
159	Retail	Fixed Asset	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	43 years	JPY 123M	JPY 210M	–	–
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	28 years	JPY 354M	JPY 1,636M	–	–
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	24 years	JPY 353M	JPY 1,170M	–	–
164	Hotel	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2020/03	14 years	JPY 61M	JPY 62M	–	–
165	Hotel	Fixed Asset	Sapporo	>JPY 3B	2020/03	2 year	JPY 268M	JPY 700M	–	–
167	Hotel	Fixed Asset	Hiroshima	>JPY 3B	2020/08	2 year	JPY 306M	–	–	–
171	Office	Fixed Asset	Taito-ku, Tokyo	<JPY 1B	2022/02	43 years	JPY 71M	JPY 38M	–	–
172	Office	Fixed Asset	Sapporo, Hokaido	>JPY 3B	2022/04	–	JPY 624M	JPY 3,349M	–	–
175	Office	Fixed Asset	Utsunomiya, Tochigi	JPY 2B-3B	2022/09	15 years	JPY 203M	JPY 217M	–	–
59 Fixed Assets				JPY 163,845M			JPY 10,436M	JPY 32,079M	–	–
				JPY 158,201M (Book Value)						

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

² 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.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

Sustainable Real Estate Asset Breakdown (5)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple ²	Forecast IRR ³
61	Retail	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	59 years	JPY 120M	JPY 57M	15.26X	51.7%
89	Office	Real Estate for Sale	Musashino, Tokyo	>JPY 3B	2015/07	33 years	JPY 134M	JPY 670M	1.72X	13.3%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	38 years	JPY 105M	JPY 223M	3.78X	19.9%
153	Hotel	Real Estate for Sale	Fukuoka	JPY 1B-2B	2019/02	29 years	JPY 110M	–	5.00X	20.3%
156	Logistics	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/03	34 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	25 years	JPY 481M	JPY 1,146M	3.47X	17.0%
166	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2020/03	17 years	JPY 39M	JPY 83M	3.23X	13.5%
168	Office	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2020/11	32 years	JPY 105M	–	3.17X	53.6%
169	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/10	37 years	JPY 54M	JPY 109M	2.70X	170.5%
170	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/11	13 years	JPY 64M	JPY 270M	1.68X	23.9%
173	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2022/05	14 years	JPY 74M	JPY 121M	5.02x	74.2%
174	Office	Real Estate for Sale	Meguro-ku, Tokyo	JPY 2B-3B	2022/08	33 years	JPY 106M	JPY 344M	3.25x	41.2%
176	Office	Real Estate for Sale	Fukuoka	<JPY 1B	2022/09	17 years	JPY 42M	JPY 65M	3.85x	36.7%
Operational Loan + 12 Real Estate For Sale				JPY 25,830M			JPY 1,583M	JPY 3,738M	3.26X	43.5%
				JPY 27,254M (Book Value)						
Subtotal 72 Assets				JPY 189,675M			JPY 12,020M	JPY 35,818M	–	–
				JPY 185,456M (Book Value)						

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

² 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.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

Sustainable Real Estate Asset Breakdown (6)

No.	Asset Type		Acquisition Price	vs. FY22/2 Q4	Expected NOI/Year ¹	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR
A	Ichigo Owners (Residential)	39 Assets	JPY 41,547M	+JPY 7,122M	JPY 1,648M	JPY 11,863M	–	–
B	Ichigo Owners (Other)	4 Assets	JPY 3,111M	-JPY 196M	JPY 204M	JPY 1,266M	–	–
C	Centro (Primarily Office & Residential)	19 Assets	JPY 6,597M	-JPY 1,478M	JPY 479M	JPY 1,620M	–	–
D	Self-Storage	36 Assets	JPY 4,295M	–	JPY 433M	JPY 896M	–	–
		Total 170 Assets	JPY 245,227M		JPY 14,785M	JPY 51,465M	–	–
			JPY 239,550M (Book Value)					
Assets acquired in FY23/2 Q1 (3M)		Total 10 Assets	JPY 11,678M		JPY 970M	JPY 6,052M	–	–
Assets acquired in FY23/2 Q2 (3M)		Total 9 Assets	JPY 8,706M		JPY 353M	JPY 2,425M	–	–
Assets acquired in FY23/2 Q3 (3M)		Total 13 Assets	JPY 16,984M		JPY 770M	JPY 3,712M	–	–
Assets acquired in FY23/2 Q3 (9M)		Total 32 Assets	JPY 37,370M		JPY 2,094M	JPY 12,190M	–	–
Assets acquired and sold in FY23/2*		–	–		–	–	–	–

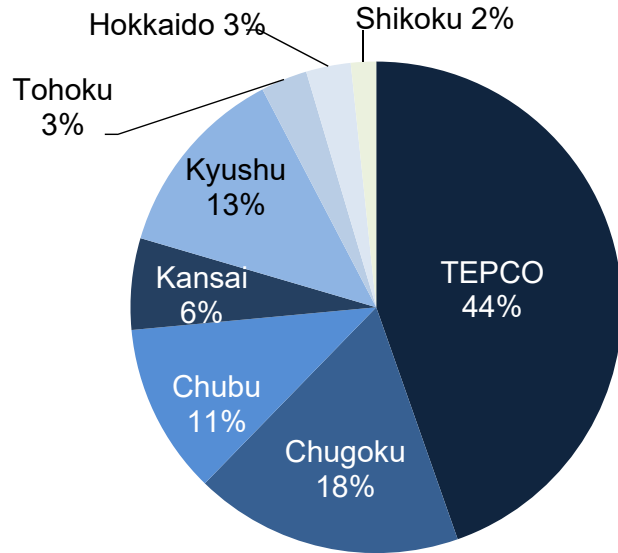
¹ Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

Appendix: Clean Energy Details

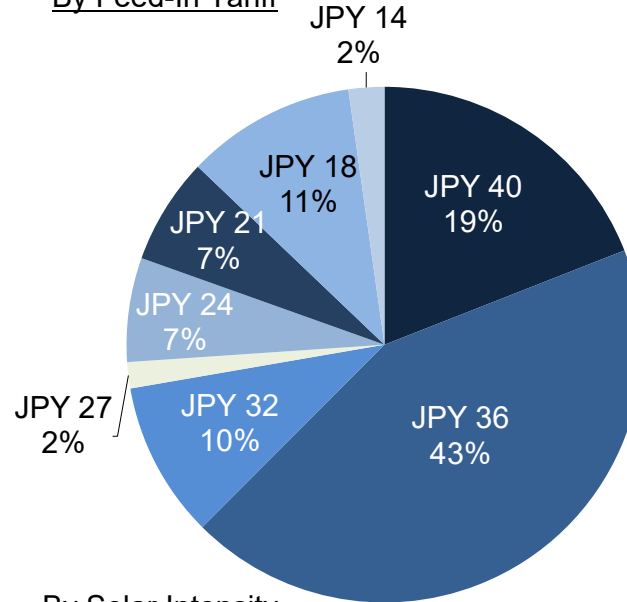
Ichigo Solar Power Plant Portfolio

Total Operating and In-Pipeline Ichigo-Owned Solar Power Plants: 48 Plants (151.4MW)

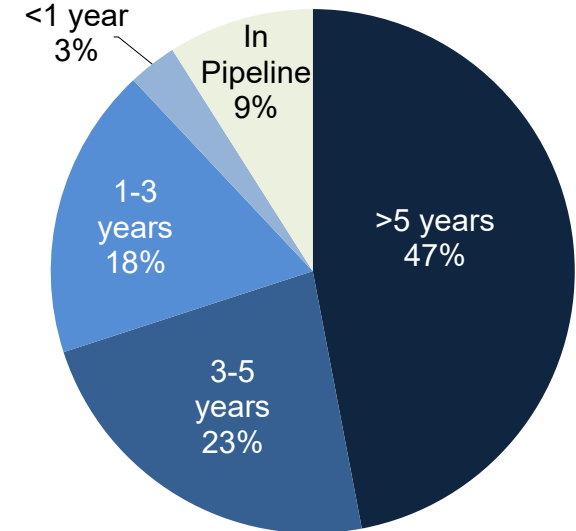
By Customer (Electric Power Utility Co)



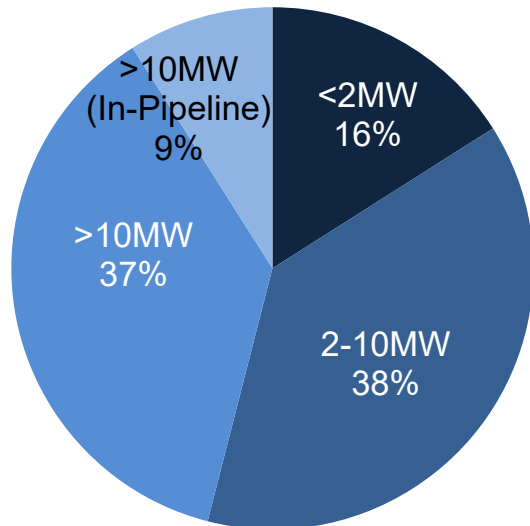
By Feed-In Tariff



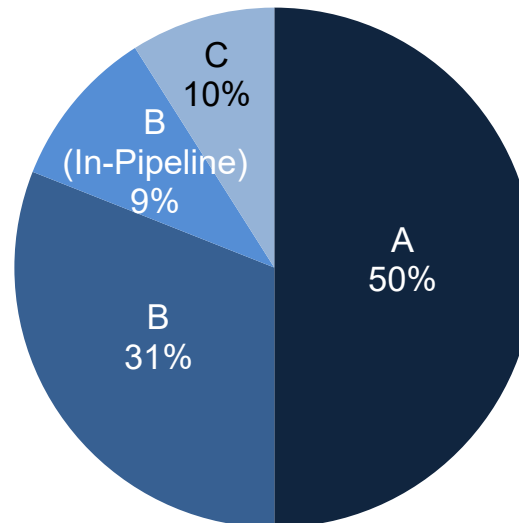
By Years in Operation



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	67.4	14-40	—	—
Chugoku	26.6	18-40	—	—
Kyushu	5.3	32-40	13.9	40
Chubu	16.9	14-36	—	—
Kansai	9.3	18-32	—	—
Tohoku	4.6	36	—	—
Hokkaido	4.4	40	—	—
Shikoku	2.5	40	—	—
Total	137.4		13.9	

Solar Intensity Rank
 A: ≥ 4.00 B: $\geq 3.75, < 4.00$ C: $\geq 3.50, < 3.75$ D: < 3.50
 Unit: kWh/m² per day



Ichigo Solar Power Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	2013/08
2	Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	2014/03
3	Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	2014/04
4	Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	2014/04
5	Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	2014/04
6	Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	2014/10
7	Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	2014/10
8	Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	2015/01
9	Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	2015/03
10	Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	2015/12
11	Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	2016/01
12	Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	2016/03
13	Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	2016/06
14	Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	2016/07
15	Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	2016/07
16	Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	2016/10
17	Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	2017/02
18	Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	2017/08
19	Ichigo Showamura Ogose	Kanto	43.34	JPY 36	2017/09
20	Ichigo Memuro Nishi-Shikari	Hokkaido	1.32	JPY 40	2018/02
21	Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	JPY 36	2018/03
22	Ichigo Tsu	Chubu	2.94	JPY 24	2018/03
23	Ichigo Kasaoka Iwanoike	Chugoku	2.64	JPY 24	2018/03
24	Ichigo Toki Tsurusatocho Kakino	Chubu	1.31	JPY 24	2018/04
25	Ichigo Itoshima Iwara	Kyushu	1.48	JPY 36	2019/01
26	Ichigo Sakahogi Fukagaya	Chubu	2.89	JPY 21	2019/05
27	Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	2019/07
28	Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	2020/01
29	Ichigo Takashima Kutsuki	Kansai	3.74	JPY 32	2020/01
30	Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.67	JPY 21	2020/02

Ichigo Solar Power Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
31	Ichigo Hitachiomiya	Kanto	2.99	JPY 24	2020/03
32	Ichigo Hokota Aoyagi	Kanto	2.48	JPY 27	2020/04
33	Ichigo Kasaoka Osakaike	Chugoku	2.66	JPY 21	2020/04
34	Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.29	JPY 18	2020/09
35	Ichigo Seto Jokojicho	Chubu	1.45	JPY 18	2020/10
36	Ichigo Toride Shimotakai Nishi	Kanto	2.84	JPY 18	2021/01
37	Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	2021/09
38	Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	2021/10
39	Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	2021/11
40	Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	2021/11
41	Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	2021/11
42	Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	2021/12
43	Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	2021/12
44	Ichigo Kobe Pompuike	Kansai	2.73	JPY 18	2022/01
45	Ichigo Obu Yoshidamachi	Chubu	1.00	JPY 18	2022/03
46	Ichigo Sera Shimozuta	Chugoku	2.93	JPY 18	2022/03
47	Ichigo Ueda Yoshidaike	Chubu	1.16	JPY 18	2022/11
Total (Operating)		47 Plants	137.4MW		

In-Pipeline

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
48	Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	2024/01
Total (Operating)		1 Plant	13.9MW		
Total (Operating & In-Pipeline)		48 Plants	151.4MW		

Ichigo Wind Power Plant Portfolio

Operating

No.	Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	2021/03
Total (Operating)		1 Plant	7.3MW		

In-Pipeline

No.	Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
2	Ichigo Takashinoyama	Tohoku	6.99	JPY 21	TBD
Total (In-Pipeline)		1 Plant	6.9MW		
Total (Operating & In-Pipeline)		2 Plants	14.3MW		

Ichigo Solar & Wind Power Plant (Operating/In-Pipeline) Total: 50 Plants 165.8MW

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 ¹	-

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 ²	-

¹ 2017, 2018 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020, 2021, 2022 FIT for >0.25MW non-residential solar power production

² 2021 FIT for >0.25MW wind power generation
2022 FIT for >0.05MW wind power generation

Ichigo Green (9282) Solar Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	2013/09
2	Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	2014/02
3	Ichigo Muroran Hatchodaira	Hokkaido	1.24	JPY 40	2014/03
4	Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	2014/03
5	Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	2014/04
6	Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	2014/11
7	Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	2014/12
8	Ichigo Toyokoro	Hokkaido	1.02	JPY 40	2014/12
9	Ichigo Nago Futami	Okinawa	8.44	JPY 40	2015/02
10	Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	2015/02
11	Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	2015/06
12	Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 36	2015/07
13	Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	2015/09
14	Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	2015/12
15	Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	2016/04
Total (Operating)		15 Plants	29.4MW		

Ichigo & Ichigo Green Power Plant (Operating/In-Pipeline) Total: **195.2MW**

Solar Power Plants: 151.4MW

Wind Power Plants: 14.3MW

Ichigo Green Plants: 29.4MW

Green Biomass Entry

Fully Local Green Biomass as Ichigo's 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"> ▪ Lots of potential plant site candidates, able to make effective use of idle land 	Yes
Wind Power	<ul style="list-style-type: none"> ▪ Night time power production capability 	Yes
Biomass	<ul style="list-style-type: none"> ▪ 24-hour power generation capacity regardless of weather conditions ▪ Able to control power generation ▪ Requires stable supply of biomass energy sources 	No

Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

Purposeful Use of Japan's Abundant Forest Resources

- Japan's forest ratio is 67% (3rd highest amongst OECD countries), 8th largest cultivated forest area in the world
- Productive use of unused domestic wood materials as biomass energy source

Appendix: Financial Statements

Consolidated Balance Sheet: Assets

(JPY million)

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 H1	FY23/2 Q3	vs. FY23/2 H1
Assets							
Current Assets							
Cash and cash equivalents	50,225	41,067	50,832	46,458	41,780	46,974	+5,194
Trade notes and accounts receivable	1,344	2,308	1,382	1,819	1,659	1,980	+321
Operational loan investments	1,324	1,324	1,324	1,324	1,324	1,324	–
Operational securities investments	1,218	902	590	2,547	1,264	69	-1,195
Real estate for sale	161,322	68,290	64,109	68,666	75,911	72,134	-3,777
Other	2,156	3,721	2,698	2,613	2,672	3,074	+402
Less: allowance for doubtful accounts	-2	-6	-167	-633	-49	-49	–
Total Current Assets	217,590	117,608	120,771	122,798	124,563	125,508	+945
Fixed Assets							
Property, Plant, and Equipment							
Buildings and structures (net)	20,338	55,050	60,673	56,208	54,820	54,075	-745
Solar and wind power plants (net)	19,058	23,425	24,191	27,953	27,516	27,268	-248
Land	49,924	122,114	122,592	116,079	119,078	113,859	-5,219
Other (net)	5,655	5,607	6,935	3,796	3,947	3,601	-346
Total Property, Plant, and Equipment	94,976	206,198	214,392	204,038	205,363	198,805	-6,558
Intangible Assets							
Goodwill	1,346	1,090	968	1,580	1,492	1,447	-45
Leasehold rights	316	687	1,272	1,365	1,365	1,365	–
Other	331	705	1,797	605	469	383	-86
Total Intangible Assets	1,993	2,482	4,038	3,551	3,327	3,197	-130
Investments and Other Assets							
Securities investments	2,455	4,321	5,147	3,463	3,919	3,972	+53
Long-term loans receivable	10	510	10	270	255	247	-8
Deferred tax assets	177	568	605	883	794	746	-48
Other	2,231	2,128	2,202	3,013	3,203	3,593	+390
Less: allowance for doubtful accounts	-91	-91	-91	-131	-16	-16	–
Total Investments and Other Assets	4,782	7,436	7,874	7,498	8,155	8,543	+388
Total Fixed Assets	101,752	216,118	226,305	215,089	216,846	210,546	-6,300
Total Assets	319,343	333,726	347,076	337,887	341,410	336,055	-5,355

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 H1	FY23/2 Q3	vs. FY23/2 H1
Liabilities							
Current Liabilities							
Short-term loans	3,275	3,086	4,879	2,382	2,887	1,925	-962
Bonds (due within one year)	112	274	274	274	290	360	+70
Long-term loans (due within one year)	7,881	12,277	9,751	9,888	9,156	9,079	-77
Long-term non-recourse loans (due within one year)	1,666	1,178	1,358	1,375	4,237	4,238	+1
Income taxes payable	3,760	2,416	573	1,888	903	1,449	+546
Accrued bonuses	31	33	9	39	166	327	+161
Other current liabilities	5,178	5,013	5,527	5,012	3,016	3,198	+182
Total Current Liabilities	21,905	24,280	22,374	20,861	20,658	20,578	-80
Long-Term Liabilities							
Bonds	538	6,082	5,878	5,603	5,450	5,339	-111
Long-term loans	131,569	151,483	156,890	150,389	156,268	148,737	-7,531
Long-term non-recourse loans	51,068	39,156	40,974	39,489	38,839	38,716	-123
Deferred tax liabilities	2,164	1,890	1,868	1,795	1,640	1,639	-1
Long-term security deposits received	8,292	8,118	7,795	6,749	6,788	6,974	+186
Other long-term liabilities	946	1,107	1,039	805	645	536	-109
Total Long-Term Liabilities	194,579	207,838	214,446	204,833	209,633	201,942	-7,691
Total Liabilities	216,484	232,119	236,820	225,695	230,292	222,521	-7,771
Net Assets							
Shareholders' Equity							
Capital	26,820	26,885	26,888	26,888	26,888	26,888	-
Capital reserve	11,207	11,272	11,275	11,268	11,268	11,266	-2
Retained earnings	66,730	71,505	73,160	76,310	76,466	81,507	+5,041
Treasury shares	-5,988	-8,988	-11,988	-13,423	-15,091	-17,914	-2,823
Total Shareholders' Equity	98,769	100,674	99,335	101,043	99,531	101,747	+2,216
Accumulated Other Comprehensive Income							
Valuation gains (losses) on other securities	386	158	90	25	278	329	+51
Deferred gains (losses) on long-term interest rate hedges	-408	-397	-375	-254	-196	-109	+87
Total Accumulated Other Comprehensive Income	-21	-239	-285	-228	81	219	+138
Stock Options	827	988	1,007	961	983	993	+10
Minority Interests	3,283	184	10,197	10,415	10,520	10,574	+54
Total Net Assets	102,859	101,607	110,255	112,191	111,117	113,534	+2,417
Total Liabilities and Net Assets	319,343	333,726	347,076	337,887	341,410	336,055	-5,355

Consolidated P&L

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q3 (9M)	FY22/2 Q3 (9M)	Change (YOY)	FY23/2 Revised Full-Year Forecast	vs. Forecast
Revenue	83,540	87,360	61,368	56,934	52,797	29,386	+23,411	-	-
Cost of Goods Sold	51,413	52,851	45,776	40,757	38,847	19,773	+19,074	-	-
Gross Profit	32,126	34,509	15,591	16,177	13,950	9,613	+4,337	-	-
SG&A	5,847	6,787	5,923	6,159	4,839	4,576	+263	-	-
Operating Profit	26,279	27,721	9,668	10,018	9,111	5,036	+4,075	11,900	76.6%
Non-Operating Income									
Interest income	3	8	17	29	34	17	+17	-	-
Dividend income	68	78	78	30	36	27	+9	-	-
Mark-to-market gains on long-term interest rate hedges	5	-	243	98	642	51	+591	-	-
Other	70	62	78	202	82	121	-39	-	-
Total Non-Operating Income	147	150	417	361	796	218	+578	-	-
Non-Operating Expenses									
Interest expense	2,328	2,293	2,338	2,341	1,629	1,772	-143	-	-
Mark-to-market losses on long-term interest rate hedges	491	336	29	53	-	192	-192	-	-
Debt financing-related fees	327	538	279	157	97	40	+57	-	-
Other	203	307	258	355	180	218	-38	-	-
Total Non-Operating Expenses	3,350	3,476	2,906	2,908	1,907	2,224	-317	-	-
Recurring Profit	23,076	24,395	7,179	7,471	8,000	3,030	+4,970	10,000	80.0%
Extraordinary Gains									
Gains on sales of fixed assets	-	-	720	3,248	4,416	33	+4,383	-	-
Gains on sales of securities investments	2	11	-	15	-	-	-	-	-
Gains on sales of subsidiary shares	-	169	-	-	-	-	-	-	-
Other	-	35	-	120	-	-	-	-	-
Total Extraordinary Gains	2	215	720	3,383	4,416	33	+4,383	-	-
Extraordinary Losses									
Loss on disposal of fixed assets	-	27	-	5	-	4	-4	-	-
Valuation losses on securities investments	-	229	114	43	-	-	-	-	-
Impairment loss	-	319	27	716	-	-	-	-	-
Covid writedown of real estate for sale	-	7,487	-	-	-	-	-	-	-
Other	-	-	146	493	-	3	-3	-	-
Total Extraordinary Losses	-	8,065	288	1,259	-	7	-7	-	-
Pre-Tax Income	23,079	16,545	7,610	9,595	12,416	3,055	+9,361	-	-
Total Income Taxes	7,333	7,406	2,564	2,901	3,781	920	+2,861	-	-
Pre-Minority Interest Net Income	15,746	9,139	5,046	6,694	8,634	2,135	+6,499	-	-
Net Income Attributable to Minority Interests	373	938	18	220	164	166	-2	-	-
Net Income	15,373	8,201	5,027	6,473	8,470	1,969	+6,501	9,000	94.1%

Consolidated Cash Flows: Operations

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q3 (9M)
Cash Flows from Operations					
Pre-tax income	23,079	16,545	7,610	9,595	12,416
Depreciation	1,696	2,630	4,797	5,644	4,002
Share-based compensation expenses	213	194	21	73	—
Amortization of goodwill	254	174	121	149	133
Increase (decrease) in accrued bonuses	-3	2	-24	29	288
Increase (decrease) in allowance for doubtful accounts	-26	4	161	505	—
Interest and dividend income	-71	-86	-96	-60	-71
Interest expense	2,328	2,293	2,338	2,341	1,629
Losses (gains) on sales of subsidiary shares	—	-169	—	—	—
Losses (gains) on sales of securities investments	-2	-11	—	-15	—
Losses (gains) on disposal of fixed assets	—	—	—	5	—
Losses (gains) on sales of fixed assets	—	—	-720	-3,248	-4,416
Impairment loss	—	319	27	716	—
Valuation losses on securities investments	—	229	114	43	—
Decrease (increase) in trading notes and receivables	-247	-903	925	-437	-160
Decrease (increase) in operational securities investments	3,509	11,682	343	1,279	3,155
Decrease (increase) in real estate for sale	-3,163	-17,447	5,342	-3,873	-3,468
Covid writedown of real estate for sale	—	7,487	—	—	—
Valuation losses on SPC capital contributions	—	—	4	2	—
Decrease (increase) in advances paid	-333	16	61	-60	-35
Decrease (increase) in accounts receivable	-399	29	16	-74	-33
Increase (decrease) in accounts payable	-332	201	-437	-113	-546
Increase (decrease) in accrued expenses	25	-36	94	25	-42
Increase (decrease) in advances received	269	-285	-57	795	-969
Increase (decrease) in security deposits received	-264	-169	-323	-1,045	224
Other	1,887	600	1,550	-877	16
Sub-Total	28,420	23,304	21,870	11,403	12,123
Interest and dividend income received	71	86	96	60	71
Interest expenses paid	-2,118	-2,068	-2,119	-2,174	-1,500
Income taxes paid and refunded	-4,610	-9,430	-4,384	-1,350	-5,652
Net Cash from (Used for) Operations	21,762	11,892	15,463	7,939	5,041

Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q3 (9M)
Cash Flows from Investments					
Payments into time deposits	-118	-113	-7	-7	-1
Proceeds from withdrawal from time deposits	1,060	5,033	-	30	23
Payments for securities investments	-539	-2,361	-547	-606	-256
Proceeds from sales of securities investments	32	111	10	569	-
Acquisitions of property, plant, and equipment	-15,440	-11,244	-16,447	-5,798	-8,158
Proceeds from sale of property, plant, and equipment	-	-	2,850	12,757	14,065
Acquisitions of intangible assets	-425	-562	-1,468	-195	-21
Payments of SPC capital contributions	-6	-2	-3	-4	-6
Redemptions of SPC capital contributions	32	-	15	-	-
Payments of security deposits	-16	-34	-	-16	-
Acquisitions of consolidated subsidiary	-	-187	-	-	-
Other	-181	-902	-30	-223	-42
Net Cash from (Used for) Investments	-15,602	-10,263	-15,630	6,502	5,601
Cash Flows from Financing					
Net increase (decrease) in short-term loans	2,232	426	1,793	-2,497	-457
Proceeds from bond issuance	129	5,828	70	-	-
Repayment of maturing bond principal to bondholders	-112	-193	-274	-274	-177
Proceeds from long-term loans	43,062	49,957	51,877	26,552	32,888
Repayment of long-term loans	-20,352	-26,475	-48,996	-32,940	-34,787
Proceeds from long-term non-recourse loans	3,500	5,300	3,300	-	3,000
Repayment of long-term non-recourse loans	-18,473	-17,701	-1,301	-1,467	-910
Proceeds from employee exercise of stock options	143	95	4	-	-
Share buyback	-2,999	-2,999	-2,999	-1,499	-4,499
Proceeds from minority interests	90	-	10,000	-	-
Payments to minority interests	-	-1,276	-	-	-
Sales of subsidiary shares resulting in no change of consolidation scope	100	-	-	-	-
Dividends paid to minority interests	-	-8	-5	-2	-4
Dividends paid	-2,972	-3,416	-3,298	-3,230	-3,197
Net Cash from (Used for) Financing	4,346	9,537	10,167	-15,360	-8,146

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

Change Focus on People

From Building-Centered

To People-Centered

	Residence	»	Live
	Office	»	Work
	Retail	»	Shop, Dine
	Hotel	»	Travel
	Power Plant	»	Power Lives & Business
	Stadium	»	Play, Entertain
	Warehouse	»	Store, Distribute
	Cultural Facility	»	Enjoy, Discover



Opportunity Address Diverse Needs



KPI Targets

1. High Capital Efficiency

- FY20/2~FY30/2 Average ROE >15%
 - ✓ Increase long-term ROE by driving higher capital efficiency & earnings stability
 - ✓ Via high ROE, grow long-term EPS as a key driver of shareholder value
- Target 11 consecutive years of JPX-Nikkei 400 Index inclusion
 - ✓ Consecutive inclusion until periodic review in August 2030

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

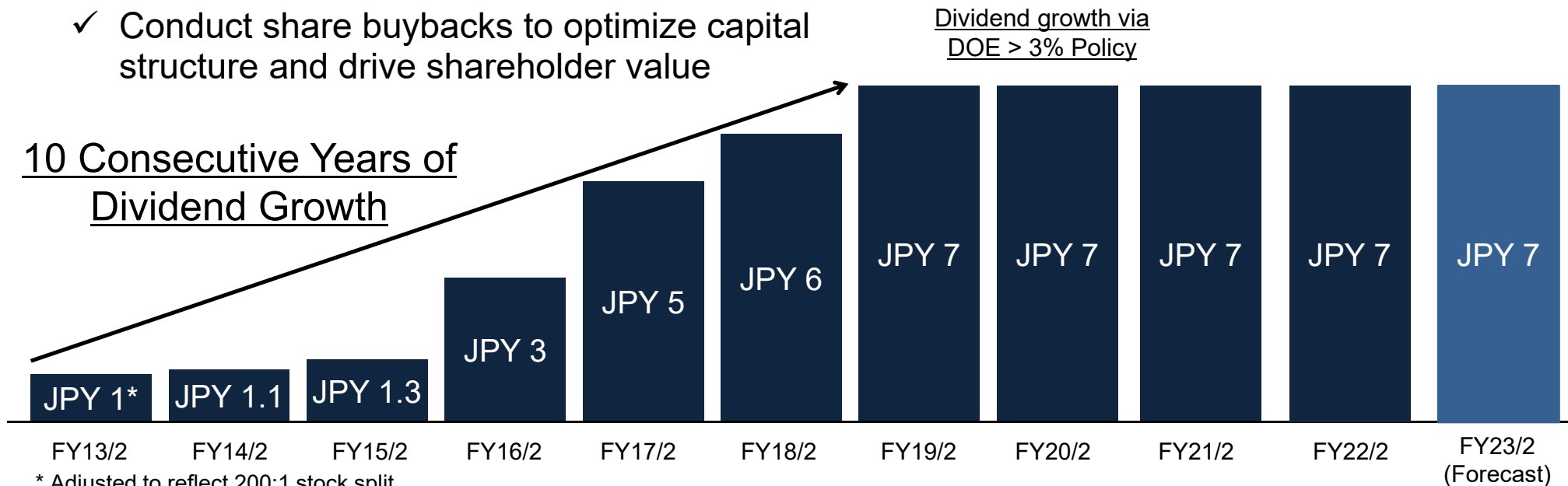
Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net investment in Real Estate and Power Plants for Sale

Shareholder Return Policy

Ichigo Dividend Policy: Growth, Certainty, & 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

10 Consecutive Years of Dividend Growth



* Adjusted to reflect 200:1 stock split

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, & 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



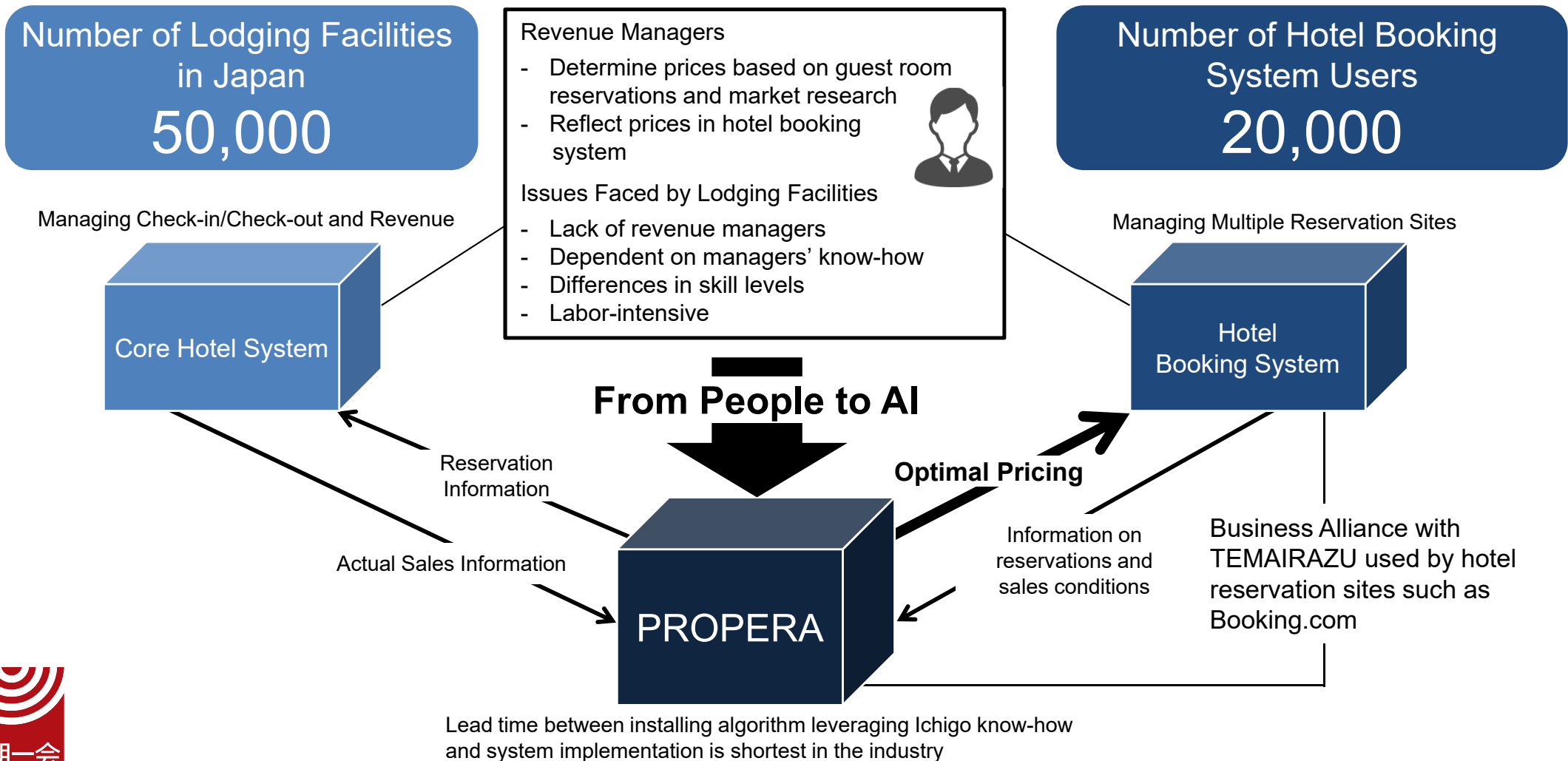
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PROPERA: Ichigo's AI Hotel Revenue Management System

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

* Provides limited information on pricing levels



PROPERA: Accelerating External Sales

Two Key Initiatives to Increase Market Share

1. Drive Customer Growth via PROPERA Lite

PROPERA Lite

- Price trend visualization only
- Pricing requires manual intervention
- Usage fee: JPY 26K monthly per hotel

2. Tightly Integrate With Site Controllers

PROPERA Site Controller Integration Will Give Access to **c. 18,000 Hotels** (90% of all Japanese hotels with site controllers)

Increase Share to 2,000 Hotels Within 5 Years

Drive Earnings via Shift From PROPERA Lite to PROPERA

PROPERA

- Fully Automated Revenue Optimization
- Usage Fee: 1% of Revenue (monthly per hotel)*

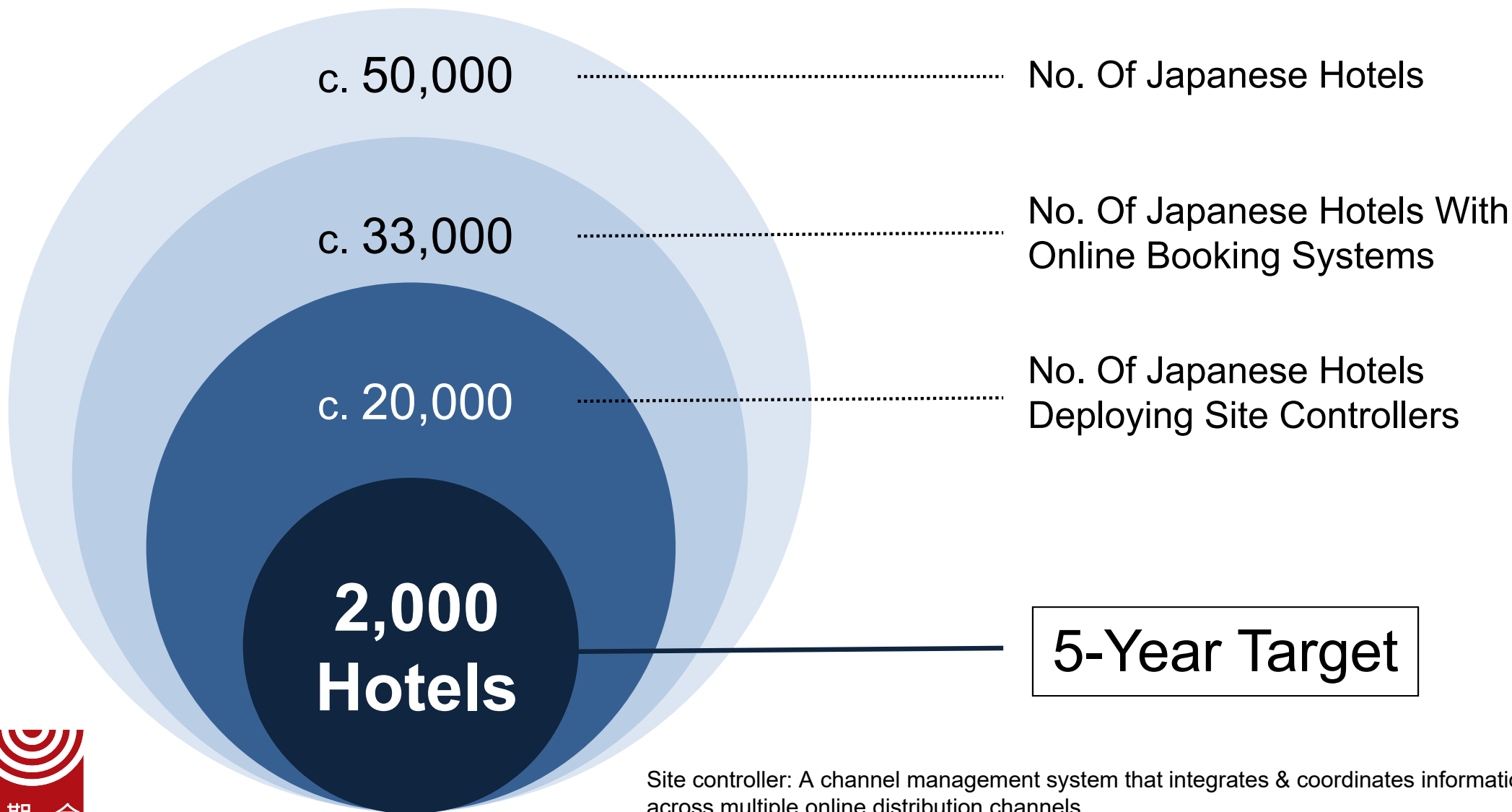
*Standard Plan

PROPERA Sample Earnings Model

Hotel with RevPAR JPY 6,000 and 100 rooms
Annual Ichigo Earnings: **c. JPY 2M**

PROPERA: Market Size & Customer Acquisition Target

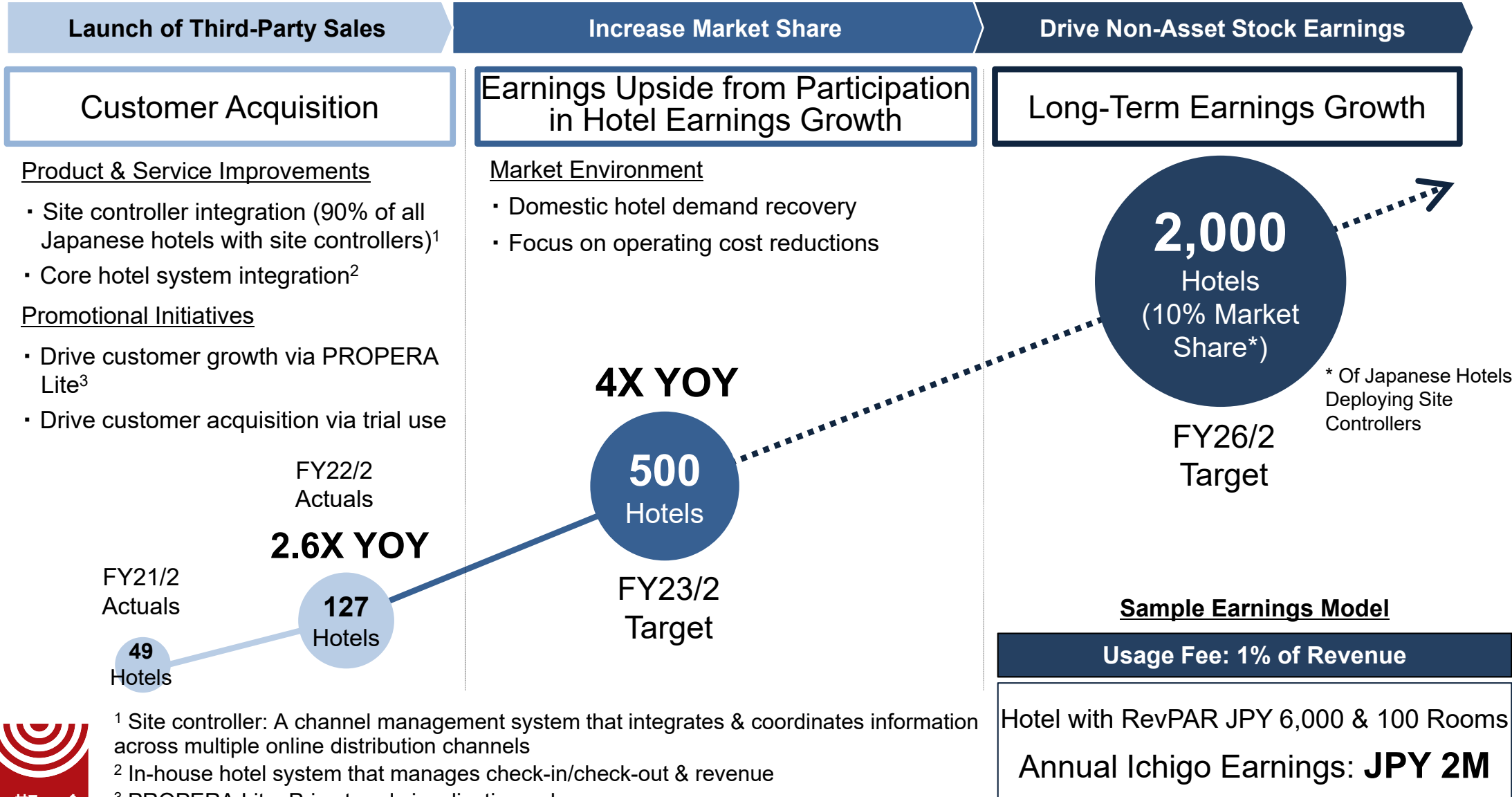
Customer Acquisition Target: 2,000 Hotels Within 5 Years



Site controller: A channel management system that integrates & coordinates information across multiple online distribution channels

PROPERA: Ichigo's AI Hotel Revenue Management System

Increasing Share to Drive Non-Asset Stock Earnings



* Of Japanese Hotels Deploying Site Controllers

¹ Site controller: A channel management system that integrates & coordinates information across multiple online distribution channels

² In-house hotel system that manages check-in/check-out & revenue

³ PROPERA Lite: Price trend visualization only



Hakata Hotels: Hotel Operations

Hotel Operator in Kyushu/Yamaguchi Region Seeing Inbound Tourism Growth

- Started operations at 3 hotels on June 1, 2019 & currently operating 14 hotels

PROPERA Deployment

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



The OneFive Terrace Fukuoka (Fukuoka)

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



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AKIBA CULTURES ZONE



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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**

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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.