



FY23/2 Full-Year Corporate Presentation

April 19, 2023

Ichigo (2337)





**Make The World
More Sustainable**



World-Class Excellence

Ichigo's
Hiromi Miyake



Ichigo



Ichigo is a J.League Top Partner

	
TOP PARTNER	

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Contents

FY23/2 Earnings

- FY23/2 Summary
- All-In Disclosure to Increase Earnings Transparency
- All-In OP +27%, Cash EPS +20% (YOY)
- Segment Earnings Details

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

- Stock + Flow Earnings
- Stable Stock Earnings
- Embedded Forward Earnings
- Value-Add Drives Durable Value Growth
- Robust Cash Generation
- Strong Financial Base
- JPY 22B in Positive Impact Finance Loans
- Sustainable/ESG Finance
- Ichigo Climate Positive: CO2 Reductions > Emissions
- RE100 by 2025 On Track

Sustainable Growth as a Sustainable Infrastructure Company

- SRE: Selective on Acquisitions & Sales
- Ichigo Owners: Robust Demand Driving Growth

- Ichigo Owners' Powerful Business Model
- Asset Management: Growth Support for Ichigo REITs & Ichigo Green
- Asset Management: Driving Growth in Ichigo Office (8975) Shareholder Value
- Clean Energy: Scaling Rapidly
- Share Buybacks – 6th Consecutive Year (FY23/2: JPY 4.5B)
- +14% Dividend Increase
- Ichigo J.League Shareholder Program

FY24/2 Forecasts

- FY24/2 Forecast
- FY24/2 Forecast Details
- FY24/2 Forecast Cash Earnings

Appendices

Ichigo's Sustainability Commitment (ESG)

Financial & Operational Data

Sustainable Real Estate Details

Clean Energy Details

Financial Statements

Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

Ichigo 2030: New Initiatives

FY23/2 Earnings

FY23/2 Summary

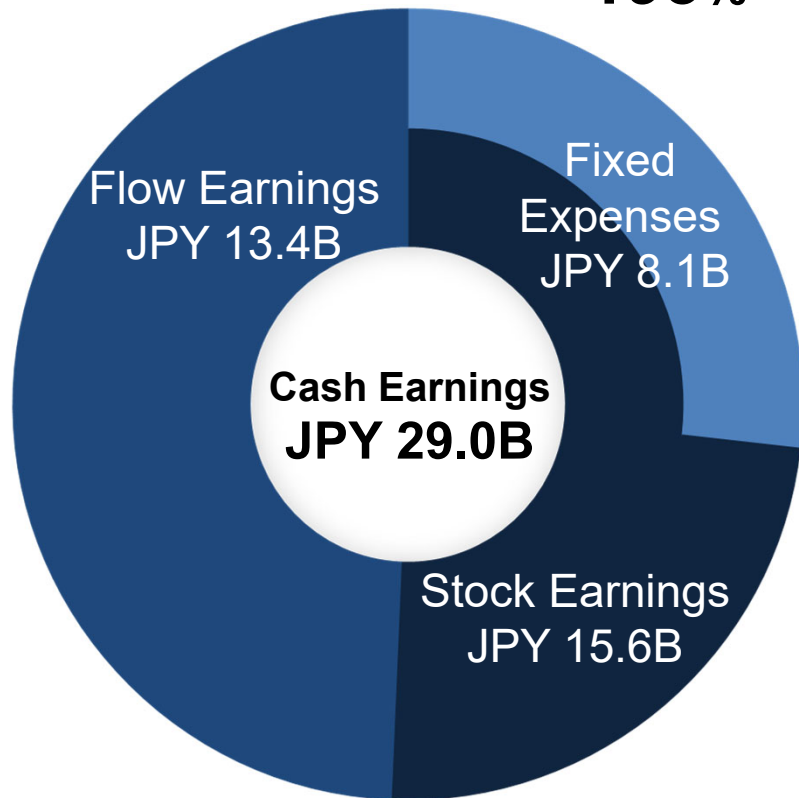
- +14% Dividend Increase on Earnings Exceeding Revised-Up Forecast, YOY Earnings Growth Across All Earnings Metrics
 - ✓ All-In Operating Profit: JPY 16.9B (+27%), Cash Net Income: JPY 15.3B (+18%)
 - ✓ EPS: JPY 20.45 (+48%), Cash EPS: JPY 33.36 (+20%)
 - ✓ Dividend Increase Supported by Robust Cash Generation & Covid Recovery
- Major Earnings Drivers
 - ✓ Hotels: Strong Hotel Market Recovery, RevPAR +85% YOY (JPY 3,587 to JPY 6,633)
 - Continued Growth Expected on Post-Covid Increase in Inbound Travel
 - ✓ Ichigo Office (8975) Value-Add – JPY 1.6B Performance Fee on Asset Sale
 - Asset Sale at 2.1X Book Value Monetizes Value-Add & Drives Shareholder Value
- Robust Cash Generation Supporting Growth Investments, Share Buybacks, & REIT Support
 - ✓ Growth Investments: JPY 50.7B Asset Acquisitions (+63% YOY)
 - ✓ Share Buybacks: JPY 4.5B (3X YOY)
 - ✓ REIT Support: Ichigo Office Share Acquisition (JPY 3B) in Progress

FY23/2 Summary

Durable Earnings Model

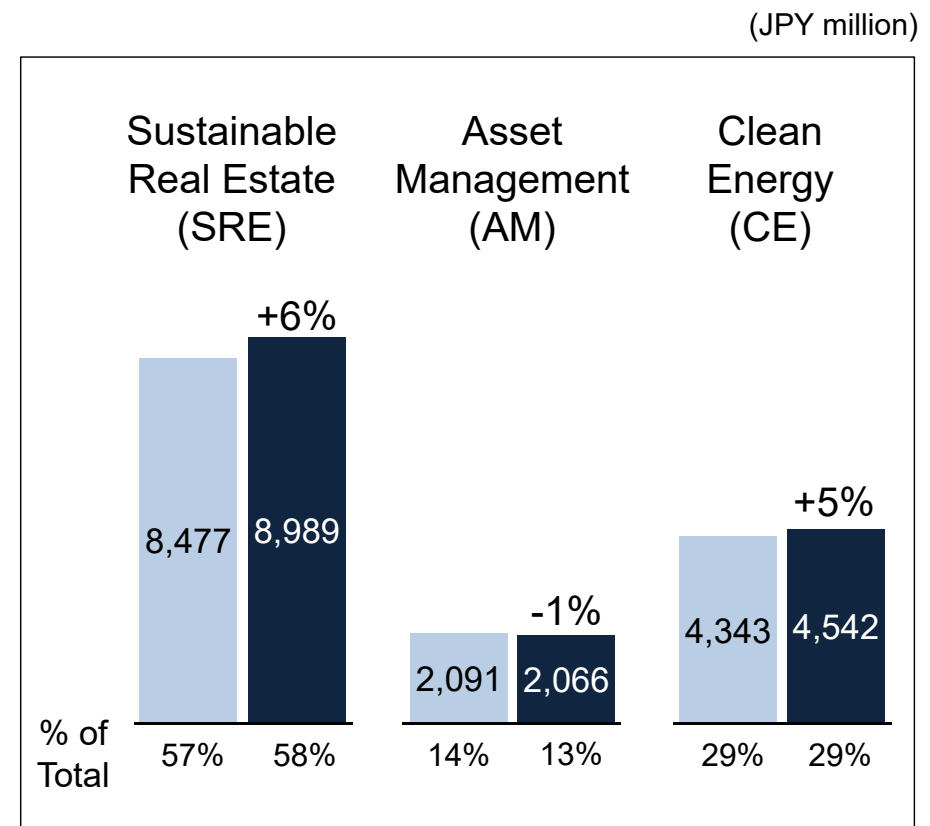
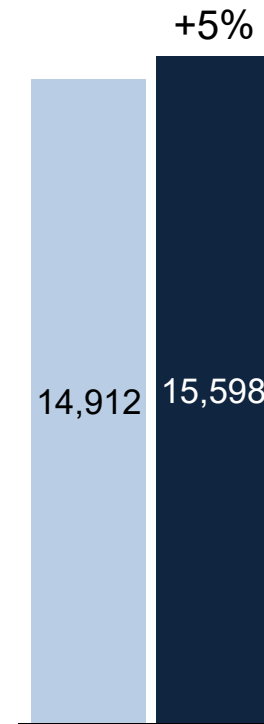
Stock Earnings/Fixed Expenses

193%



Robust Stock Earnings

■ FY22/2
■ FY23/2



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



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 +27%, Cash EPS +20% (YOY)

- Cash Earnings Significantly Exceed Accounting Earnings Due to Ichigo's Focus on Maximizing Long-Term Cash Flows for Shareholders
- Cash EPS = 1.6X EPS, Cash ROE 15.1%

(JPY million)

	FY22/2	FY23/2	YOY	FY23/2 Revised Forecast	(Reference) FY23/2 Initial Forecast
Operating Profit	10,018	12,492	+24.7%	11,900	9,700 – 10,600
All-In Operating Profit	13,266	16,908	+27.4%	16,300	12,700 – 15,600
Recurring Profit	7,471	10,848	+45.2%	10,000	6,700 – 7,600
All-In Recurring Profit	10,719	15,264	+42.4%	14,400	9,700 – 12,600
Net Income	6,473	9,409	+45.4%	9,000	6,500 – 8,500
Cash Net Income	13,004	15,351	+18.1%	15,000	12,500 – 14,500
EPS	JPY 13.81	JPY 20.45	+48.0%	JPY 19.56	JPY 14.04 – JPY 18.36
Cash EPS	JPY 27.74	JPY 33.36	+20.2%	JPY 32.59	JPY 27.00 – JPY 31.32
Dividend	JPY 7	JPY 8	+14.3%	JPY 7	JPY 7
ROE	6.5%	9.2%	–	8.9%	6.4% – 8.3%
Cash ROE	13.0%	15.1%	–	14.8%	12.3% – 14.1%
DOE	3.3%	3.6%	–	–	–

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

Cash ROE = Cash Net Income / Period Average Shareholders' Equity

Segment Earnings Details

- Asset Management: Value-Add Driving Value Creation for Ichigo Office (8975), Performance Fee on Asset Sale
- SRE Stock Earnings: Strong Hotel Demand Recovery & Inbound Growth
- SRE Flow Earnings: Retail Asset & Ichigo Owners Sales = Major Drivers
- 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	FY23/2	YOY	FY23/2 Forecast	vs. Full-Year Forecast	FY22/2	FY23/2	YOY	
Asset Management (AM)	1,839	3,026	+64.5%	2,900	+4.4%	2,368	3,753	+58.5%	Base AM Fees 1,970 (-32) Ichigo Office 1,517 (-208) Ichigo Hotel 201 (+106) Private Funds 212 (+68) Ichigo Green Operator Fees 39 (0) Flow Earnings 1,661 (+1,384)
Sustainable Real Estate (SRE)	9,318	11,893	+27.6%	11,500	+3.4%	14,358	17,289	+20.4%	Rental Income (Net of Depreciation) 5,605* (+762) * Depreciation 3,384 (-250) Gains on Sales 11,694 (+2,155) Fixed Asset Gains on Sales 4,416 (+1,167)
Multi-Asset	7,224	8,376	+15.9%	7,900	+6.0%	11,604	12,770	+10.0%	
Ichigo Owners	2,093	3,516	+68.0%	3,600	-2.3%	2,754	4,519	+84.7%	
Clean Energy (CE)	2,134	2,016	-5.5%	1,900	+6.1%	2,699	2,791	+3.4%	Power Generation Revenue (Net of Depreciation) 2,791 (+91) * Depreciation 1,751 (+106)
Adjustment (including offsets of cross-segment transactions)	-25	-27	-	-	-	-	-	-	
Total	13,266	16,908	+27.4%	16,300	+3.7%	19,426	23,834	+22.7%	

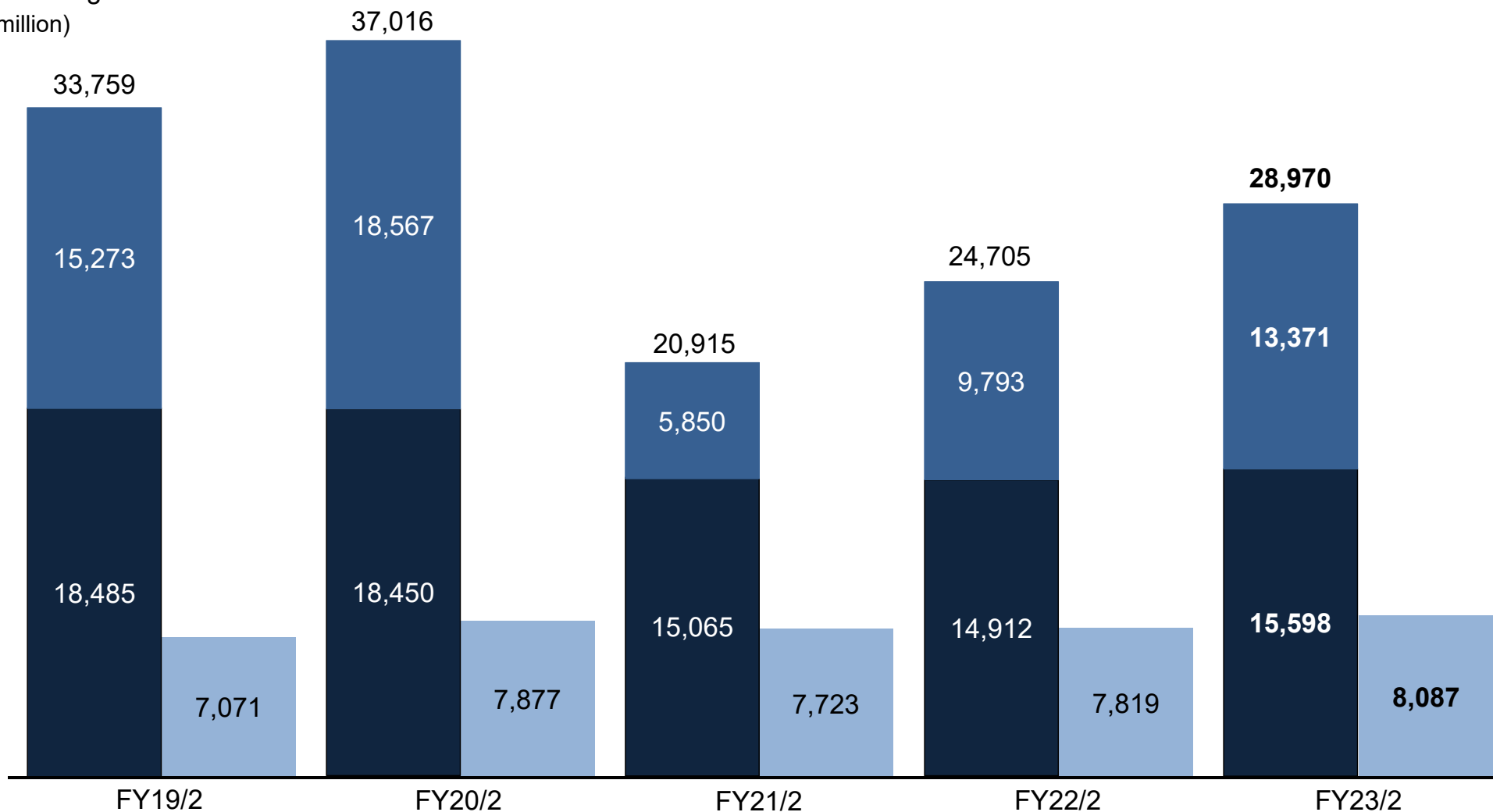
AM & CE All-In Operating Profit = Operating Profit; SRE All-In Operating Profit = Operating Profit + SRE Fixed Asset Gains on Sales

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)



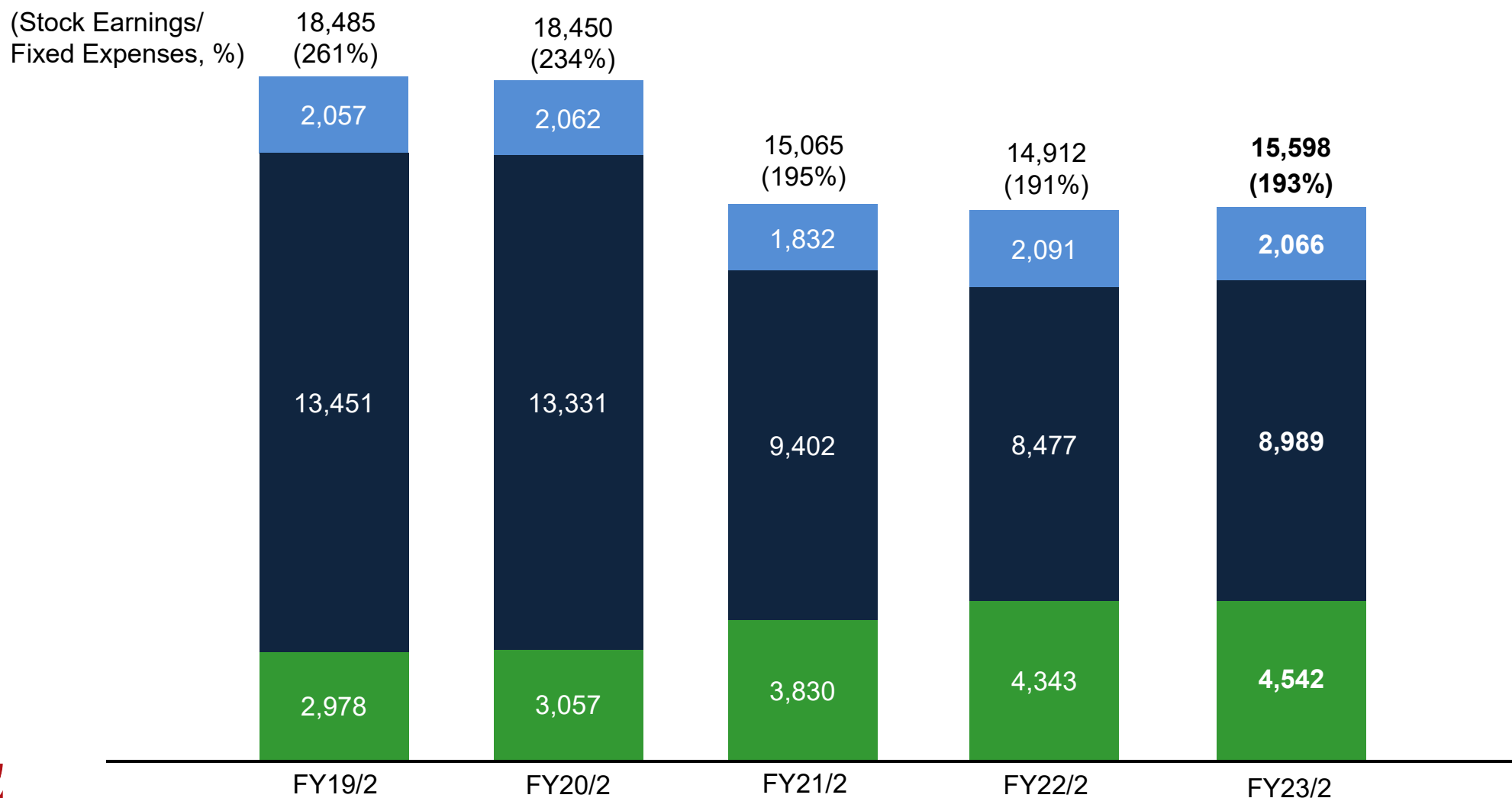
Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

Stable Stock Earnings

Stock Earnings by Segment

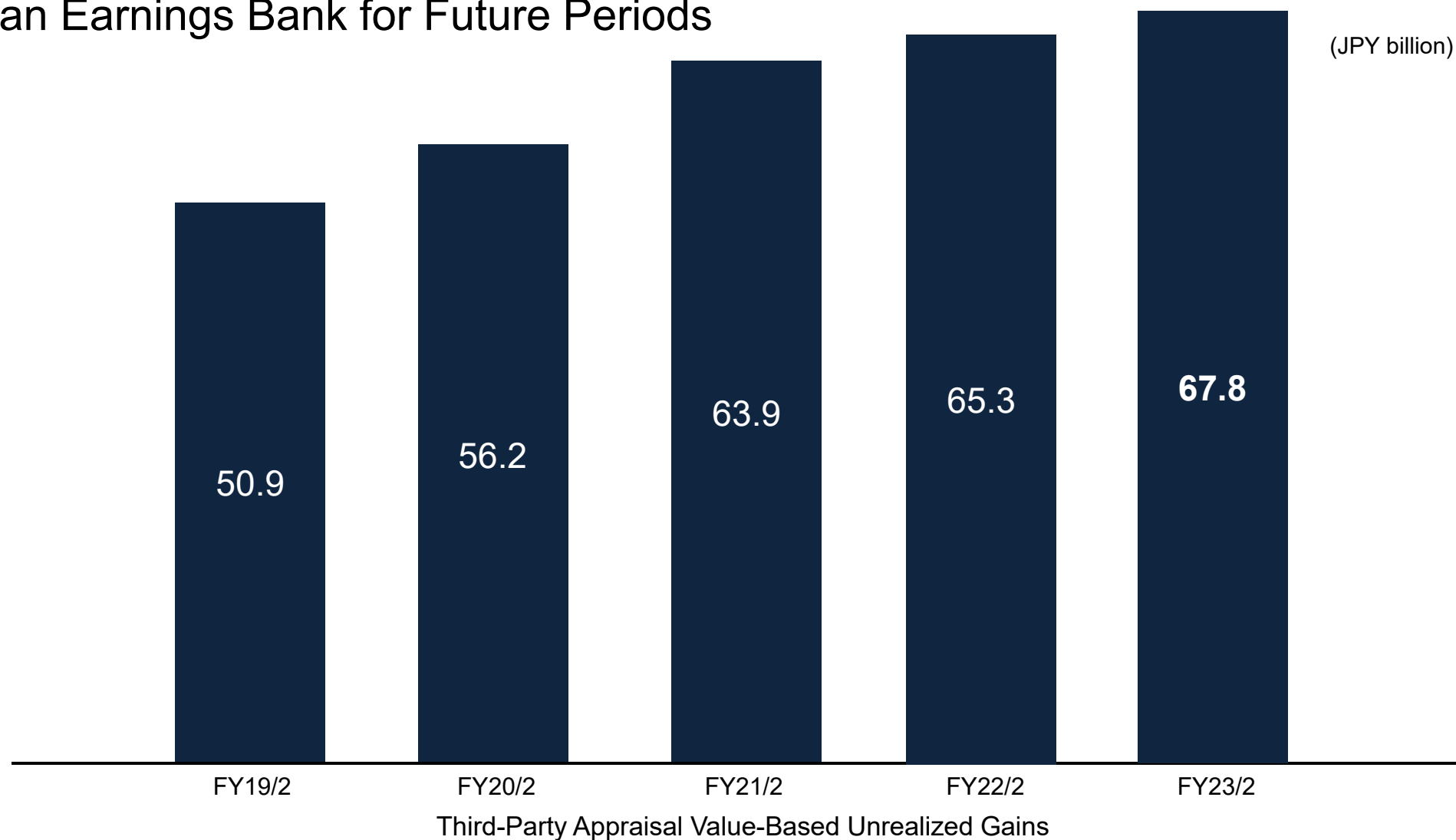
■ Asset Management ■ Sustainable Real Estate ■ Clean Energy

(JPY million)

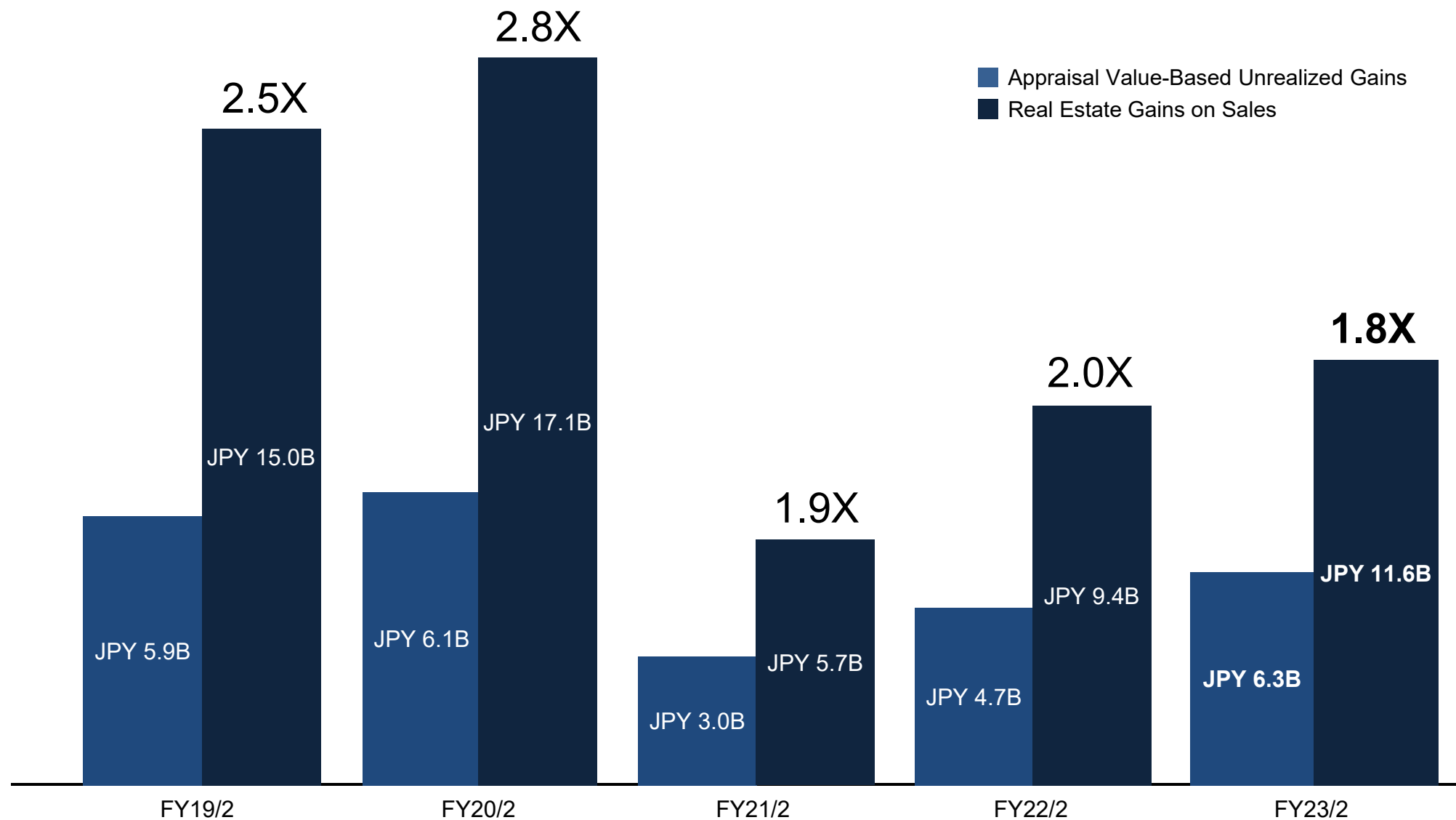


Embedded Forward Earnings

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

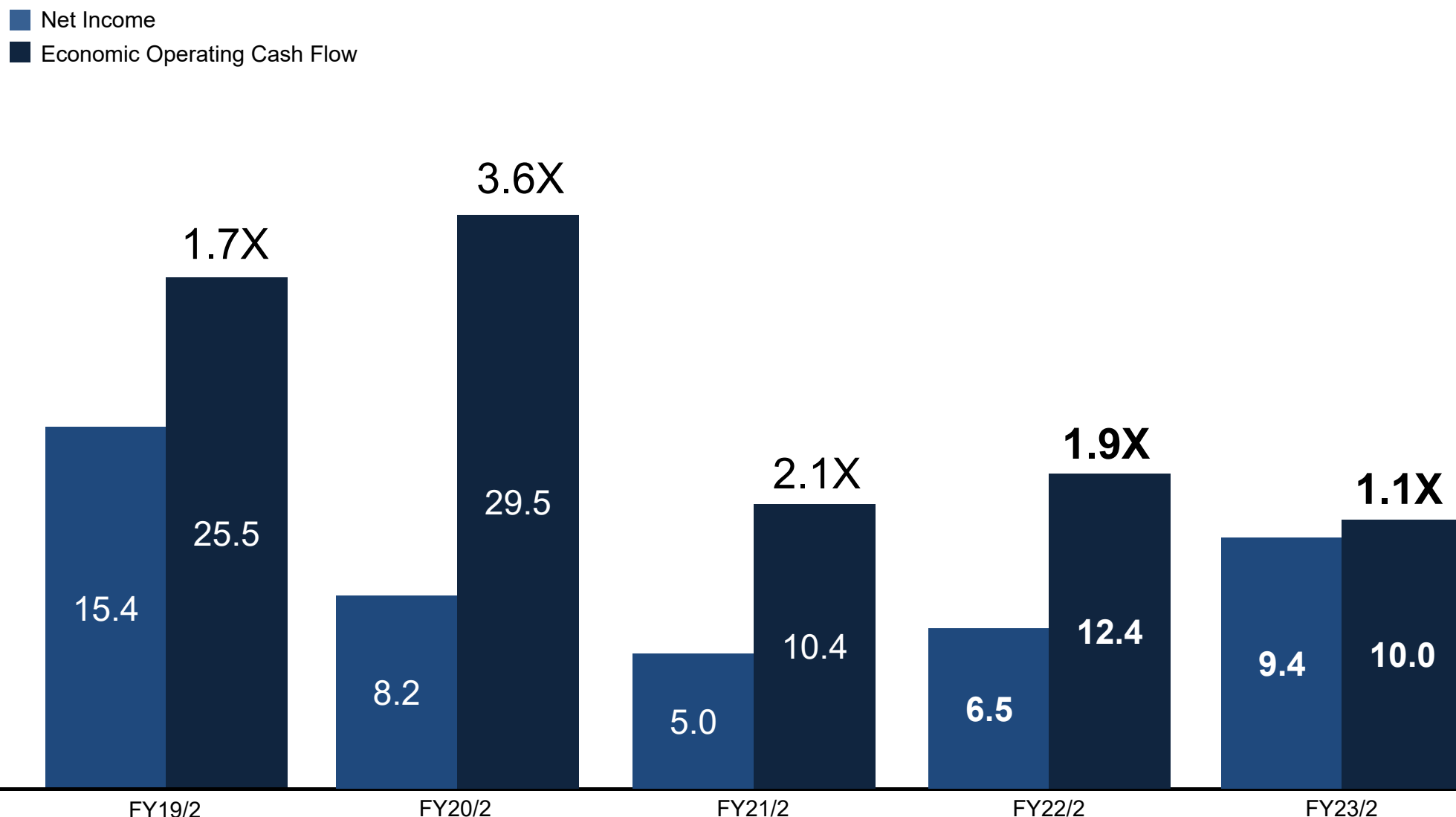


Real Estate Gains on Sales = Gross Profit + Fixed Asset Gains on Sales

Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income

(JPY billion)

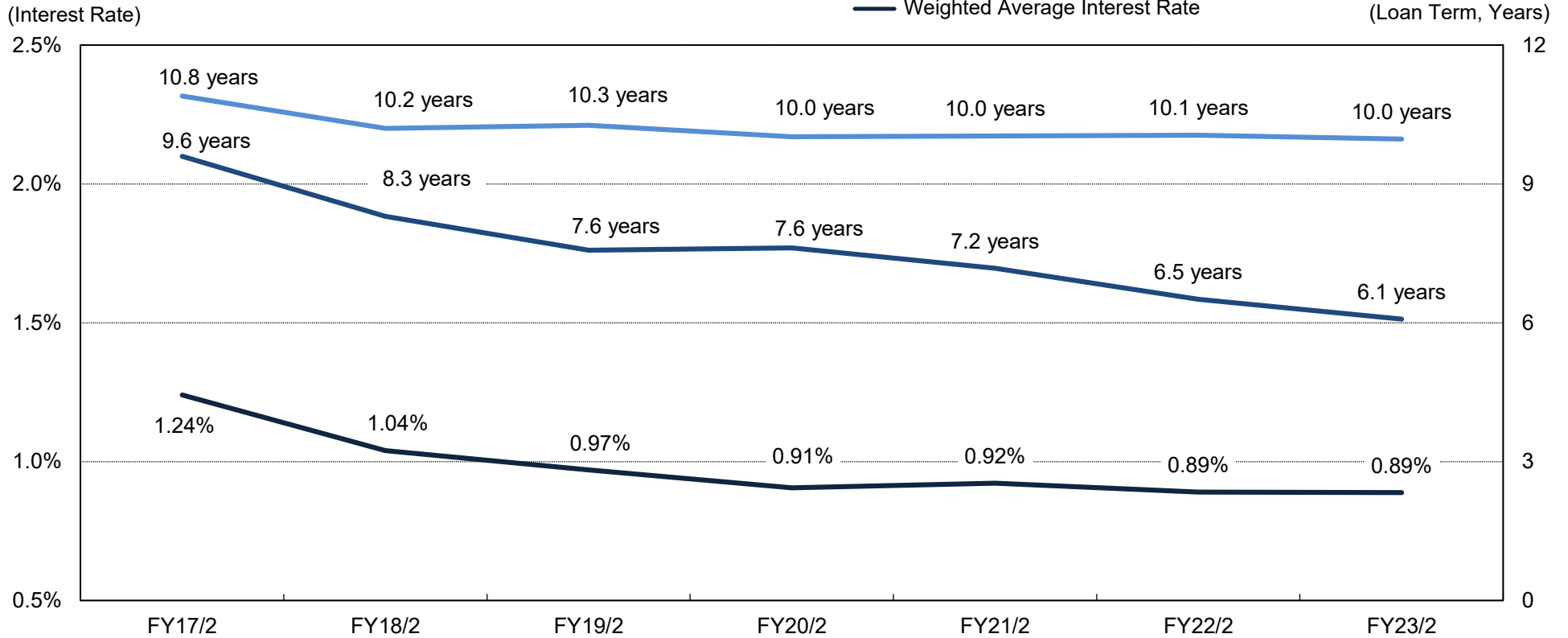


Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale

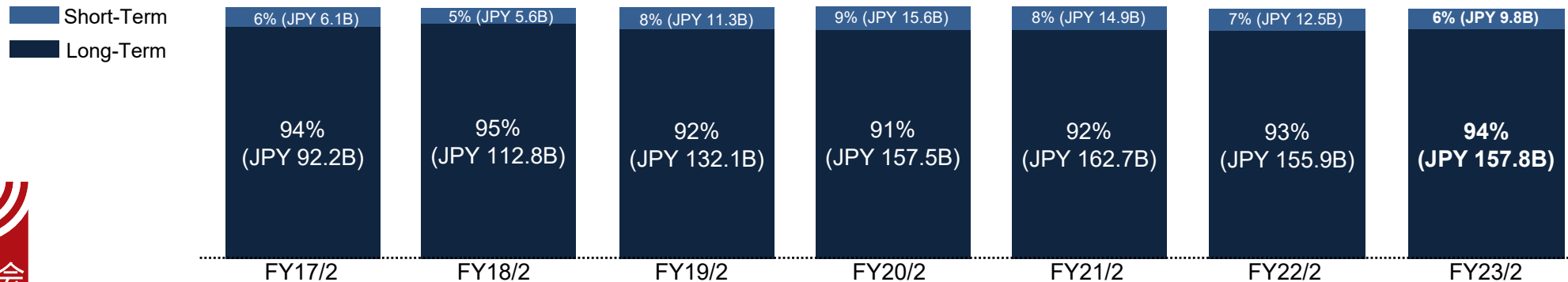
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Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans



JPY 22B in Positive Impact Finance Loans

Financial Institutions Positively Assessing Ichigo ESG & Providing New Commitment Lines to Support Ichigo's Initiatives to Build a Sustainable Society

SMBC & Kansai Mirai Bank

Contract Date Feb 27, 2023
 Amount **JPY 9.2B**
 Loan Maturity Feb 28, 2030 (7 years)

Mizuho Bank

Contract Date Feb 28, 2023
 Amount **JPY 13B**
 Loan Maturity Feb 28, 2033 (10 years)

Corresponding SDGs



Corresponding SDGs



Based on the UN Principles for Positive Impact Finance, positive impact financing aims to provide ongoing support for the sustainable development of companies by comprehensively analyzing and assessing both the positive and negative impact of their business activities on the environment, society, and economy.

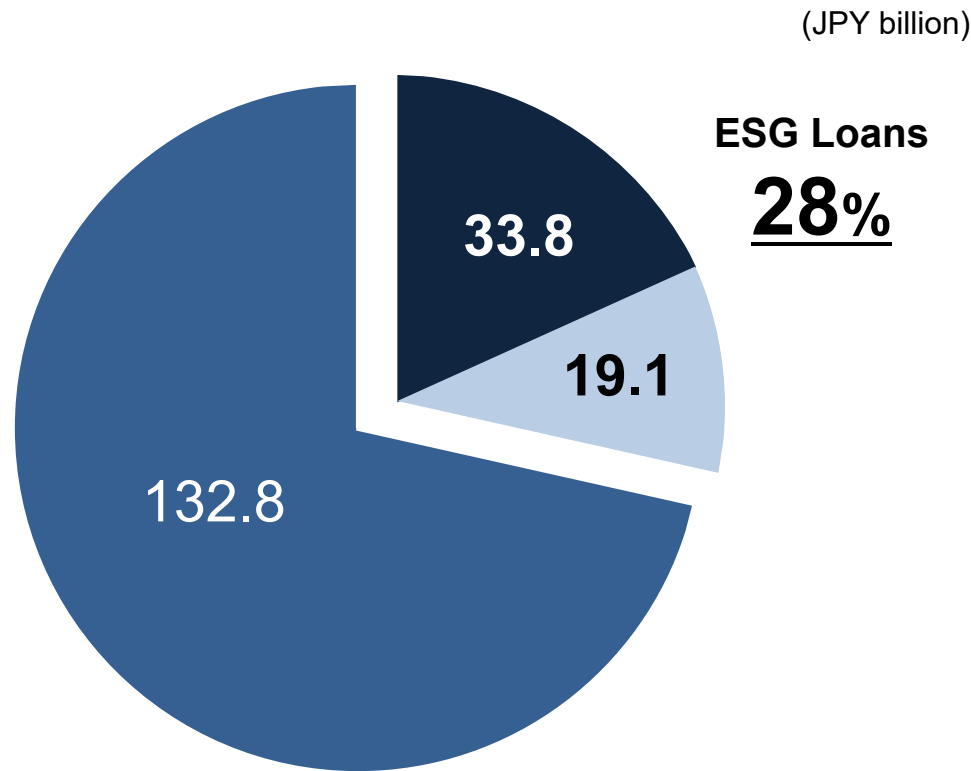
The Principles for Positive Impact Finance is a financial framework, established by United Nations Environment Programme Finance Initiative (“UNEP FI”), that aims to provide financing in support of attaining SDGs by helping companies realistically and reliably deliver positive impacts while helping them to identify and mitigate any potential negative impacts.

Sustainable/ESG Finance

Ichigo's ESG Execution Driving Attractive Financing Terms

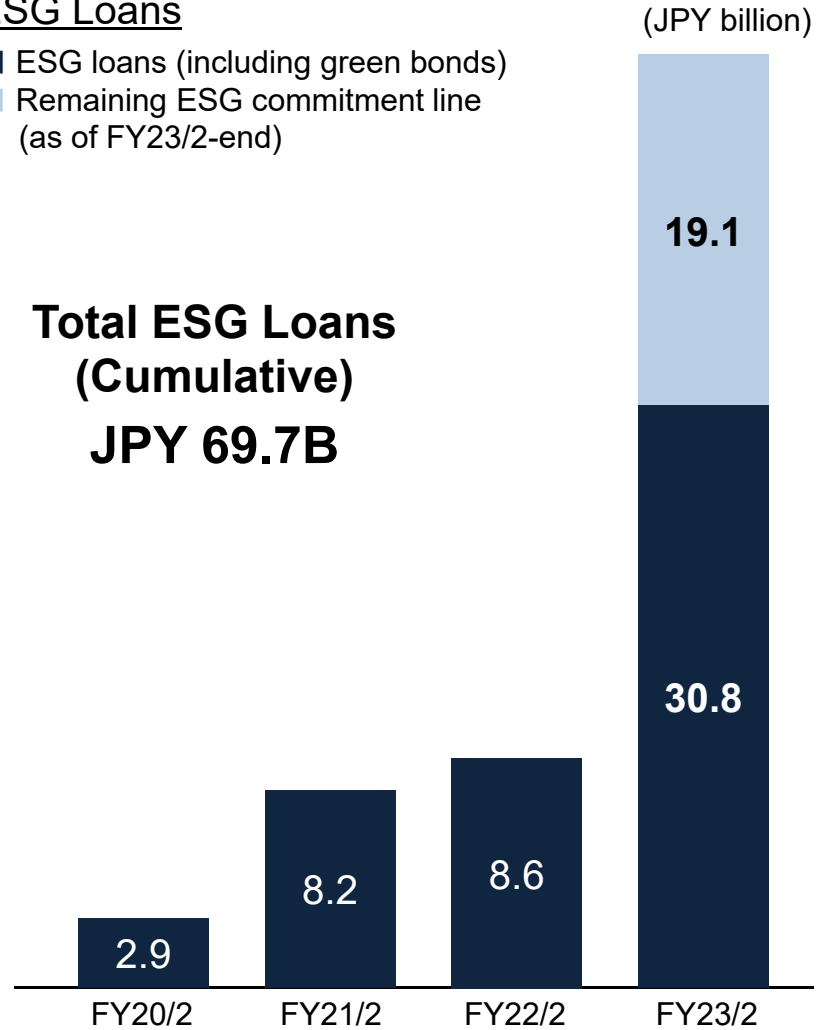
ESG Loans as % of Total Borrowings

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



ESG Loans

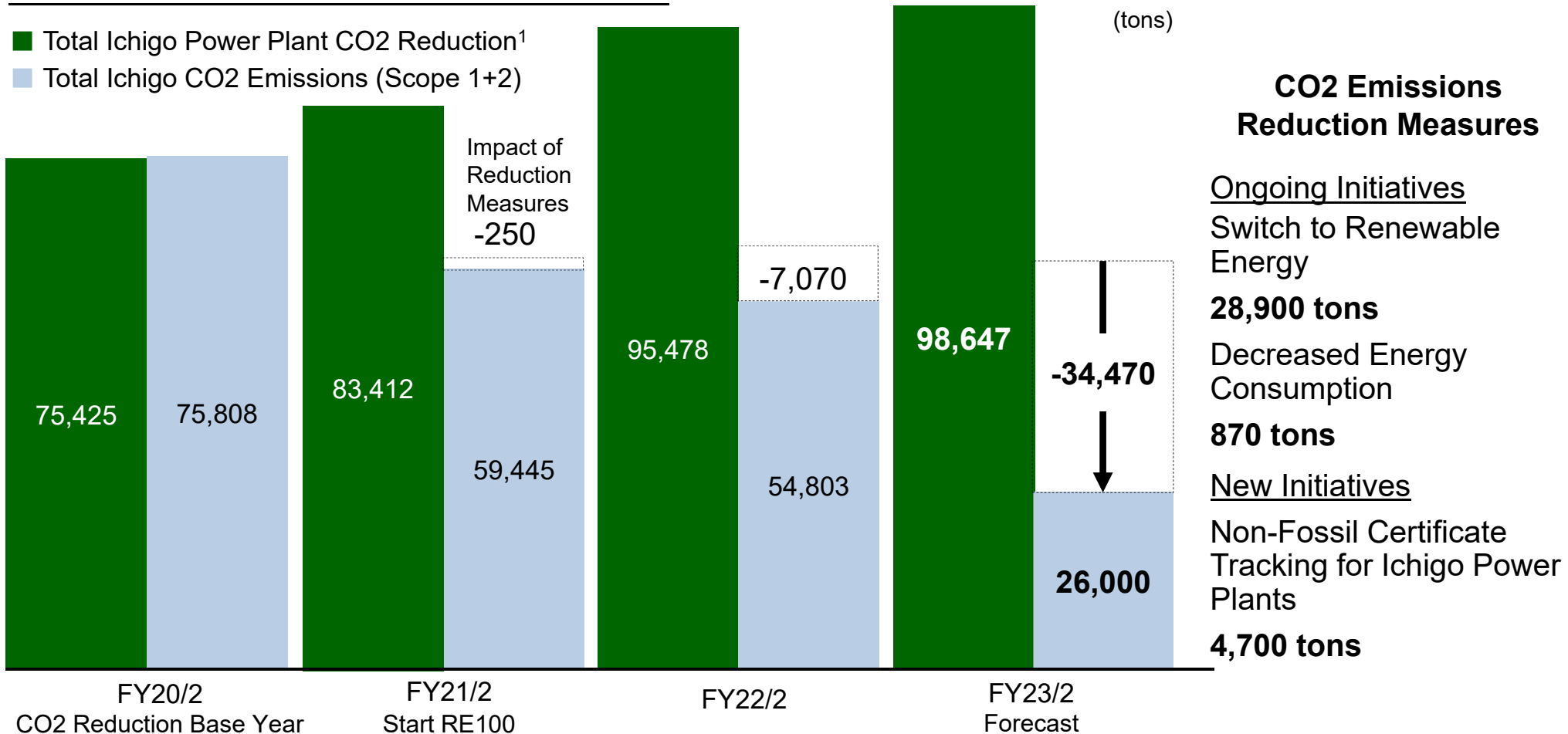
- ESG loans (including green bonds)
- Remaining ESG commitment line (as of FY23/2-end)



Ichigo Climate Positive: CO2 Reduction > Emissions

Ongoing Ichigo Clean Energy Production Growth (CO2 Reduction Increase) & Renewable Energy Transition & Carbon Offsets (CO2 Emissions Reduction)

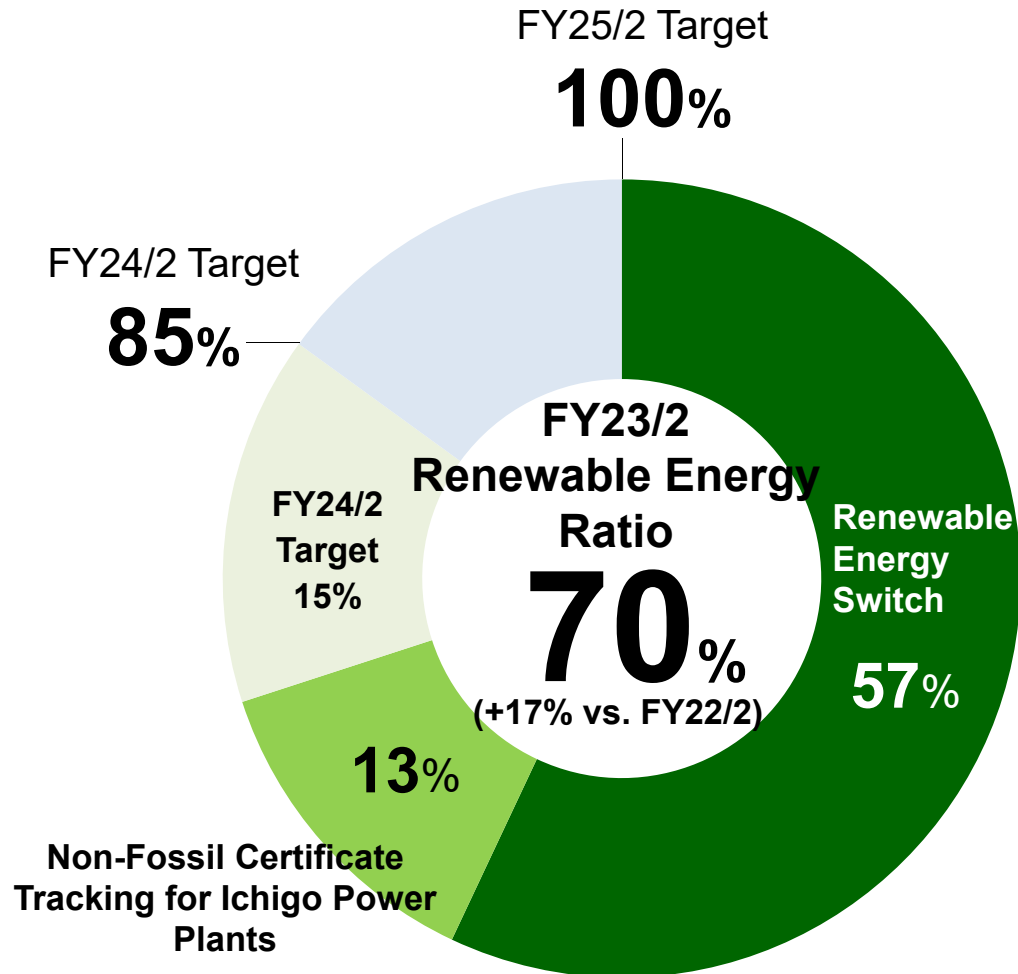
CO2 Reduction vs. CO2 Emissions



¹ Calculated using each EPCO's adjusted CO2 emission factor disclosed by the Ministry of Environment as a fixed constant for each period

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 **35,000** tons p.a.

CO2 Emissions of Cars



×

15,200 cars p.a.

RE100

CLIMATE GROUP



Sustainable Growth as a Sustainable Infrastructure Company

Selective on Acquisitions & Sales

Acquisitions: JPY 50.7B (+63% YOY)

- Multi-Asset: JPY 14.6B, 6 Office Assets, Strengthening Ichigo Office Acquisition Pipeline
- Owners: JPY 36.0B, Expanding Sales Channels via Securitized Token Offerings (STOs) Supporting Ability to Grow Acquisitions

Sales: JPY 55.1B (+20% YOY)

- GPM: 21.1% (vs. Sale Price), 27.1% (vs. Book Value)

FY23/2 Net Sales: JPY 4.4B

(JPY million)

		Acquisitions		Sales		Difference (A) - (B)
		No. Of Assets	Book Value (A)	No. Of Assets	Sale Price (B)	
Multi-Asset	Office	6	12,462	1	1,062	+11,400
	Hotel	–	–	2	5,156	-5,156
	Retail	3	2,076	4	14,994	-12,918
	Residential	3	134	8	3,595	-3,461
	Logistics	–	–	–	–	–
	Other	–	–	5	2,270	-2,270
Ichigo Owners	Residential	33	36,032	23	28,089	+7,943
Total		45	50,704	43	55,166	-4,462

Note: Book Value of Sales: JPY 42.92B

Ichigo Owners: Robust Demand Driving Growth

FY23/2 Sales: JPY 28B (+55% YOY)

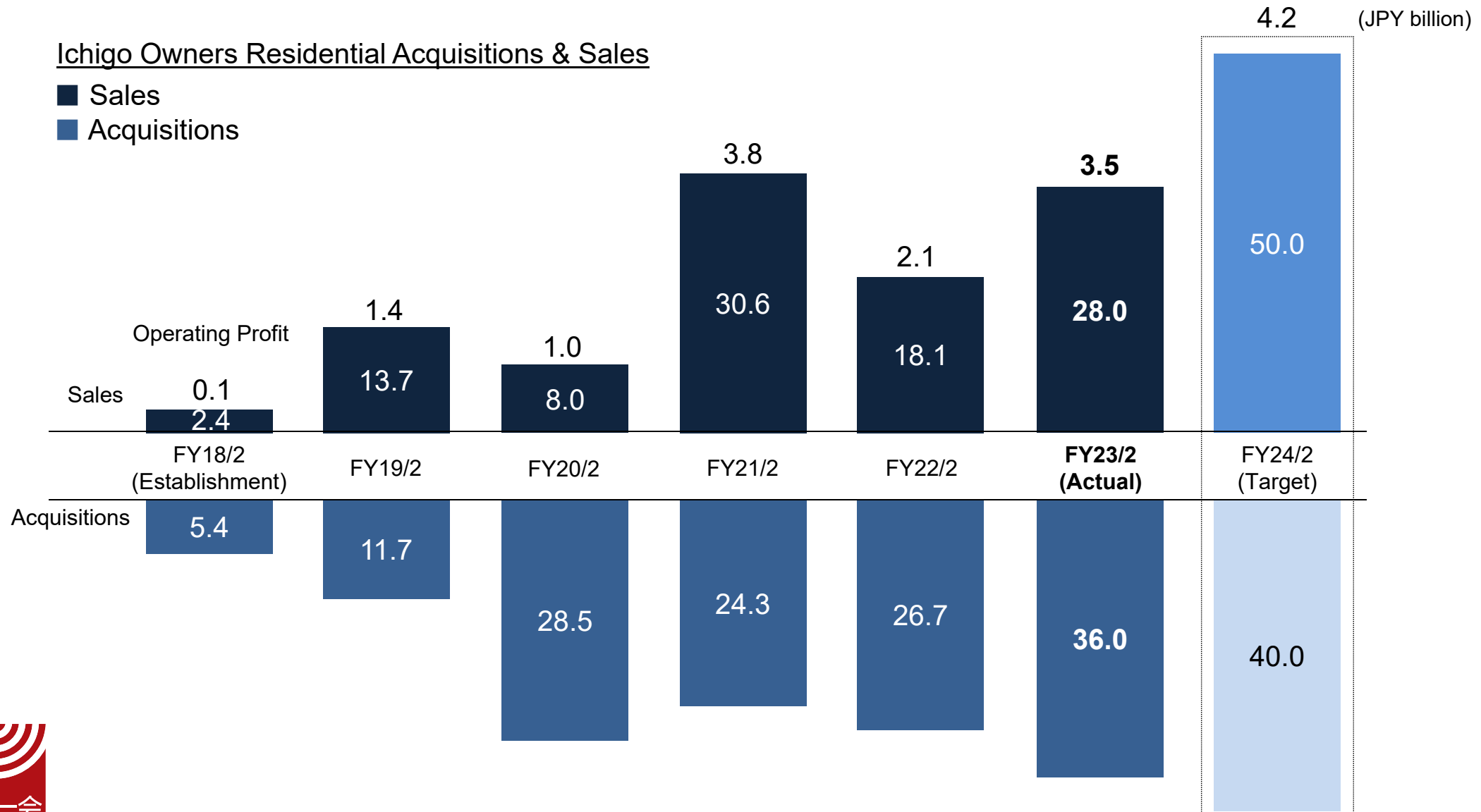
FY24/2 Target JPY 50B

FY23/2 Acquisitions: JPY 36B (+34% YOY)

FY24/2 Target JPY 40B

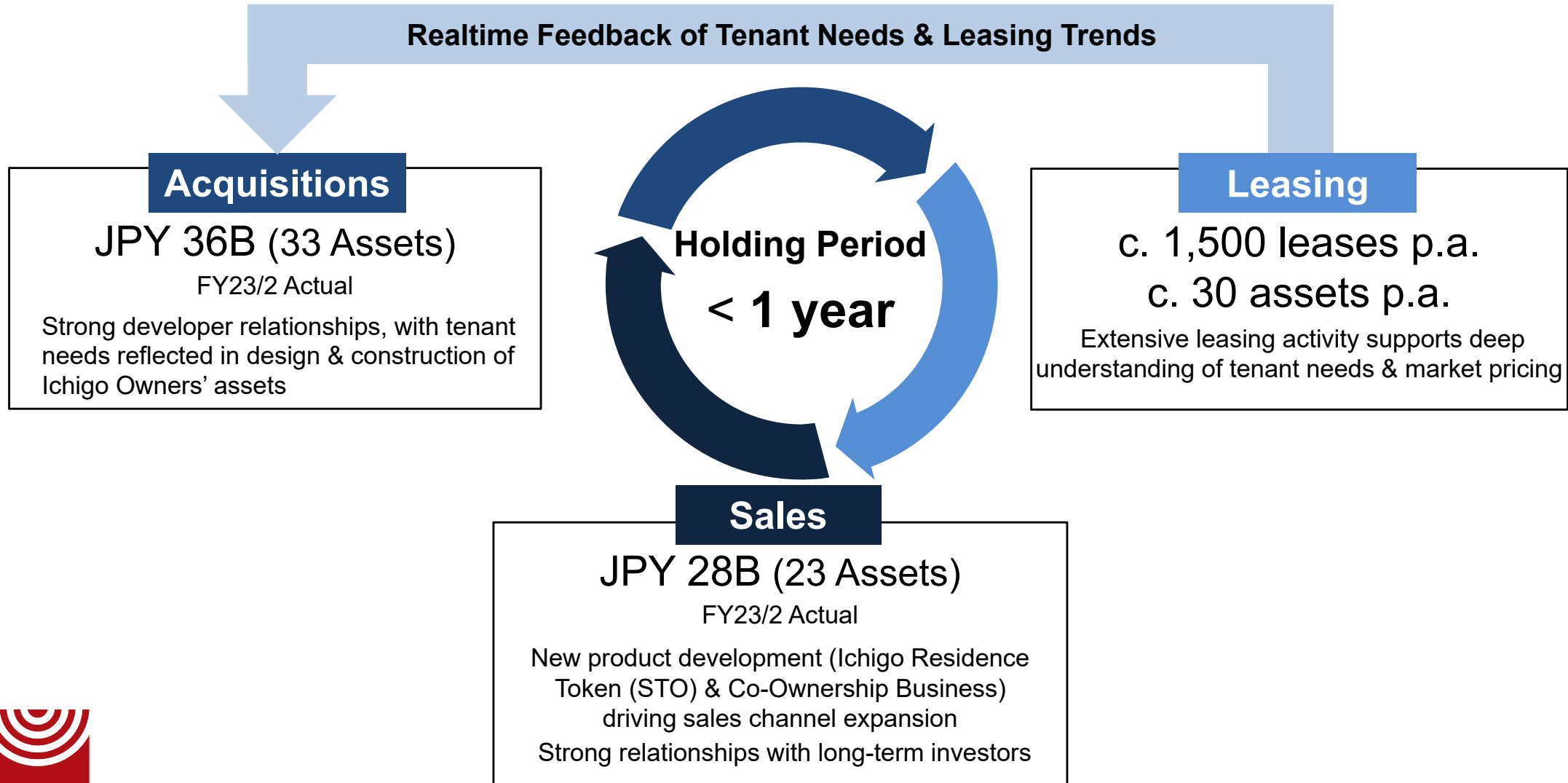
Ichigo Owners Residential Acquisitions & Sales

- Sales
- Acquisitions

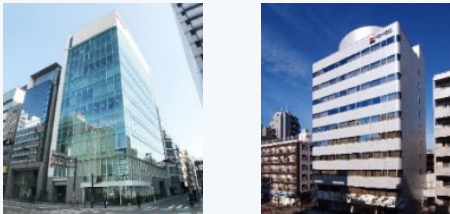
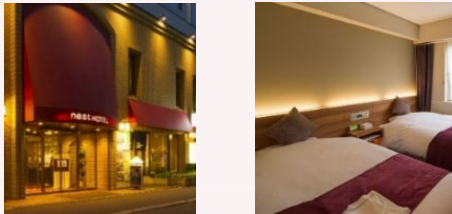



Ichigo Owners' Powerful Business Model

Virtuous Cycle Created via Deep Understanding of Tenant Needs & Market Pricing Rooted in Extensive Experience in Leasing, Sales, & Acquisitions



Growth Support for Ichigo REITs & Ichigo Green

	Ichigo Office 8975	Ichigo Hotel 3463	Ichigo Green 9282
Portfolio	JPY 212.1B (88 Assets)	JPY 54.7B (25 Hotels)	JPY 11.4B (15 Solar Plants)
Dividend Yield (as of April 17, 2023)	6.1%	3.4%	5.5%
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 31% 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 Ichigo Office bridge fund (free preferential negotiation right to Ichigo Office) – Ichigo Office acquired 2 assets (JPY 6.2B) Currently buying Ichigo Office shares in market (JPY 3B) 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	

Driving Growth in Ichigo Office (8975) Shareholder Value

- Growing Pipeline (6 Office Asset Acquisitions in FY23/2)
- Providing Bridge Funds with Ichigo Office Preferred Negotiation Rights
 - ✓ Ichigo Office Value-Add Also Driving Earnings Growth & Shareholder Value
- Strengthening Ichigo Sponsor Commitment & Alignment with Ichigo Office Shareholders via Ichigo Office Share Purchases
 - ✓ JPY 3B In-Market Share Acquisition in Progress
(14,842 shares acquired, 0.98% of total shares as of April 10, 2023)

Ichigo Office Acquisitions (FY23/2)

Acquired 2 Assets (JPY 6.3B) via Ichigo Bridge Fund

- Mid-size offices in Fukuoka's Hakata central business district (CBD)
- Area with stable office demand & redevelopment driving further growth
- Both assets have value-add and earnings upside

Acquired 2 Assets (JPY 5.6B) via Ichigo Third-Party Sourcing

- Mid-size offices in central Tokyo (Ikebukuro) & central Nagoya (Marunouchi)



Fukuoka Kensetsu Kaikan

Scaling Rapidly

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

FY24/2: Maintenance Costs Up in FY 24/2 Due to Planned Maintenance

FY25/2: Earnings Contribution From 1 New Plant (13.9MW) Online in FY24/2

Ichigo

■ Operating Plants: JPY 38.8B (144.8MW)

■ In-Pipeline Plants: JPY 4.5B (13.9MW)

Ichigo Green (9282)

Operating Plants: 29.4MW

Forward Growth

Green Biomass

Procure local biomass energy feedstocks in collaboration with local governments

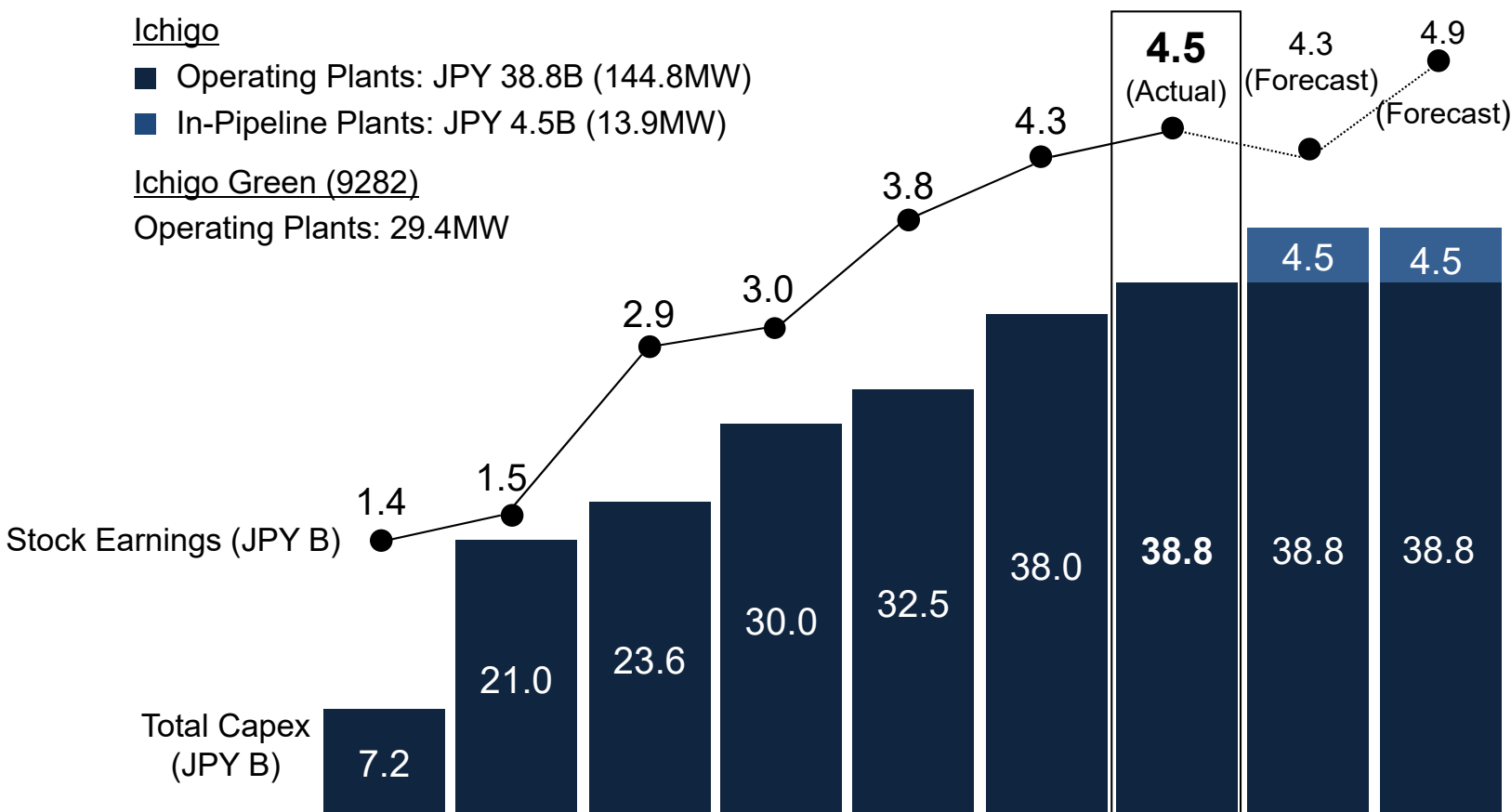
In-Pipeline: 5 Plants **6.8MW**

Non-FIT Solar Power

Respond to corporates' renewable energy needs

In-Pipeline: 9 Plants **49.2MW**

Note: FY25/2 forecast is calculated based on each plant's forecast average earnings over 20-year forecast period



	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2	FY24/2	FY25/2
Power Generation	28.4MW	72.3MW	83.6MW	106.8MW	120.6MW	139.7MW	144.8MW	158.8MW	158.8MW
Avg FIT	JPY 37.3	JPY 36.4	JPY 35.3	JPY 34.3	JPY 32.8	JPY 31.2	JPY 30.7	JPY 31.6	JPY 31.6



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

+14% Dividend Increase

+14% Dividend Increase, DOE (Dividend on Equity) Payout Ratio 3.6% on Back of Robust Cash Generation & Covid Recovery

Ichigo Dividend Policy

Progressive Dividend Policy

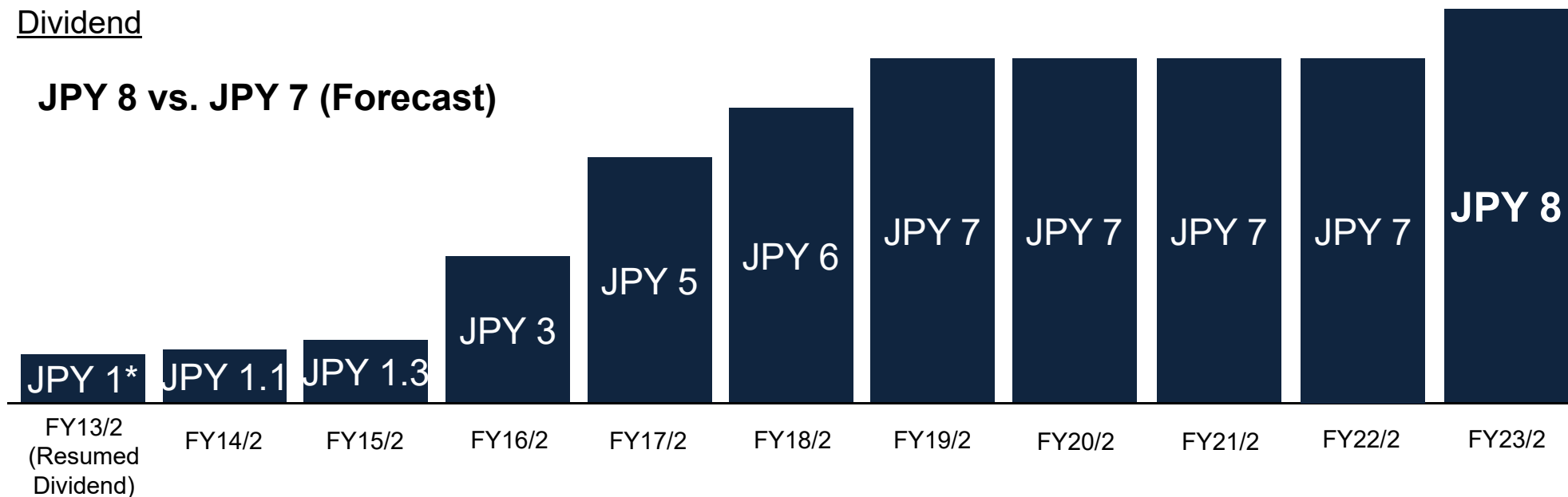
Shareholder return policy underscores our commitment to dividend growth, transparency, and stability. **Dividend is maintained or raised every year, but not cut.**

DOE (Dividend on Equity) Payout Ratio of >3%

Stable and growing dividend unaffected by short-term earnings volatility

Dividend

JPY 8 vs. JPY 7 (Forecast)



* Adjusted to reflect 200:1 stock split

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 (73,000 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

FY23/2 Special Holiday Gift

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



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

FY24/2 Forecasts

FY24/2 Forecast

All-In OP +7%, Cash EPS +3%

- SRE Earnings Growth on Hotel Revenue Growth & Asset Sales
- All-In Recurring Profit Decrease on Dropping Out of One-Off Interest Hedge Gains
- Net Income +6% (Earnings Growth, Dropping Out of One-Off Extraordinary Losses)

(JPY million)

	FY23/2	FY24/2 Forecast	YOY
Operating Profit	12,492	9,500	-24.0%
All-In Operating Profit	16,908	18,000	+6.5%
Recurring Profit	10,848	6,000	-44.7%
All-In Recurring Profit	15,264	14,500	-5.0%
Net Income	9,409	10,000	+6.3%
Cash Net Income	15,351	15,500	+1.0%
EPS	20.45	22.06	+7.9%
Cash EPS	33.36	34.19	+2.5%
Dividend	JPY 8	JPY 8	-
ROE	9.2%	9.4%	-
Cash ROE	15.1%	14.6%	-

FY24/2 Forecast Details

- AM: Performance Fee Decline
- SRE: Hotel & Operator Revenue Growth
Increased SRE Multi-Asset Value-Add & Gains on Sale
- Clean Energy: Cost Increase on Large-Scale Maintenance

(JPY million)

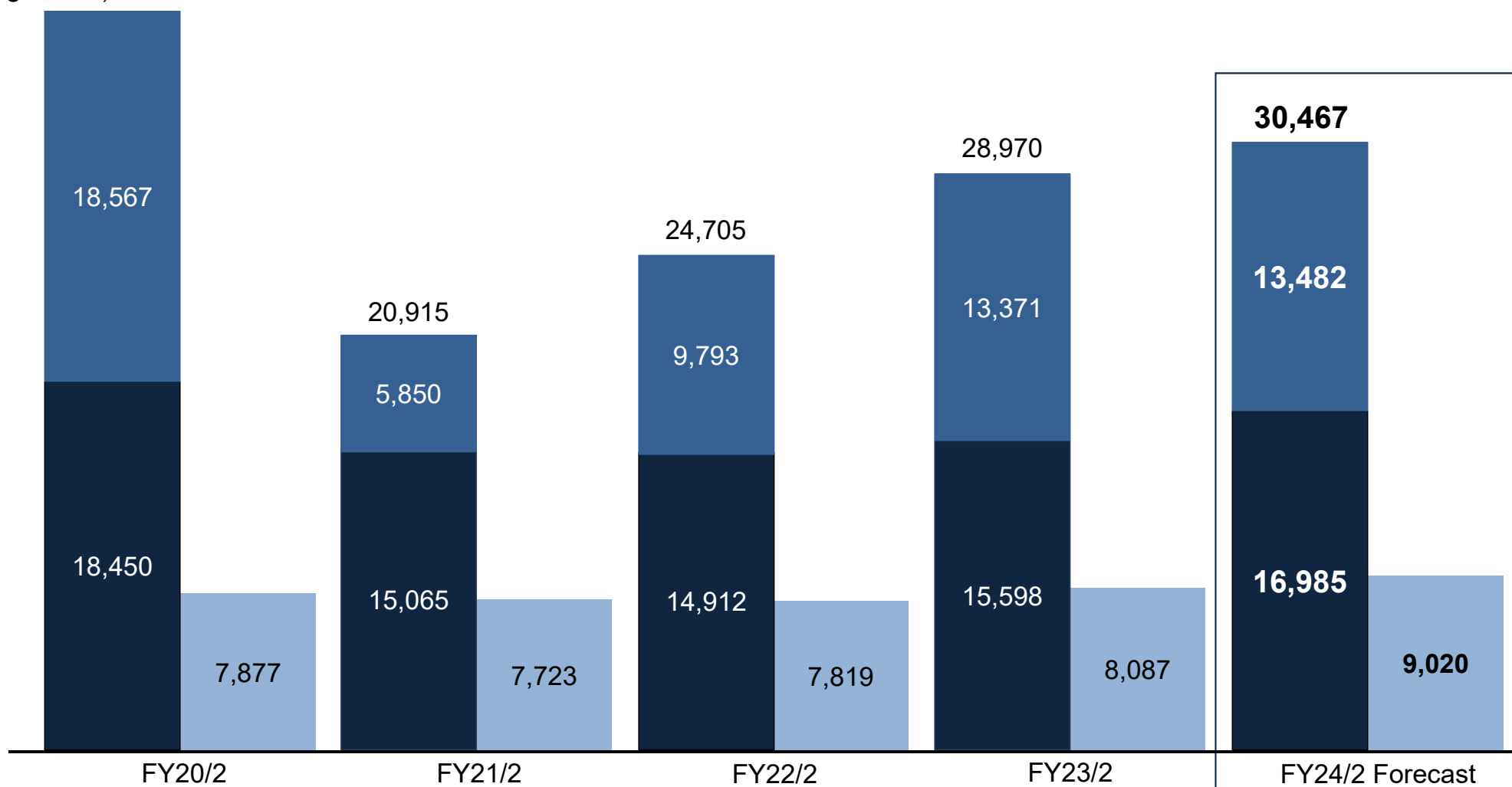
Segment	All-In Operating Profit		
	FY23/2	FY24/2 Forecast	YOY
Asset Management (AM)	3,026	1,000	-67.0%
Sustainable Real Estate (SRE)	11,893	15,300	+28.6%
Multi-Asset	8,376	11,100	+32.5%
Ichigo Owners	3,516	4,200	+19.4%
Clean Energy (CE)	2,016	1,700	-15.7%
Adjustment (including offsets of cross-segment transactions)	-27	-	-
Total	16,908	18,000	+6.5%

FY24/2 Forecast Cash Earnings

■ Stock Earnings ■ Flow Earnings ■ Fixed Expenses

(JPY million)

Cash Earnings 37,016



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

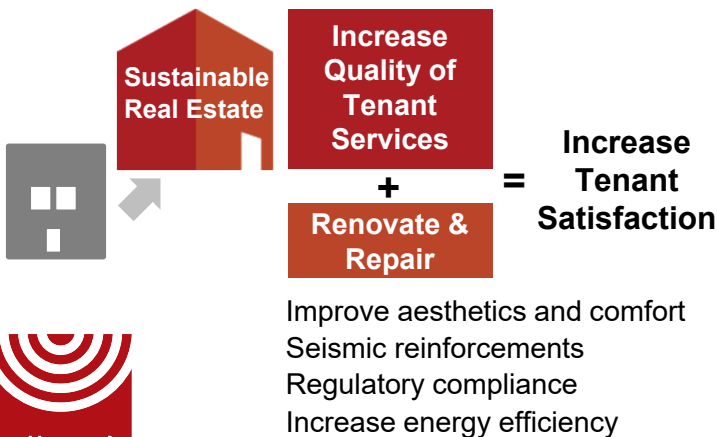


Climate Positive & Sustainability-Driven

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

222,927,029 kWh

Equivalent to annual energy consumption of 51,600 households
 Annual Energy Consumption (Japan Average) 4,322kWh/household (Ministry of Environment document)

Annual CO2 Reduction

98,647,576 tons

Equivalent to annual CO2 emission of 43,000 cars
 Gasoline Passenger Cars 2,300kg/car per year (Ministry of Environment document)



*Ichigo, Ichigo Green FY23/2 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



Ichigo Hotel (3463)
 2 Stars / Green Star



BELS 3 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>



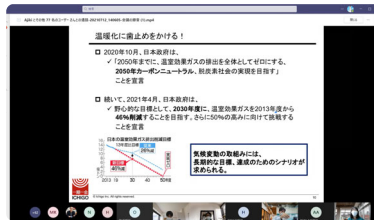
Ichigo University

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)

Certified as a Sports Yell Company & Tokyo Metropolitan Government Sports Promotion Company for 6th year in a row

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.

Ichigo RE100 Initiative

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.

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



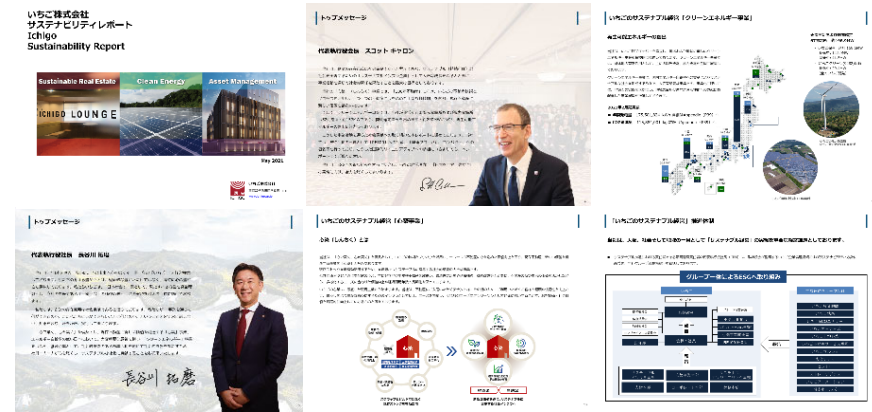
Introducing Ichigo's Vision for Society's Future

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

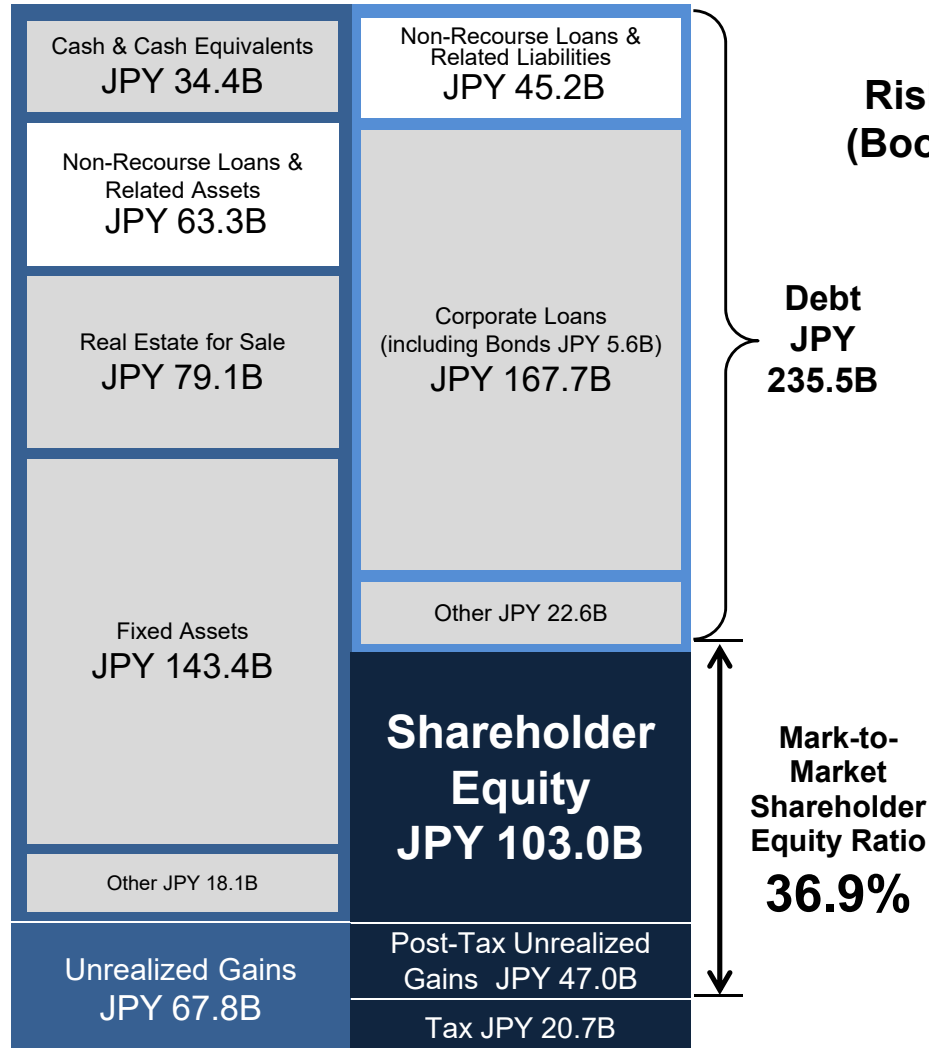
(JPY million)

Location	Book Value as of February 28, 2023 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	89,163	5,353	6.0%	125,252	+36,089
Outside Tokyo	96,264	6,495	6.7%	124,136	+27,872
Total	185,427	11,849	6.4%	249,388	+63,961

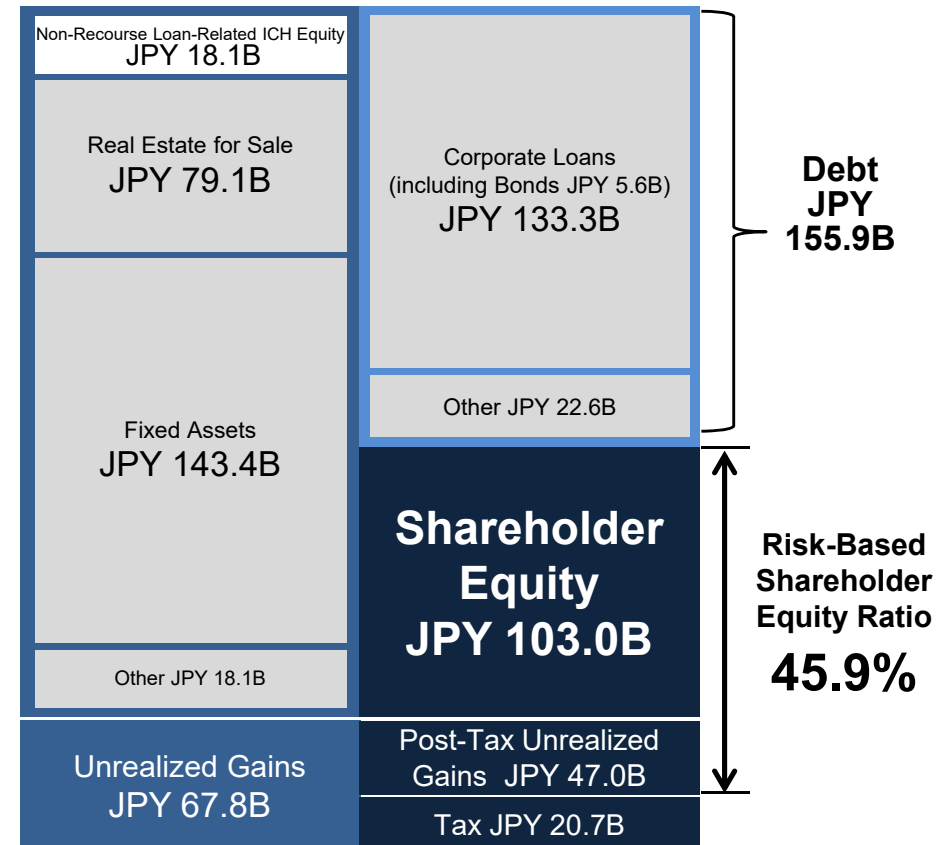
Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 63.71B)

Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 406.4B
(Book Value JPY 338.6B + Unrealized Gains JPY 67.8B)



Risk-Based Consolidated Balance Sheet: JPY 326.8B
(Book Value JPY 258.9B + Unrealized Gains JPY 67.8B)



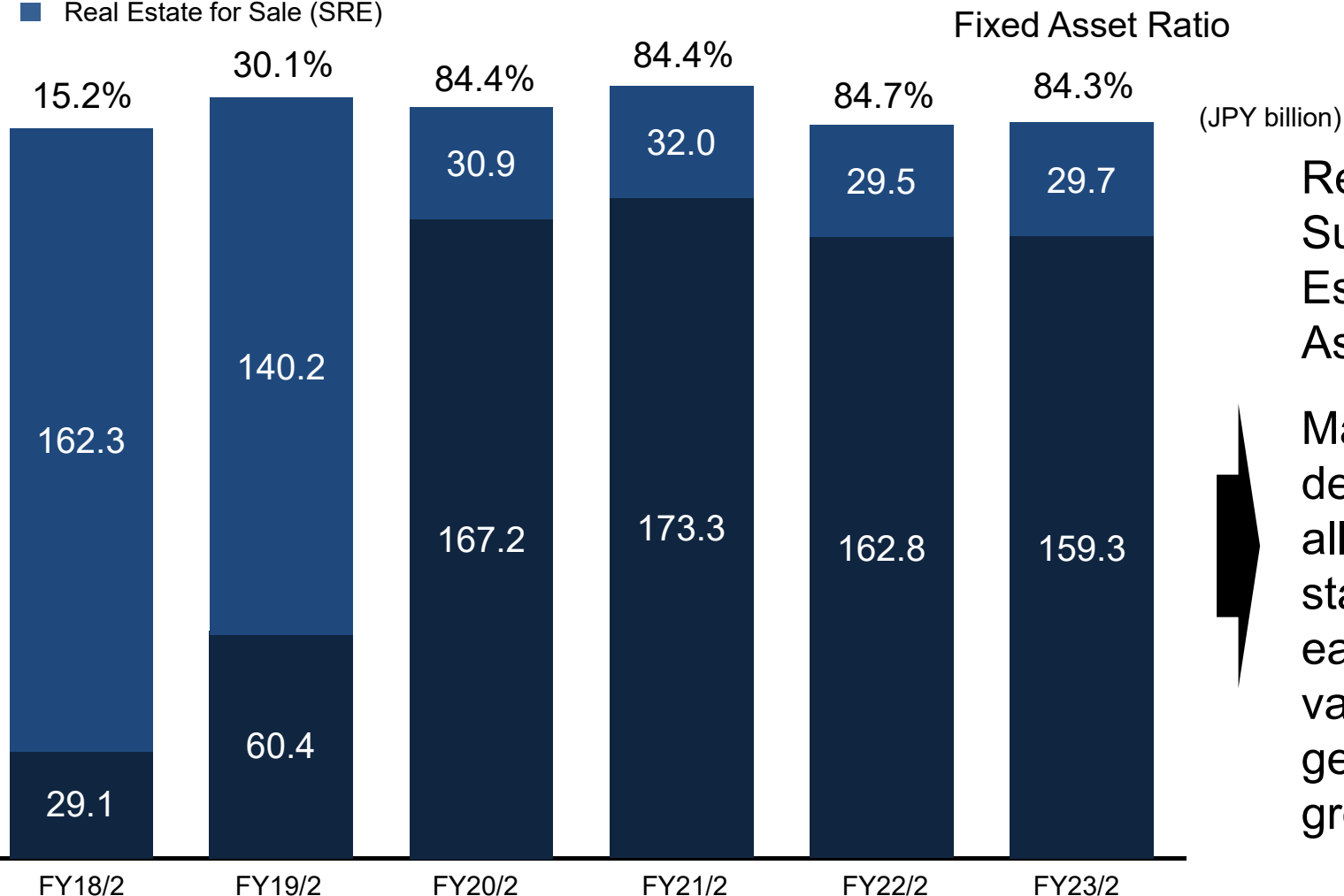
Note: Risk-Based Balance Sheet excludes client and non-recourse assets & liabilities and nets out Cash & Cash Equivalents.

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

Robust Cash Flow Generation & Strong Earnings Base

Key Ichigo Strength: Robust Cash Generation to Fund Growth

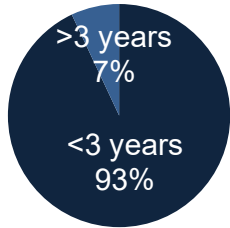
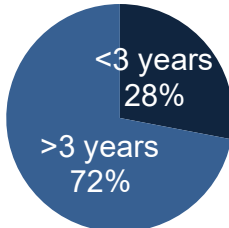
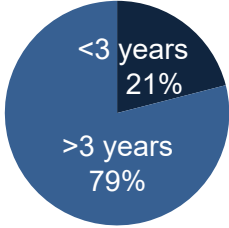
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 193%

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2	FY23/2 Full-Year Forecast
Stock Earnings (A)	14,502	14,939	18,485	18,450	15,065	14,912	15,598	14,995
Depreciation	716	967	1,632	2,507	4,603	5,278	5,135	5,121
Flow Earnings	14,139	13,015	15,273	18,567	5,850	9,793	13,371	13,342
Cash Earnings	28,641	27,953	33,759	37,016	20,915	24,705	28,970	28,337
Fixed Expenses (B)	6,502	6,371	7,071	7,877	7,723	7,819	8,087	8,181
Stock Earnings/ Fixed Expenses (A/B)	223%	234%	261%	234%	195%	191%	193%	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	FY23/2	vs. GFC
Stock Earnings/ Fixed Expenses Coverage Ratio	75%	140%	193%	<u>2.6X</u>
Loan Maturity (Weighted avg., corporate + non-recourse loans)	2.8 years	2.8 years, 5.6 years	2.8 years, 5.6 years, 10.0 years	<u>3.6X</u>
% of <3 Year Loans (corporate + non-recourse loans)	93% 	28% 	21% 	<u>-72%</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)	-	-	-	-	-	560	124	2,564	3,249
Sustainable Real Estate (SRE)	14,098	1,324	47	79,151	169,014	1,595	1,445	5,022	271,699
Clean Energy (CE)	4,363	-	-	-	30,202	158	-	1,620	36,344
Company-Wide Assets	22,074	-	-	-	106	84	2,886	2,173	27,326
Total	40,536	1,324	47	79,151	199,323	2,398	4,455	11,381	338,619

Consolidated P&L: Segment Breakdown

(JPY million)

Segment	All-In Gross Profit			All-In Operating Profit			
	FY22/2	FY23/2	YOY Change	FY22/2	FY23/2	YOY Change	FY23/2 Revised Forecast
Asset Management (AM)	2,368	3,753	+58.5%	1,839	3,026	64.5%	2,900
Base AM Fees	2,091	2,066	-1.2%	–	–	–	–
Acquisition/Disposition Fees	276	1,687	+509.1%	–	–	–	–
Sustainable Real Estate (SRE)	14,358	17,289	+20.4%	9,318	11,893	+27.6%	11,500
Rental Income	4,842	5,605	+15.7%	2,942	3,664	+24.5%	–
Asset Sales	9,538	11,694	+22.6%	6,375	8,229	+29.1%	–
Other Flow Earnings	-22	-9	–	–	–	–	–
Clean Energy (CE)	2,699	2,791	+3.4%	2,134	2,016	-5.5%	1,900
Adjustment (including offsets of cross-segment transactions)	–	–	–	-25	-27	–	–
Total	19,426	23,834	+22.7%	13,266	16,908	+27.4%	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 (12M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 205.4B	JPY 212.1B
	Base AM Fee Gross Profit (Actual)	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 1,725M	JPY 1,517M
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 201M
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 78M
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 48.2B
	Base AM Fee Gross Profit (Actual)	JPY 12M	JPY 41M	JPY 116M	JPY 137M	JPY 144M	JPY 207M
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 2,004M

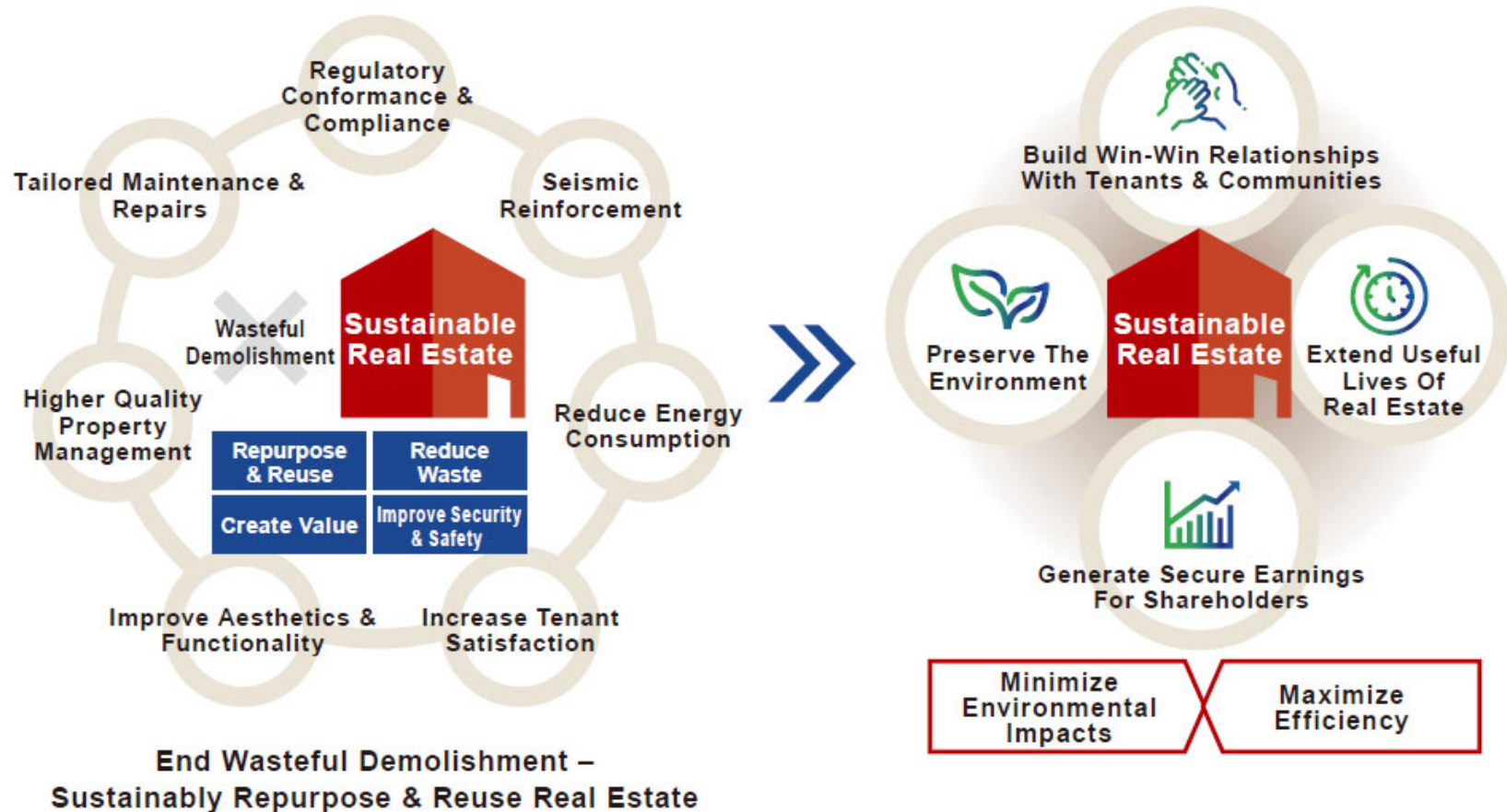
Ichigo Green Base AM Fee Gross Profit (Actual) includes operator fees.

Appendix: Sustainable Real Estate Details

Sustainable Infrastructure for a Sustainable Society

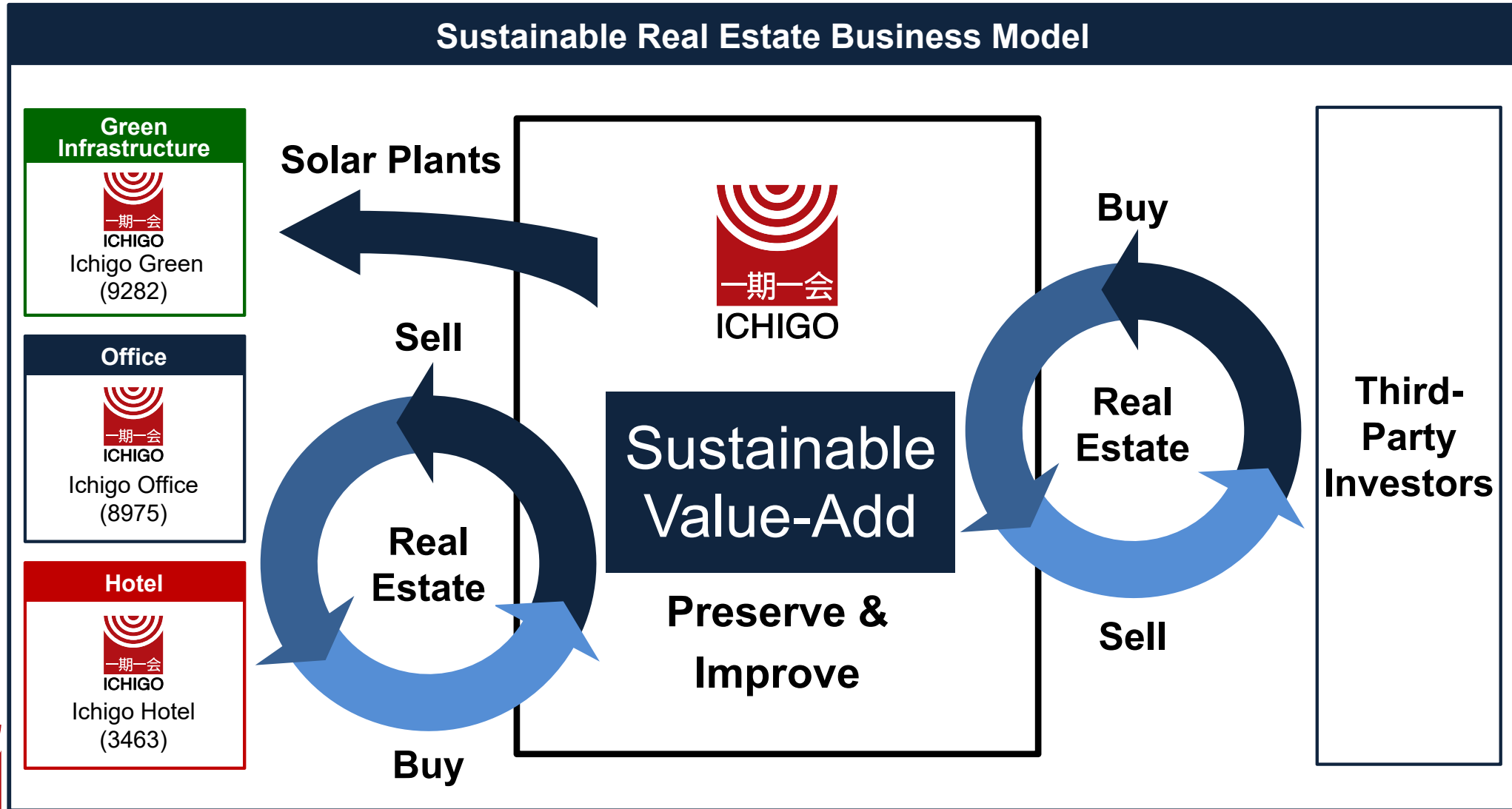
End Wasteful Demolishment and Embrace Sustainable Real Estate

- 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

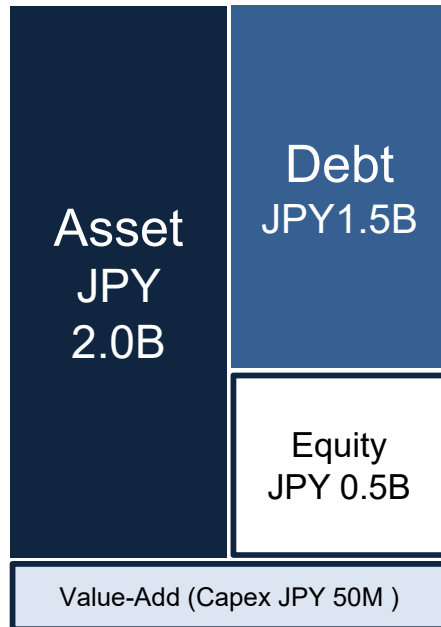
Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



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

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

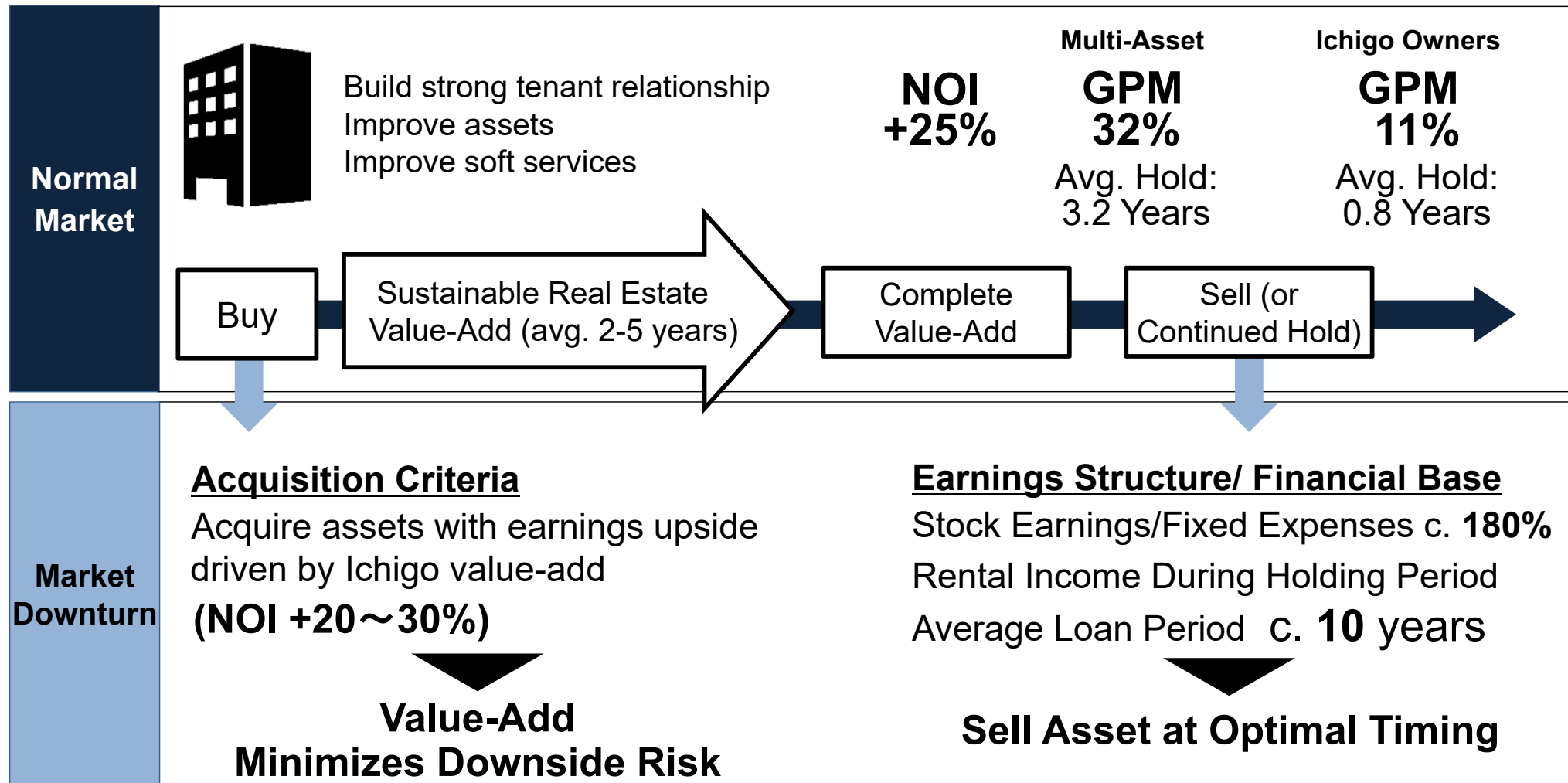
Capital Gain

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)

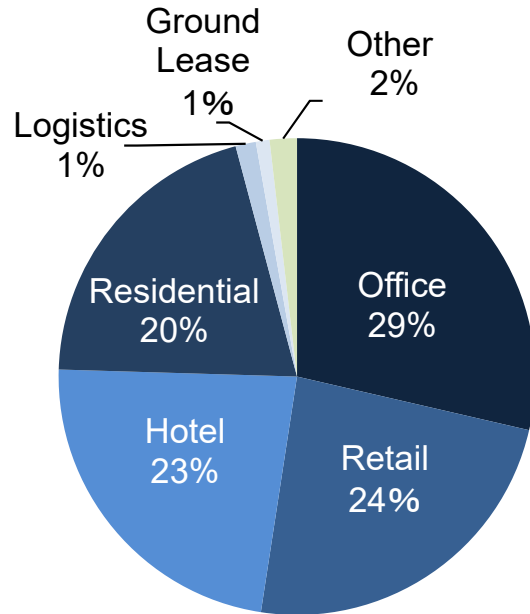
Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2
GPM (vs. Revenue)	25.5%	28.3%	13.9%	20.6%	21.1%
GPM (vs. Book Value)	34.3%	39.5%	16.2%	26.2%	27.1%
Revenue (JPY M)	58,693	60,601	41,430	45,830	55,166
Gross Profit (JPY M)	14,986	17,158	5,762	9,421	11,648

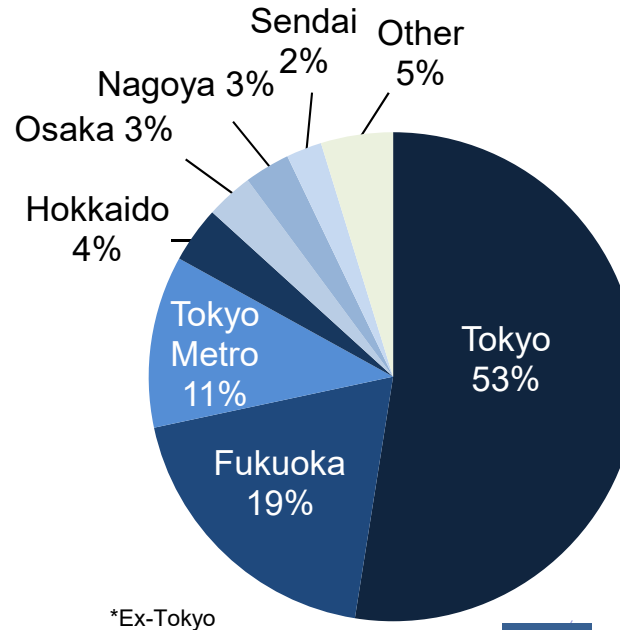
Includes Fixed Asset Gains on Sales

Ichigo-Owned Real Estate Portfolio

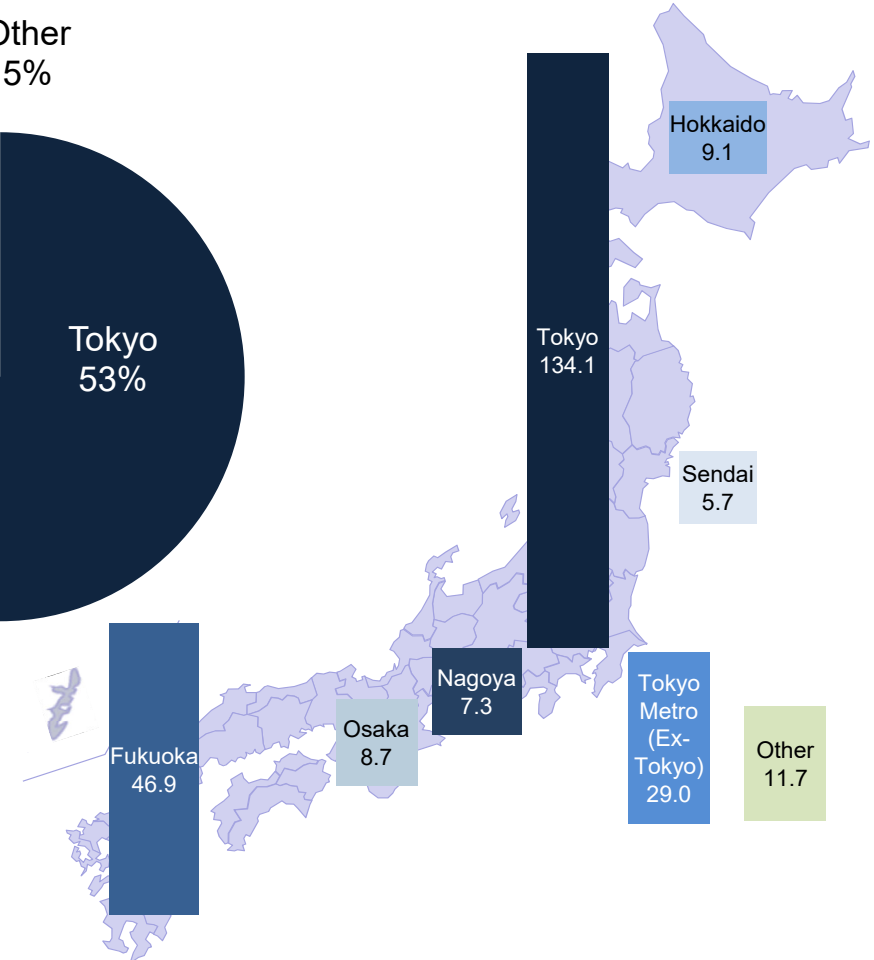
By Asset Type



By Location

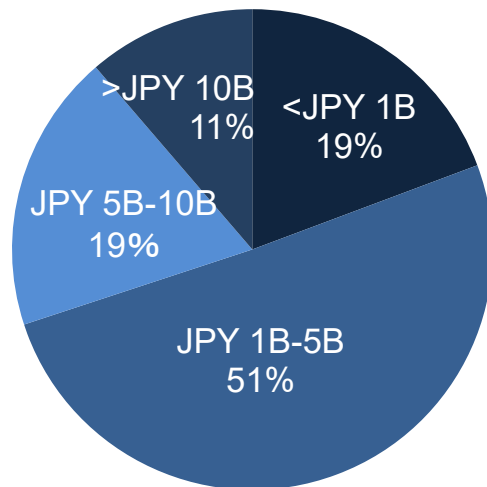


(JPY billion)



*Ex-Tokyo

By Asset Size



Total Ichigo-Owned Assets: JPY 252.9B
Including Ichigo-Managed AUM: JPY 579.5B

* Acquisition price basis

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

Total Ichigo-Owned Assets Book Value: JPY 247.1B

Sustainable Real Estate Asset Breakdown (1)

177 Assets, JPY 247.1B, Annual NOI JPY 11.8B (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	18 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	12 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	39 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	14 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	19 years	JPY 56M	JPY 186M	–	–
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	19 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 26M	–	–	–
66	Retail	Fixed Asset	Sendai	<JPY 1B	2015/02	19 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	39 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	33 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	22 years	JPY 1,540M	JPY 3,450M	–	–
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	25 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	5 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	–	–
177	Retail	Fixed Asset	Matsudo, Chiba	JPY 1B-2B	2023/01	17 years	JPY 69M	JPY 1,189M	–	–
60 Fixed Assets				JPY 165,034M			JPY 10,352M	JPY 33,268M	–	–
				JPY 159,271M (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	34 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	35 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	14 years	JPY 64M	JPY 270M	1.68X	23.9%
173	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2022/05	15 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	18 years	JPY 41M	JPY 65M	3.85x	36.7%
178	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2022/12	13 years	JPY 35M	JPY 28M	7.96x	44.6%
179	Office	Real Estate for Sale	Minato-ku, Tokyo	JPY 1B-2B	2023/02	31 years	JPY 59M	JPY 170M	2.38x	33.6%
15 Real Estate For Sale				JPY 28,106M			JPY 1,677M	JPY 3,937M	3.25X	42.9%
				JPY 29,702M (Book Value)						
Subtotal 75 Assets				JPY 193,141M			JPY 12,029M	JPY 37,205M	–	–
				JPY 188,974M (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)	43 Assets	JPY 45,815M	+JPY 11,390M	JPY 1,813M	JPY 16,814M	–	–
B	Ichigo Owners (Other)	4 Assets	JPY 3,111M	-JPY 196M	JPY 204M	JPY 1,266M	–	–
C	Centro (Primarily Office & Residential)	19 Assets	JPY 6,548M	-JPY 1,527M	JPY 460M	JPY 1,619M	–	–
D	Self-Storage	36 Assets	JPY 4,295M	–	JPY 433M	JPY 896M	–	–
Total 177 Assets			JPY 252,911M		JPY 14,940M	JPY 57,802M	–	–
			JPY 247,128M (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 FY22/2 Q4 (3M)		Total 13 Assets	JPY 13,333M		JPY 550M	JPY 7,692M	–	–
Assets acquired in FY23/2 (12M)²		Total 45 Assets	JPY 50,703M		JPY 2,643M	JPY 19,882M	–	–
Assets acquired and sold in FY23/2		Total 1 Asset	JPY 61M		JPY 4M	–	–	–

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

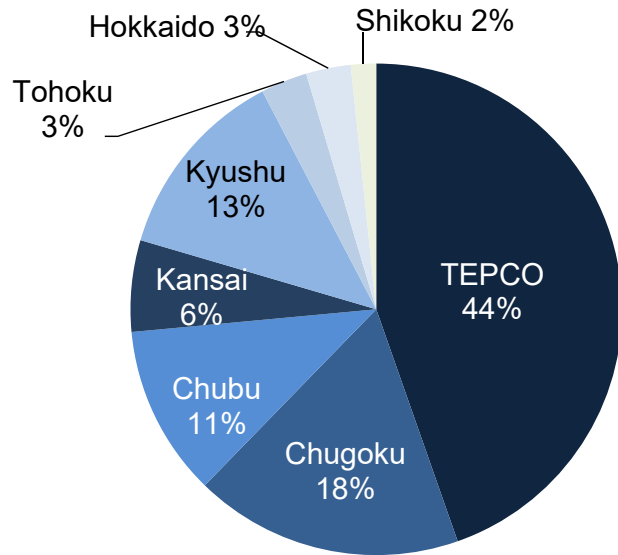
² Sold 1 Centro Asset

Appendix: Clean Energy Details

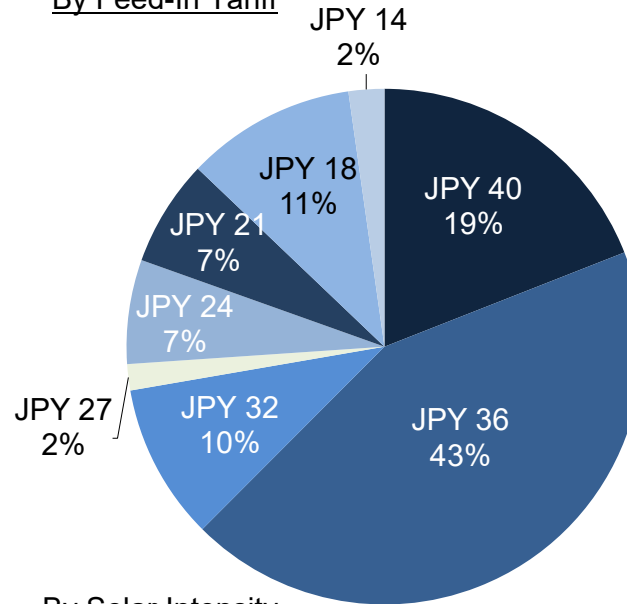
Ichigo Solar Power Plant Portfolio

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

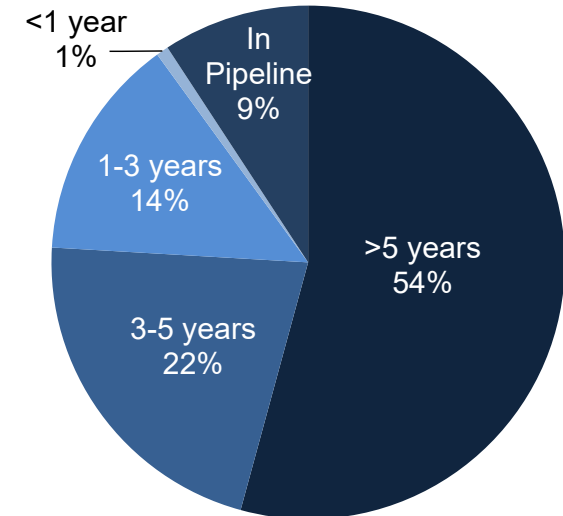
By Customer (Electric Power Utility Co)



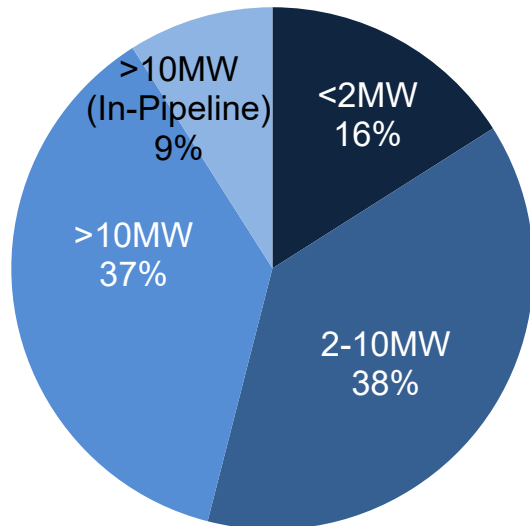
By Feed-In Tariff



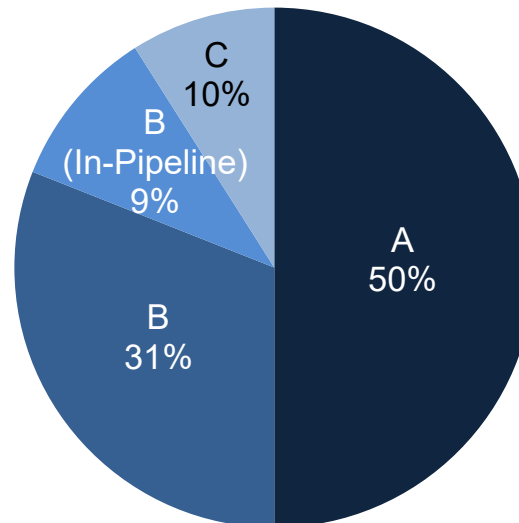
By Years in Operation



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: < 3.5
 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		

Ichigo Solar & Wind Power Plant (Operating/In-Pipeline) Total: 49 Plants 158.8MW

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~ 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: 188.2MW

Solar Power Plants: 151.4MW

Wind Power Plants: 7.3MW

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 relationships with local government

	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	vs. FY22/2
Assets						
Current Assets						
Cash and cash equivalents	50,225	41,067	50,832	46,458	40,536	-5,922
Trade notes and accounts receivable	1,344	2,308	1,382	1,819	3,866	+2,047
Operational loan investments	1,324	1,324	1,324	1,324	1,324	-
Operational securities investments	1,218	902	590	2,547	47	-2,500
Real estate for sale	161,322	68,290	64,109	68,666	79,151	+10,485
Other	2,156	3,721	2,698	2,613	3,197	+584
Less: allowance for doubtful accounts	-2	-6	-167	-633	-66	+567
Total Current Assets	217,590	117,608	120,771	122,798	128,057	+5,259
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	20,338	55,050	60,673	56,208	54,039	-2,169
Solar and wind power plants (net)	19,058	23,425	24,191	27,953	26,862	-1,091
Land	49,924	122,114	122,592	116,079	114,431	-1,648
Other (net)	5,655	5,607	6,935	3,796	3,990	+194
Total Property, Plant, and Equipment	94,976	206,198	214,392	204,038	199,323	-4,715
Intangible Assets						
Goodwill	1,346	1,090	968	1,580	717	-863
Leasehold rights	316	687	1,272	1,365	1,397	+32
Other	331	705	1,797	605	283	-322
Total Intangible Assets	1,993	2,482	4,038	3,551	2,398	-1,153
Investments and Other Assets						
Securities investments	2,455	4,321	5,147	3,463	4,455	+992
Long-term loans receivable	10	510	10	270	240	-30
Deferred tax assets	177	568	605	883	341	-542
Other	2,231	2,128	2,202	3,013	3,937	+924
Less: allowance for doubtful accounts	-91	-91	-91	-131	-133	-2
Total Investments and Other Assets	4,782	7,436	7,874	7,498	8,840	+1,342
Total Fixed Assets	101,752	216,118	226,305	215,089	210,562	-4,527
Total Assets	319,343	333,726	347,076	337,887	338,619	+732

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2	vs. FY22/2
Liabilities						
Current Liabilities						
Short-term loans	3,275	3,086	4,879	2,382	962	-1,420
Bonds (due within one year)	112	274	274	274	364	+90
Long-term loans (due within one year)	7,881	12,277	9,751	9,888	8,539	-1,349
Long-term non-recourse loans (due within one year)	1,666	1,178	1,358	1,375	4,218	+2,843
Income taxes payable	3,760	2,416	573	1,888	949	-939
Accrued bonuses	31	33	9	39	112	+73
Other current liabilities	5,178	5,013	5,527	5,012	4,053	-959
Total Current Liabilities	21,905	24,280	22,374	20,861	19,200	-1,661
Long-Term Liabilities						
Bonds	538	6,082	5,878	5,603	5,239	-364
Long-term loans	131,569	151,483	156,890	150,389	152,624	+2,235
Long-term non-recourse loans	51,068	39,156	40,974	39,489	38,012	-1,477
Deferred tax liabilities	2,164	1,890	1,868	1,795	1,589	-206
Long-term security deposits received	8,292	8,118	7,795	6,749	7,163	+414
Other long-term liabilities	946	1,107	1,039	805	396	-409
Total Long-Term Liabilities	194,579	207,838	214,446	204,833	205,026	+193
Total Liabilities	216,484	232,119	236,820	225,695	224,226	-1,469
Net Assets						
Shareholders' Equity						
Capital	26,820	26,885	26,888	26,888	26,888	-
Capital reserve	11,207	11,272	11,275	11,268	11,266	-2
Retained earnings	66,730	71,505	73,160	76,310	82,438	+6,128
Treasury shares	-5,988	-8,988	-11,988	-13,423	-17,914	-4,491
Total Shareholders' Equity	98,769	100,674	99,335	101,043	102,678	+1,635
Accumulated Other Comprehensive Income						
Valuation gains (losses) on other securities	386	158	90	25	296	+271
Deferred gains (losses) on long-term interest rate hedges	-408	-397	-375	-254	51	+305
Total Accumulated Other Comprehensive Income	-21	-239	-285	-228	347	+575
Stock Options	827	988	1,007	961	814	-147
Minority Interests	3,283	184	10,197	10,415	10,552	+137
Total Net Assets	102,859	101,607	110,255	112,191	114,393	+2,202
Total Liabilities and Net Assets	319,343	333,726	347,076	337,887	338,619	+732

Consolidated P&L

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)	Change (YOY)	FY23/2 Full-Year Forecast	vs. Forecast
Revenue	83,540	87,360	61,368	56,934	68,093	+11,159	–	–
Cost of Goods Sold	51,413	52,851	45,776	40,757	48,674	+7,917	–	–
Gross Profit	32,126	34,509	15,591	16,177	19,418	+3,241	–	–
SG&A	5,847	6,787	5,923	6,159	6,926	+767	–	–
Operating Profit	26,279	27,721	9,668	10,018	12,492	+2,474	11,900	105.0%
Non-Operating Income								
Interest income	3	8	17	29	46	+17	–	–
Dividend income	68	78	78	30	38	+8	–	–
Mark-to-market gains on long-term interest rate hedges	5	–	243	98	790	+692	–	–
Other	70	62	78	202	103	-99	–	–
Total Non-Operating Income	147	150	417	361	979	+618	–	–
Non-Operating Expenses								
Interest expense	2,328	2,293	2,338	2,341	2,165	-176	–	–
Mark-to-market losses on long-term interest rate hedges	491	336	29	53	–	-53	–	–
Debt financing-related fees	327	538	279	157	171	+14	–	–
Other	203	307	258	355	285	-70	–	–
Total Non-Operating Expenses	3,350	3,476	2,906	2,908	2,622	-286	–	–
Recurring Profit	23,076	24,395	7,179	7,471	10,848	+3,377	10,000	108.5%
Extraordinary Gains								
Gains on sales of fixed assets	–	–	720	3,248	4,416	+1,168	–	–
Gains on sales of securities investments	2	11	–	15	–	-15	–	–
Gains on sales of subsidiary shares	–	169	–	–	–	–	–	–
Other	–	35	–	120	205	+85	–	–
Total Extraordinary Gains	2	215	720	3,383	4,621	+1,238	–	–
Extraordinary Losses								
Loss on disposal of fixed assets	–	27	–	5	23	+18	–	–
Valuation losses on securities investments	–	229	114	43	261	+218	–	–
Impairment loss	–	319	27	716	803	+87	–	–
Covid writedown of real estate for sale	–	7,487	–	–	–	–	–	–
Other	–	–	146	493	146	-347	–	–
Total Extraordinary Losses	–	8,065	288	1,259	1,235	-24	–	–
Pre-Tax Income	23,079	16,545	7,610	9,595	14,234	+4,639	–	–
Total Income Taxes	7,333	7,406	2,564	2,901	4,578	+1,677	–	–
Pre-Minority Interest Net Income	15,746	9,139	5,046	6,694	9,656	+2,962	–	–
Net Income Attributable to Minority Interests	373	938	18	220	246	+26	–	–
Net Income	15,373	8,201	5,027	6,473	9,409	+2,936	9,000	104.5%

Consolidated Cash Flows: Operations

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)
Cash Flows from Operations					
Pre-tax income	23,079	16,545	7,610	9,595	14,234
Depreciation	1,696	2,630	4,797	5,644	5,339
Share-based compensation expenses	213	194	21	73	–
Amortization of goodwill	254	174	121	149	177
Increase (decrease) in accrued bonuses	-3	2	-24	29	73
Increase (decrease) in allowance for doubtful accounts	-26	4	161	505	134
Interest and dividend income	-71	-86	-96	-60	-85
Interest expense	2,328	2,293	2,338	2,341	2,165
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	23
Losses (gains) on sales of fixed assets	–	–	-720	-3,248	-4,416
Impairment loss	–	319	27	716	803
Valuation losses on securities investments	–	229	114	43	261
Decrease (increase) in trading notes and receivables	-247	-903	925	-437	-2,096
Decrease (increase) in operational securities investments	3,509	11,682	343	1,279	3,178
Decrease (increase) in real estate for sale	-3,163	-17,447	5,342	-3,873	-10,114
Covid writedown of real estate for sale	–	7,487	–	–	–
Valuation losses on SPC capital contributions	–	–	4	2	3
Decrease (increase) in advances paid	-333	16	61	-60	-6
Decrease (increase) in accounts receivable	-399	29	16	-74	-62
Increase (decrease) in accounts payable	-332	201	-437	-113	462
Increase (decrease) in accrued expenses	25	-36	94	25	-38
Increase (decrease) in advances received	269	-285	-57	795	-908
Increase (decrease) in security deposits received	-264	-169	-323	-1,045	413
Other	1,887	600	1,550	-877	-1,859
Sub-Total	28,420	23,304	21,870	11,403	7,682
Interest and dividend income received	71	86	96	60	85
Interest expenses paid	-2,118	-2,068	-2,119	-2,174	-2,051
Income taxes paid and refunded	-4,610	-9,430	-4,384	-1,350	-5,462
Net Cash from (Used for) Operations	21,762	11,892	15,463	7,939	254

Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)
Cash Flows from Investments					
Payments into time deposits	-118	-113	-7	-7	-2
Proceeds from withdrawal from time deposits	1,060	5,033	-	30	23
Payments for securities investments	-539	-2,361	-547	-606	-968
Proceeds from sales of securities investments	32	111	10	569	-
Acquisitions of property, plant, and equipment	-15,440	-11,244	-16,447	-5,798	-10,516
Proceeds from sale of property, plant, and equipment	-	-	2,850	12,757	14,065
Acquisitions of intangible assets	-425	-562	-1,468	-195	-24
Payments of SPC capital contributions	-6	-2	-3	-4	-6
Redemptions of SPC capital contributions	32	-	15	-	97
Payments of security deposits	-16	-34	-	-16	-
Acquisitions of consolidated subsidiary	-	-187	-	-	-
Other	-181	-902	-30	-223	-33
Net Cash from (Used for) Investments	-15,602	-10,263	-15,630	6,502	2,635
Cash Flows from Financing					
Net increase (decrease) in short-term loans	2,232	426	1,793	-2,497	-1,419
Proceeds from bond issuance	129	5,828	70	-	-
Repayment of maturing bond principal to bondholders	-112	-193	-274	-274	-274
Proceeds from long-term loans	43,062	49,957	51,877	26,552	41,834
Repayment of long-term loans	-20,352	-26,475	-48,996	-32,940	-40,385
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	-1,633
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	-6
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	-6,582

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

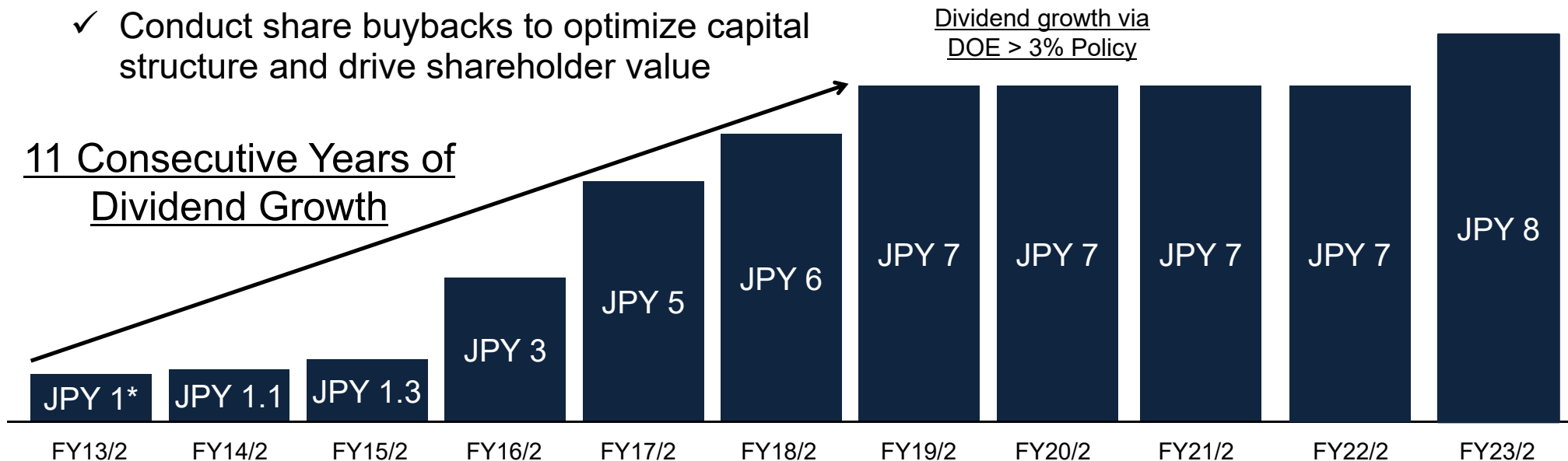
Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net investment in Real Estate and Power Plants for Sale

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

11 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:

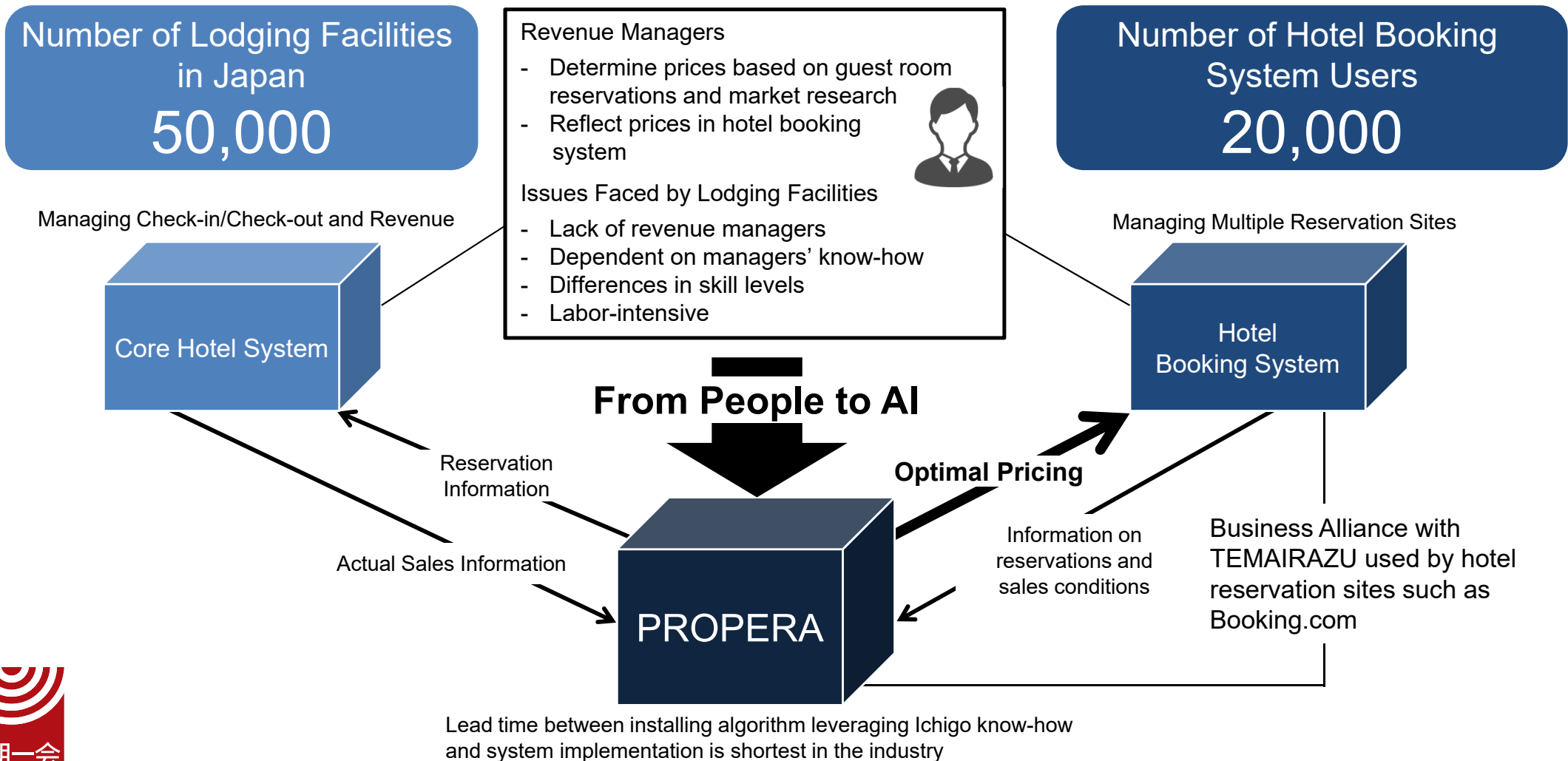
- Renovate and upgrade stadiums and help local governments find solutions for the rising costs of operating stadiums
- Work to build stronger and healthier communities in cooperation with local residents, businesses, and municipalities



PROPERA: Ichigo's AI Hotel Revenue Management System

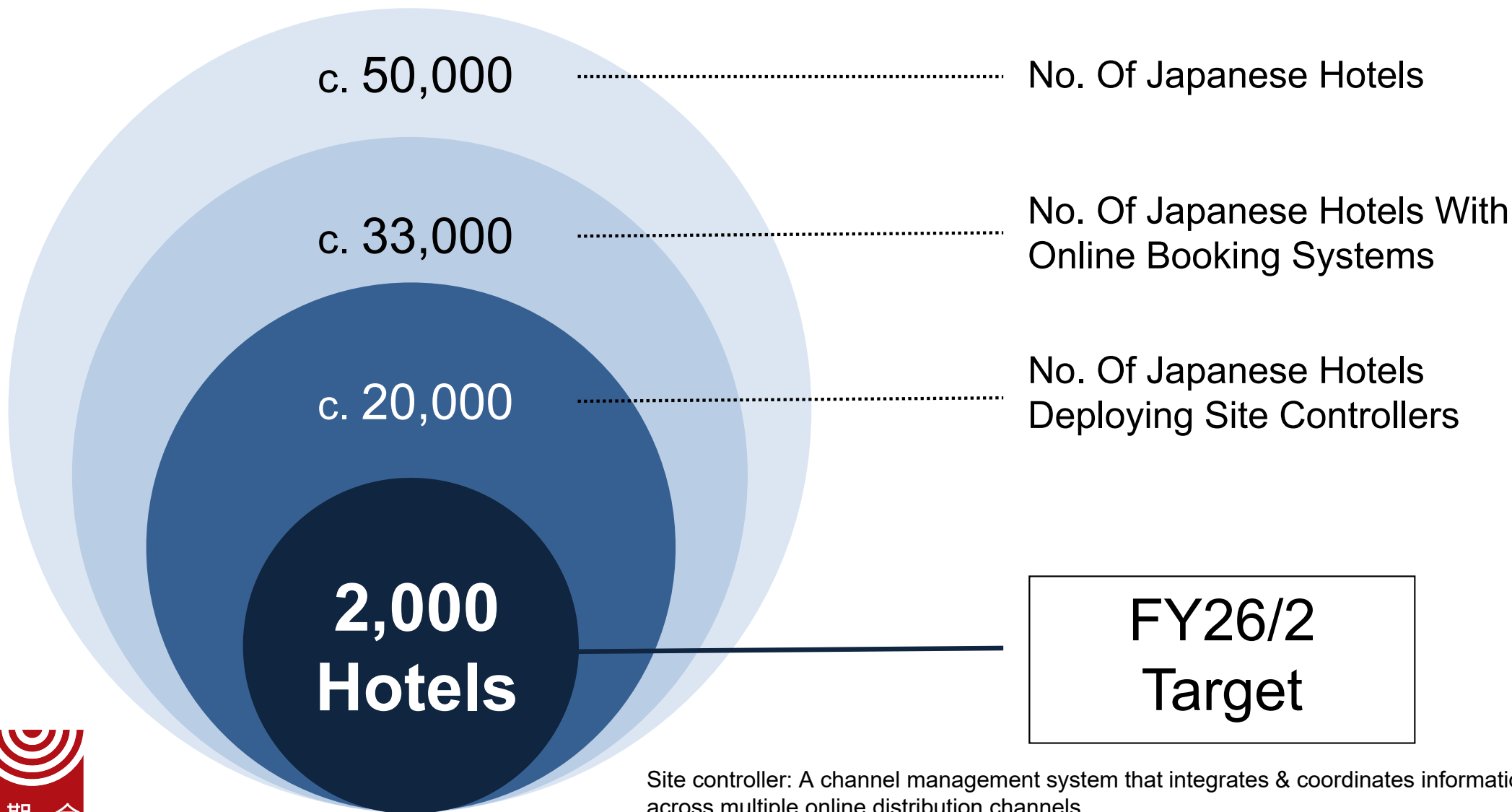
- Maximizes Hotel Revenues & Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite* Tailored to Hotels' Needs

* Provides limited information on pricing levels



PROPERA: 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: 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 by FY26/2

Drive Earnings via Shift From PROPERA Lite to PROPERA

PROPERA

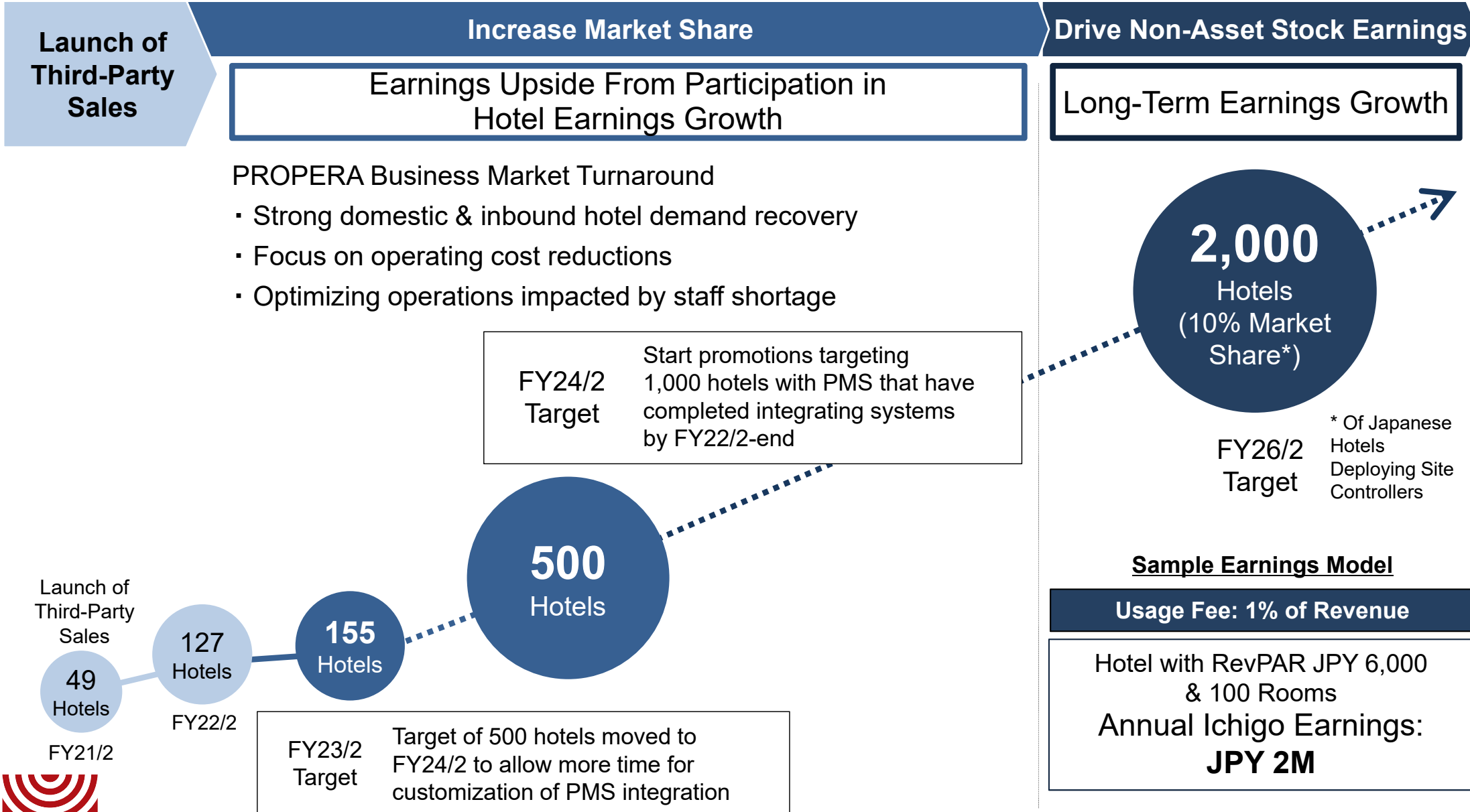
- Fully Automated Revenue Optimization
- Usage Fee: 1% of Revenue
(monthly per hotel)*

*Standard Plan

PROPERA Sample Earnings Model

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

PROPERA: Ichigo's AI Hotel Revenue Management System



¹ PMS: In-house hotel system that manages check-in/check-out & revenue ² 20,000 Japanese Hotels Deploying Site Controllers

Hakata Hotels: Hotel Operations

- Began Operations in Fukuoka City, Currently Operating 14 Hotels in Major Cities
- Expanding Ichigo's Non-Asset Businesses, Including Operations and Master Leases of Third-Party Hotels
 - ✓ PROPERA deployment at hotels (generating 10 to 40% revenue increases p.a.)
 - Growth exceeding pre-Covid levels without dedicated sales and marketing teams
- Name Change to OneFive Hotels Inc. on May 31, 2023



All fleeting encounters turn into meaningful connections and invaluable relationships through people's conscious efforts.

OneFive Hotels' logo is a thick line turned into a pentagon, representing the strength of peoples' encounters with each other. The red symbolizes the sun and represents new beginnings, while the black symbolizes the opposite, the darkness, representing the endless possibilities that have yet to be encountered.



The OneFive Villa Fukuoka



The OneFive Terrace Fukuoka



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.