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## FY25/2 Q1 Earnings

July 11, 2024

**Ichigo Inc.** (Tokyo Stock Exchange Prime, 2337)

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Submission of the Financial Report (*Shihanki Hokokusho*): July 12, 2024 (expected)

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

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

### 1. FY25/2 Consolidated Financial Results (March 1, 2024 to May 31, 2024)

#### (1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY	Operating Profit (JPY million) YOY	All-In Operating Profit (JPY million) YOY
FY25/2 Q1	25,096 +147.2%	4,221 +72.7%	5,880 +118.5%
FY24/2 Q1	10,152 -39.0%	2,445 -10.2%	2,691 -1.2%

Note: Comprehensive Income FY25/2 Q1: JPY 4,275 million (+221.1% YOY)

FY24/2 Q1: JPY 1,331 million (-30.4% YOY)

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

	Recurring Profit (JPY million) YOY	All-In Recurring Profit (JPY million) YOY	Net Income (JPY million) YOY	Cash Net Income (JPY million) YOY
FY25/2 Q1	3,716 +153.0%	5,376 +213.3%	3,591 +146.8%	4,487 +29.6%
FY24/2 Q1	1,469 -37.9%	1,715 -27.5%	1,455 -5.2%	3,462 +26.4%

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

	Net Income per Share (EPS) (Basic, JPY)	Net Income per Share (EPS) (Diluted, JPY)	Cash Net Income per Share (EPS) (JPY) YOY
FY25/2 Q1	8.18 +154.9%	8.16 +154.2%	10.22 +33.8%
FY24/2 Q1	3.21 -2.3%	3.21 -2.3%	7.64 +30.2%

Cash Net Income = Net Income + Depreciation + Amortization +/- Valuation Losses (Gains)

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY25/2 Q1	378,498	115,503	27.4%	237.12
FY24/2	367,015	116,281	28.5%	237.57

Note: Shareholders' Equity FY25/2 Q1: JPY 103,791 million FY24/2: JPY 104,628 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY25/2 Q1	-394	5,501	8,635	59,844
FY24/2 Q1	-15,490	-3,404	16,223	37,642

Note: Economic Operating Cash Flow (Cash Flows from Operations, excluding net change in Real Estate and Power Plants for Sale, plus post-tax gains on sales of Sustainable Real Estate assets recorded as extraordinary gains)

FY25/2 Q1: JPY 2,051 million FY24/2 Q1: JPY 1,079 million

2. Dividends

	Dividend per Share (JPY)					Total Dividends (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY24/2	–	–	–	9	9	3,963	33.5%	3.9%
FY25/2 (Forecast)	–	–	–	10	10		31.2%	

3. FY25/2 Full-Year Consolidated Earnings Forecast (March 1, 2024 to February 28, 2025)  
(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		All-In Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		All-In Recurring Profit (JPY million) YOY	
FY25/2	16,000	+23.5%	24,000	+13.2%	12,000	+15.5%	20,000	+7.4%

	Net Income (JPY million) YOY		Cash Net Income (JPY million) YOY		Net Income per Share (JPY) YOY		Cash Net Income per Share (JPY) YOY	
FY25/2	14,000	+15.6%	18,500	+3.5%	32.10	+19.4%	42.42	+6.8%

#### 4. Other

- (1) Changes in significant consolidated subsidiaries  
(material changes in scope of consolidation): None
- (2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
- |   |                                    |
|---|------------------------------------|
| (i) Changes in accounting standards/principles:             | Yes (minor, no impact – see p. 12) |
| (ii) Changes in accounting principles other than the above: | None                               |
| (iii) Changes in accounting estimates:                      | None                               |
| (iv) Revisions of previous financial statements:            | None                               |
- (3) Number of common shares outstanding
- (i) Number of shares outstanding (including treasury shares) at period-end
- |            |             |
|------------|-------------|
| FY25/2 Q1: | 445,593,918 |
| FY24/2:    | 505,402,018 |
- (ii) Number of treasury shares at period-end
- |            |            |
|------------|------------|
| FY25/2 Q1: | 7,878,308  |
| FY24/2:    | 64,982,000 |
- (iii) Average number of shares outstanding (excluding treasury shares) during the period
- |            |             |
|------------|-------------|
| FY25/2 Q1: | 439,003,159 |
| FY24/2 Q1: | 453,388,818 |

#### Segment Information

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

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

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

#### Note on Appropriate Use of Forecasts

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

## Consolidated Balance Sheet (FY25/2 Q1)

(JPY million)

	FY24/2 (Feb 29, 2024)	FY25/2 Q1 (May 31, 2024)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	46,917	59,961
Accounts receivable	2,448	2,981
Operational loan investments	1,324	1,324
Operational securities investments	14	–
Real estate for sale	103,721	104,512
Other	3,720	3,942
Less: venture investments writedown	-401	-401
<b>Total Current Assets</b>	<b>157,746</b>	<b>172,321</b>
<b>Fixed Assets</b>		
<b>Property, Plant, and Equipment</b>		
Buildings and structures	58,641	57,622
Depreciation	-13,072	-13,420
Buildings and structures (net)	45,568	44,202
Solar and wind power plants	39,099	39,114
Depreciation	-9,865	-10,354
Solar and wind power plants (net)	29,234	28,760
Land	105,368	102,415
Buildings and structures under construction	3,978	4,207
Solar and wind power plants under construction	134	171
Other	2,625	2,643
Depreciation	-1,678	-1,750
Other (net)	947	893
<b>Total Property, Plant, and Equipment</b>	<b>185,232</b>	<b>180,650</b>
<b>Intangible Assets</b>		
Goodwill	989	956
Leasehold rights	1,332	1,332
Other	176	153
<b>Total Intangible Assets</b>	<b>2,498</b>	<b>2,442</b>
<b>Investments and Other Assets</b>		
Securities investments	17,086	17,773
Long-term loans receivable	838	974
Deferred tax assets	682	644

(JPY million)

	FY24/2 (Feb 29, 2024)	FY25/2 Q1 (May 31, 2024)
Other	3,766	4,526
Less: venture investments writedown	-835	-835
<b>Total Investments and Other Assets</b>	<b>21,537</b>	<b>23,084</b>
<b>Total Fixed Assets</b>	<b>209,269</b>	<b>206,176</b>
<b>Total Assets</b>	<b>367,015</b>	<b>378,498</b>

(JPY million)

	FY24/2 (Feb 29, 2024)	FY25/2 Q1 (May 31, 2024)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Short-term loans	16,726	9,226
Bonds (due within one year)	3,162	3,232
Long-term loans (due within one year)	20,878	14,052
Long-term non-recourse loans (due within one year)	6,413	6,468
Income taxes payable	4,039	3,085
Current year employee bonus accrual	136	400
Other current liabilities	4,805	3,833
<b>Total Current Liabilities</b>	<b>56,162</b>	<b>40,298</b>
<b>Long-Term Liabilities</b>		
Bonds	4,306	4,196
Long-term loans	146,043	168,919
Long-term non-recourse loans	35,265	40,604
Deferred tax liabilities	1,323	1,334
Long-term security deposits received	7,229	7,272
Other long-term liabilities	404	368
<b>Total Long-Term Liabilities</b>	<b>194,572</b>	<b>222,695</b>
<b>Total Liabilities</b>	<b>250,734</b>	<b>262,994</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital	26,892	26,931
Capital reserve	10,313	10,348
Retained earnings	90,967	69,800
Treasury shares	-22,446	-2,818
<b>Total Shareholders' Equity</b>	<b>105,727</b>	<b>104,263</b>
<b>Accumulated Other Comprehensive Income</b>		
Valuation gains (losses) on other securities	-1,143	-527
Deferred gains (losses) on long-term interest rate hedges	44	55
<b>Total Accumulated Other Comprehensive Income</b>	<b>-1,099</b>	<b>-472</b>
<b>Stock Options</b>	<b>879</b>	<b>884</b>
<b>Minority Interests</b>	<b>10,772</b>	<b>10,828</b>
<b>Total Net Assets</b>	<b>116,281</b>	<b>115,503</b>
<b>Total Liabilities and Net Assets</b>	<b>367,015</b>	<b>378,498</b>

**Consolidated Income Statement (FY25/2 Q1)**

(JPY million)

	FY24/2 Q1 (Mar 1, 2023 to May 31, 2023)	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)
<b>Revenue</b>	<b>10,152</b>	<b>25,096</b>
<b>Cost of Goods Sold</b>	<b>5,915</b>	<b>18,660</b>
(Depreciation amount included in COGS)	1,213	1,140
<b>Gross Profit</b>	<b>4,236</b>	<b>6,436</b>
<b>SG&amp;A</b>	<b>1,791</b>	<b>2,214</b>
<b>Operating Profit</b>	<b>2,445</b>	<b>4,221</b>
<b>Non-Operating Income</b>		
Interest income	11	10
Dividend income	14	1
Foreign exchange gains	–	7
Mark-to-market gains on long-term interest rate hedges	–	625
Government subsidy income	16	–
Other	4	7
<b>Total Non-Operating Income</b>	<b>48</b>	<b>651</b>
<b>Non-Operating Expenses</b>		
Interest expense	551	679
Mark-to-market losses on long-term interest rate hedges	393	–
Debt financing-related fees	11	348
Other	67	127
<b>Total Non-Operating Expenses</b>	<b>1,024</b>	<b>1,156</b>
<b>Recurring Profit</b>	<b>1,469</b>	<b>3,716</b>
<b>Extraordinary Gains</b>		
Gains on sale of fixed assets	246	1,656
Gains on sale of securities investments	85	–
Redevelopment up-front rental compensation	327	–
Other	46	17
<b>Total Extraordinary Gains</b>	<b>705</b>	<b>1,673</b>
<b>Extraordinary Loss</b>		
Loss on disposal of fixed assets	–	4
<b>Total Extraordinary Loss</b>	<b>–</b>	<b>4</b>
<b>Pre-Tax Income</b>	<b>2,175</b>	<b>5,386</b>
<b>Total Income Taxes</b>	<b>663</b>	<b>1,737</b>
<b>Pre-Minority Interest Net Income</b>	<b>1,511</b>	<b>3,648</b>
<b>Net Income Attributable to Minority Interests</b>	<b>56</b>	<b>56</b>
<b>Net Income</b>	<b>1,455</b>	<b>3,591</b>

**Consolidated Statement of Comprehensive Income (FY25/2 Q1)**

(JPY million)

	FY24/2 Q1 (Mar 1, 2023 to May 31, 2023)	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)
<b>Pre-Minority Interest Net Income</b>	<b>1,511</b>	<b>3,648</b>
<b>Other Comprehensive Income</b>		
Valuation gains (losses) on other securities	-34	615
Deferred gains (losses) on long-term interest rate hedges	-145	11
<b>Total Other Comprehensive Income</b>	<b>-180</b>	<b>627</b>
<b>Comprehensive Income</b>	<b>1,331</b>	<b>4,275</b>
Comprehensive income attributable to common shareholders	1,274	4,218
Comprehensive income attributable to minority interests	56	56



## Consolidated Cash Flow Statement (FY25/2 Q1)

(JPY million)

	FY24/2 Q1 (Mar 1, 2023 to May 31, 2023)	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)
<b>Cash Flows from Operations:</b>		
Pre-tax income	2,175	5,386
Depreciation	1,267	1,199
Amortization of goodwill	21	32
Increase (decrease) in current year employee bonus accrual	196	263
Increase (decrease) in venture investments writedown	-31	-
Interest and dividend income	-26	-11
Interest expense	551	679
Losses (gains) on sale of securities investments	-85	-
Loss on disposal of fixed assets	-	4
Losses (gains) on sales of fixed assets	-246	-1,656
Decrease (increase) in trading notes and receivables	-947	-532
Decrease (increase) in operational securities investments	47	14
Decrease (increase) in real estate for sale	-16,189	-791
Decrease (increase) in advances paid	-48	-36
Decrease (increase) in prepaid expenses	-313	-378
Decrease (increase) in accounts receivable	43	-79
Decrease (increase) in consumption taxes receivable	-21	39
Increase (decrease) in accounts payable	-1,164	-1,273
Increase (decrease) in accrued expenses	-12	-134
Increase (decrease) in advances received	23	180
Increase (decrease) in deposits received	242	50
Increase (decrease) in security deposits received	-84	42
Increase (decrease) in accrued consumption taxes	-141	93
Other	357	-387
<b>Sub-Total</b>	<b>-14,390</b>	<b>2,704</b>
Interest and dividends received	26	11
Interest expense paid	-462	-588
Income taxes paid	-665	-2,521
<b>Net Cash from (Used for) Operations</b>	<b>-15,490</b>	<b>-394</b>

(JPY million)

	FY24/2 Q1 (Mar 1, 2023 to May 31, 2023)	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)
<b>Cash Flows from Investments:</b>		
Payments into time deposits	–	–
Redemptions of time deposits	–	700
Payments for securities investments	-2,094	-40
Proceeds from sale of securities investments	100	–
Acquisition of property, plant, and equipment	-2,031	-695
Proceeds from sale of property, plant, and equipment	1,030	5,650
Acquisition of intangible assets	-1	-6
Payments of security deposits	-127	-1
Payments of loans receivable	-10	-141
Payments received for loans receivable	7	37
Other	-277	–
<b>Net Cash from (Used for) Investments</b>	<b>-3,404</b>	<b>5,501</b>

(JPY million)

	FY24/2 Q1 (Mar 1, 2023 to May 31, 2023)	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)
<b>Cash Flows from Financing:</b>		
Net increase (decrease) in short-term loans	2,537	-7,500
Repayment of maturing bond principal to bondholders	-40	-40
Proceeds from long-term loans	21,264	44,890
Repayment of long-term loans	-3,888	-29,157
Proceeds from long-term non-recourse loans	–	5,500
Repayment of long-term non-recourse loans	-147	-105
Proceeds from exercise of stock options	–	67
Share buyback	–	-1,170
Dividends paid	-3,499	-3,846
Dividends paid to minority interests	-1	-1
<b>Net Cash from (Used for) Financing</b>	<b>16,223</b>	<b>8,635</b>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<b>–</b>	<b>–</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-2,671</b>	<b>13,742</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>40,313</b>	<b>46,101</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>37,642</b>	<b>59,844</b>

### Changes in Accounting Policies

The “Practical Solution on the Accounting for and Disclosure of the Issuance and Holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities” (Accounting Standard Board of Japan (“ASBJ”) Statement Practical Issues Task Force No. 43, August 26, 2022) has been applied from the beginning of FY25/2 Q1 and will be applied on an ongoing basis.

There is no impact from this change.

**Revenue, P&L, and Assets by Segment (Current FY25/2 Q1)**

(Mar 1, 2024 to May 31, 2024)

(JPY million)

	Segment				Adjustment <sup>2</sup>	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	723	22,826	1,546	25,096	-	25,096
Inter-Segment Activities or Reclassifications	99	37	-	136	-136	-
Total	822	22,864	1,546	25,232	-136	25,096
Operating Profit	404	3,330	484	4,219	2	4,221
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains <sup>2</sup>	-	1,659	-	1,659	-	1,659
Segment P&L (All-In Operating Profit) <sup>1</sup>	404	4,989	484	5,878	2	5,880
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	318	2,283	484	3,086	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	86	2,705	-	2,792	-	-
Segment Assets	1,665	296,480	36,153	334,298	44,200	378,498
Other						
Depreciation	-	683	491	1,175	23	1,199
Increase in Property, Plant, and Equipment and Intangible Assets	-	490	52	543	5	548

<sup>1</sup> Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

<sup>2</sup> The Adjustment to Segment P&L (JPY 2 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 44,200 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 23 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 5million) reflects corporate assets that were not allocated to the segments.

**Revenue, P&L, and Assets by Segment (Previous FY24/2 Q1)**

(Mar 1, 2023 to May 31, 2023)

(JPY million)

	Segment				Adjustment <sup>2</sup>	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	619	8,004	1,528	10,152	-	10,152
Inter-Segment Activities or Reclassifications	103	-	-	103	-103	-
Total	722	8,004	1,528	10,256	-103	10,152
Operating Profit	386	1,480	576	2,442	2	2,445
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains <sup>2</sup>	-	246	-	246	-	246
Segment P&L (All-In Operating Profit) <sup>1</sup>	386	1,726	576	2,689	2	2,691
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	361	1,420	576	2,358	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	24	306	-	330	-	-
Segment Assets	3,643	287,770	37,038	328,452	26,746	355,198
Other						
Depreciation	-	808	439	1,248	15	1,263
Increase in Property, Plant, and Equipment and Intangible Assets	-	277	1,548	1,825	-	1,826

<sup>1</sup> Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

<sup>2</sup> The Adjustment to Segment P&L (JPY 2 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 26,746 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 15 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (less than JPY 1 million) reflects corporate assets that were not allocated to the segments.