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FY26/2 H1 Earnings

October 14, 2025

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)
Representative: Takuma Hasegawa, President
Inquiries: Takanori Sakamatsu, Executive Managing Director
Telephone: +81-3-4485-5221 www.ichigo.gr.jp/en
Submission of the Financial Report (*Hanki Hokokusho*): October 15, 2025 (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. FY26/2 H1 Consolidated Financial Results (March 1, 2025 to August 31, 2025)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million)	YOY	Operating Profit (JPY million)	YOY	Business Profit (JPY million)	YOY	Recurring Profit (JPY million)	YOY
FY26/2 H1	51,024	+40.6%	11,261	+64.3%	15,128	+60.2%	9,047	+62.9%
FY25/2 H1	36,295	+37.0%	6,855	+25.0%	9,446	-31.6%	5,554	+35.9%

Note: Comprehensive Income FY26/2 H1: JPY 11,101 million (+61.3% YOY)
FY25/2 H1: JPY 6,883 million (-20.0% YOY)

Business Profit = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains

	Net Income (JPY million)	YOY	Cash Net Income (JPY million)	YOY	Net Income per Share (EPS) (Basic, JPY)	YOY	Net Income per Share (EPS) (Diluted, JPY)	Cash Net Income per Share (EPS) (JPY)	YOY
FY26/2 H1	8,624	+60.7%	11,034	+45.5%	20.56	+68.0%	20.52 +68.0%	26.31	+52.1%
FY25/2 H1	5,365	-36.9%	7,581	-42.8%	12.24	-34.7%	12.21 –	17.29	-40.8%

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)
FY26/2 H1	420,190	124,343	26.8%	272.09
FY25/2	406,715	122,706	27.3%	260.49

Note: Shareholders' Equity FY26/2 H1: JPY 112,452 million FY25/2: JPY 110,988 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)
FY26/2 H1	-3,666	3,978	4,175	47,065
FY25/2 H1	-13,189	-5,220	11,003	38,693

Note: Economic Operating Cash Flow FY26/2 H1: JPY 8,897 million
FY25/2 H1: JPY 5,905 million

Economic Operating Cash Flow = Cash Flows from Operations - Net Change in Real Estate and Power Plants for Sale + Post-Tax Gains on Sales of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains

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			
FY25/2	–	–	–	10.5	10.5	4,473	30.1%	4.2%
FY26/2 (Forecast)	–	–	–	11.5	11.5		30.2%	

3. FY26/2 Full-Year Consolidated Earnings Forecast (March 1, 2025 to February 28, 2026)

(YOY = year-on-year % change)

	Operating Profit (JPY million)	YOY	Business Profit (JPY million)	YOY	Recurring Profit (JPY million)	YOY
FY26/2	19,500	+19.6%	28,400	+14.2%	14,800	+7.5%

	Net Income (JPY million)	YOY	Cash Net Income (JPY million)	YOY	Net Income per Share	YOY	Cash Net Income per Share	YOY
FY26/2	16,000	+5.4%	20,500	+5.7%	JPY 38.13	+9.4%	JPY 48.85	+9.8%

Note 1: Changes from the previous earnings forecast: Yes
Note 2: Ichigo renamed and eliminated certain classification names in the consolidated earnings forecast on October 14, 2025. For details, please refer to (3) Explanation of Consolidated Earnings Forecasts on page 11.

4. Other

(1) Changes in significant consolidated subsidiaries: 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 page 23)
(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

FY26/2 H1:	445,684,918
FY25/2:	445,665,118

(ii) Number of treasury shares at period-end

FY26/2 H1:	32,397,011
FY25/2:	19,589,711

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

FY26/2 H1:	419,419,836
FY25/2 H1:	438,294,578

This FY26/2 H1 earnings report is not subject to review by a certified public accountant or audit firm.

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

For the assumptions underlying the forecasts and precautions for the use of earnings forecasts, please refer to (3) Explanation of Consolidated Earnings Forecasts on page 11.

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1. Operating Results

(1) FY26/2 H1 Operating Results

A. FY26/2 H1 Overview

During FY26/2 H1, the Japanese economy continued to show a moderate recovery, supported by an improved employment and income environment and a pick-up in personal consumption. Inbound demand, including accommodation, also remained strong. On the other hand, uncertainties such as rising prices and their impact on personal consumption, together with geopolitical risks, U.S. trade policies, and domestic and international interest rate trends must be closely monitored.

On the back of the continued interest rate gap between Japan and the U.S., investment appetite for real estate assets in Tokyo and other major Japanese cities has been rising within the real estate market, and overall investment in real estate continued to be robust. As a result, real estate gains on sales increased 34.6% year-on-year, and revenues from Ichigo-owned hotels grew on the back of rental revenue increase and strong accommodation demand, thus contributing to growth in both stock and flow earnings.

Addressing environmental issues has become increasingly urgent, driving the importance of Ichigo's clean energy businesses. Ichigo works to generate renewable energy that is friendly to local communities and the global environment, and is focusing on diversifying energy sources beyond solar and wind power generation, including green biomass, which makes productive use of unused domestic wood materials, and battery storage. Ichigo will continue contributing to the realization of a low-carbon society.

Ichigo is addressing rapid changes in the business environment and ensuring stability and flexibility by maintaining a strong financial base and robust cash generation. In line with its Ichigo 2030 long-term vision, Ichigo is growing and expanding its core real estate and clean energy capabilities into new areas as a sustainable infrastructure company contributing to the realization of a sustainable society.

Specifically, Ichigo is leveraging its real estate know-how and value-add capabilities to grow stock revenues via non-asset businesses. By deepening its existing businesses and developing new growth areas, Ichigo will continue to focus on shareholders and maximize shareholder value.

Core Business Growth

Asset Management

Ichigo continues to support Ichigo Office (TSE 8975), Ichigo Hotel (TSE 3463), its listed solar power producer Ichigo Green (TSE 9282), Ichigo Residence Tokens, and private funds.

In FY26/2 H1, Ichigo recorded gains on sale performance fees following the sale of assets (totaling JPY 30.6 billion) to Ichigo Office, the first Ichigo Residence Token, and private funds, resulting in higher profits year-on-year.

In addition, both Ichigo Office and Ichigo Hotel completed transitioning to renewable energy at all of their assets, and Ichigo is supporting these initiatives as a sponsor.

Sustainable Real Estate (SRE)

Ichigo provides office buildings that cater to diverse work styles and provide comfort and convenience. Ichigo offers fully-furnished Ready to Move In Offices that are ready for immediate tenant use, with customized space design and office furniture layouts tailored to tenant needs. Ichigo also actively promotes the branding of its office buildings to reflect the unique characteristics of their respective locations. Ichigo's Ready to Move In Offices have achieved lease contracts at above-market rates, thereby enhancing property value, while also providing tenants with benefits such as reduced initial costs and lower office relocation burden. This business model effectively meets the needs of companies seeking mid-sized office buildings. Going forward, Ichigo will continue to accurately capture and cater to tenant needs.

In FY26/2 H1, SRE acquisitions totaled JPY 2.8 billion, and SRE sales totaled JPY 2.2 billion.

Hotel

In FY26/2 H1, RevPAR for Ichigo-owned hotels increased 23% year-on-year on the back of strong accommodation demand, including inbound demand. As a result, variable rent from hotels increased, along with operator income from Ichigo's wholly-owned hotel operator, OneFive Hotels. Ichigo has also been implementing value-add initiatives to rebrand two of its hotels (located in Utsunomiya City and Fukuoka City), and working with the hotel operators to further enhance profitability. In addition, Ichigo has introduced PROPERA, its proprietary AI-based revenue management system that automatically optimizes room pricing to maximize revenues and improve operational efficiency, thereby strengthening its ability to flexibly respond to future demand growth.

In FY26/2 H1, Ichigo acquired hotels totaling JPY 11.1 billion and sold hotels totaling JPY 6.7 billion.

Ichigo Owners

Ichigo Owners offers innovative real estate investment products that enable individuals and business owners to invest in high-quality real estate through professional due diligence and simple procedures, such as its Ichigo Residence Tokens, a small-lot real estate investment product. These product offerings have expanded Ichigo's customer base, increased stock income through asset management fees, and diversified real estate sales channels, thereby supporting proactive asset acquisitions.

In FY26/2 H1, Ichigo acquired high-quality, newly built residential assets in central Tokyo totaling JPY 19.7 billion, steadily building future earnings sources. Asset sales (revenue) to domestic institutional investors and companies totaled JPY 25.1 billion.

Clean Energy

Ichigo currently owns and operates 64 power plants with a total generation capacity of 188.2MW. Ichigo will continue to invest in solar power plants while also planning to diversify its power sources and addressing challenges faced by local communities via green biomass power generation. Ichigo is working with local governments and communities and contributing to the management of old-growth forests, erosion control, and revitalization of regional economies through this initiative. In addition, Ichigo is planning entry into the battery storage market to help offset the reduction in adjustment capabilities caused by the retirement and replacement of aging thermal power plants, thereby supporting the further expansion of renewable energy adoption.

These initiatives are expected to grow in social significance in response to global environmental challenges. Ichigo will continue to contribute to realizing a low-carbon society while supporting local communities through renewable energy.

Strengthening Financial Base to Support Growth

Since the global financial crisis, Ichigo has been strengthening both its earnings and financial base via measures such as lengthening borrowing terms, reducing borrowing costs, hedging against increases in interest-rates, and borrowing via unsecured loans. With interest rates expected to continue rising, Ichigo has fixed the interest rates on 52.1% of its borrowings, thus limiting the impact of higher interest costs. Ichigo has also increased funding via ESG-linked loans, newly financing JPY 5.5 billion in ESG-linked loans in FY26/2 H1. Ichigo will continue implementing these measures to underpin its growth as a sustainable infrastructure company.

Shareholder Returns

Flexible Share Buybacks (9 Consecutive Years)

In line with its Ichigo 2030 long-term vision, Ichigo conducts flexible share buybacks to drive shareholder value. Ichigo decided to execute a JPY 5 billion share buyback at FY25/2-end, and executed the share buybacks during FY26/2 H1. Ichigo is working to grow EPS as an important metric of shareholder value, and will continue to grow its core profitability while conducting value-driving share buybacks.

Dividends (FY26/2 Dividend Increase)

Underpinned by its robust earnings stability, Ichigo has also adopted a progressive dividend policy, under which Ichigo's dividend is maintained or raised every year, but not cut. Although the use of a dividend payout ratio is more common in shareholder return policies, dividend payout ratios are highly sensitive to short-term earnings fluctuations and thus result in uncertainty with respect to future dividends. Ichigo's adoption of a progressive dividend policy underscores its commitment to long-term value growth for its shareholders.

Ichigo is working to drive long-term shareholder value with a shareholder return policy that focuses on divided stability, transparency, and growth, and has established a Dividend on Equity (DOE) payout ratio policy paying dividends based upon more stable shareholder equity. In line with this shareholder return policy, Ichigo has set its DOE target at 4% or above and increased its dividend forecast for four consecutive years in FY26/2 to JPY 11.5.

J.League Shareholder Program

In 2019, Ichigo became a J.League Top Partner to work with the J.League to promote local community development, and launched a Shareholder Program that offers free tickets to J.League games to Ichigo, Ichigo Office, Ichigo Hotel, and Ichigo Green shareholders.

As a J.League Top Partner, Ichigo is continuing to distribute J.League game tickets to shareholders for the 2025 season as a means to express its gratitude to shareholders and contribute to regional development.

Ichigo as a Sustainable Infrastructure Company

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable. Ichigo is expanding the scope of its real estate and clean energy businesses to further contribute to a sustainable society and grow long-term value for its shareholders.

Ichigo believes that working on behalf of the environment and society is a fundamental social responsibility. As Ichigo grows and takes on new challenges as a sustainable infrastructure company, sustainability remains at the core of everything we do, and Ichigo is committed to contributing towards a better world that can be handed to future generations.

Ichigo achieves CO_2 reductions via its clean energy generation at Ichigo and Ichigo Green solar and wind power plants. Ichigo will continue to be Climate Positive via CO_2 reductions that exceed total CO_2 emissions (Scope 1 & 2) from Ichigo's operations including Ichigo Office, Ichigo Hotel, and Ichigo Green.

In addressing environmental issues toward building a sustainable society, Ichigo has set KPIs that include continuing to be included in the CDP Climate Change A List and achieving inclusion in the CDP Water Security A List. Ichigo was selected as an A List Company in both the 2024 CDP Climate Change Assessment and 2024 CDP Water Security Assessment.

Of the approximately 25,000 companies worldwide participating in the 2024 CDP assessments, only 70 companies were selected as Double A List Companies. This recognition reflects the strong external evaluation of Ichigo's environmental initiatives and its KPI achievements. Ichigo will continue to proactively and earnestly address environmental issues to maintain its positions on the CDP A Lists.

Ichigo also supports the recommendations provided by the TCFD (Task Force on Climate-

Related Financial Disclosures), identifying climate-related risks and establishing appropriate risk management procedures while also identifying new business opportunities that can help solve the global problem of climate change.

Ichigo has signed the UN Global Compact, a global sustainability initiative that calls for companies and organizations to take leadership and take actions as members of society to implement universal sustainability principles. Companies and organizations that sign the UN Global Compact are required to achieve the Ten Principles based on CEO commitments.

As a member of society committed to passing on a better world to future generations, Ichigo will contribute to society by creating new value, addressing social challenges, and protecting the environment through leveraging its value-add expertise.

Details of Operating Results

Ichigo recorded FY26/2 H1 revenue of JPY 51.0 billion (+40.6% year-on-year), operating profit of JPY 11.3 billion (+64.3% year-on-year), business profit of JPY 15.1 billion (+60.2% year-on-year), recurring profit of JPY 9.0 billion (+62.9% year-on-year), net income of JPY 8.6 billion (+60.7% year-on-year), and cash net income of JPY 11.0 billion (+45.5% year-on-year).

Definitions

Business Profit = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains

Cash Net Income = Net Income + Depreciation + Amortization +/- Valuation Losses

Note: From today's earnings release, Ichigo is renaming "All-In Operating Profit" to "Business Profit" to align with the more generally used name for this earnings category. The name change has no impact on the results themselves.

Segment Earnings Details

(i) Asset Management

Revenue increased to JPY 2.0 billion (+38.2% year-on-year) and segment operating profit (business profit) increased to JPY 1.0 billion (+62.4% year-on-year) due to a steady increase in Ichigo Hotel base AM fees and gains on sale performance fees from Ichigo Office and private funds.

(ii) Sustainable Real Estate

Driven by an increase in rental income for offices and retail assets, gains on sales of Sustainable Real Estate equity interests, revenue increased to JPY 12.2 billion (+6.7% year-on-year) and segment operating profit (business profit) increased to JPY 5.1 billion (+14.0% year-on-year).

(iii) Hotel

Driven by strong hotel operating earnings and rental income on the back of robust accommodation demand and gains on sale of a hotel asset classified as fixed assets, revenue increased to JPY 7.5 billion (+27.4% year-on-year) and segment operating profit (business profit) increased to JPY 5.3 billion (+183.6% year-on-year).

(iv) Ichigo Owners

Due to steady progress in asset sales, revenue increased to JPY 26.1 billion (+81.5% year-on-year) and segment operating profit (business profit) increased to JPY 2.5 billion (+108.1% year-on-year).

(v) Clean Energy

Although earnings were stable due to the favorable weather conditions and portfolio diversification, maintenance expenses increased. As a result, revenue increased to JPY 3.5 billion (+1.7% year-on-year) and segment operating profit (business profit) decreased to JPY 1.2 billion (-1.1% year-on-year).

B. Consolidated Income Statement Details

Revenue

Revenue increased to JPY 51.0 billion (+40.6% year-on-year), driven by an increase in Hotel stock earnings, steady progress in asset sales in Ichigo Owners, and the generation of Asset Management flow earnings.

The revenue breakdown was as follows: real estate sales of JPY 25.5 billion (SRE JPY 309 million, Ichigo Owners JPY 25.2 billion), real estate rental income of JPY 14.0 billion (SRE JPY 5.9 billion, Hotel JPY 7.2 billion, Ichigo Owners JPY 951 million), real estate management fee income of JPY 1.8 billion, and power production revenue of JPY 3.4 billion.

Operating Profit

Operating profit increased to JPY 11.3 billion (+64.3% year-on-year), driven by growth in real estate asset sales and rental revenue offsetting increases in SG&A due to investments in employee development made to expand and strengthen business operations.

Business profit was JPY 15.1 billion (+60.2% year-on-year).

Non-Operating Profit & Expenses

Non-operating profit was JPY 588 million (-4.3% year-on-year) due to FY25/2 H1 foreign exchange gains turning into foreign exchange losses in FY26/2 H1, despite a year-on-year increase in derivative valuation gains.

Derivative valuation gains were JPY 517 million. Ichigo has executed interest rate swaps and caps (derivative transactions) to hedge against future interest rate rise risks.

Non-operating expenses totaled JPY 2.8 billion (+46.2% year-on-year) due to an increase in interest expenses on new loans for asset acquisitions.

By category, interest expenses were JPY 2.1 billion and foreign exchange losses were JPY 199 million.

Extraordinary Gains & Losses

Extraordinary gains totaled JPY 3.9 billion (+50.9% year-on-year), including JPY 3.4 billion in gains on sale of Sustainable Real Estate and Hotel fixed assets. Extraordinary losses totaled JPY 113 million (+34.2% year-on-year), with valuation losses on investment securities of JPY 74 million and impairment losses of JPY 35 million.

Net Income

Income taxes totaled JPY 4.1 billion and net income attributable to minority interests totaled JPY 114 million. As a result, net income increased to JPY 8.6 billion (+60.7% year-on-year), and cash net income increased to JPY 11.0 billion (+45.5% year-on-year).

C. Cash Flows

As of FY26/2 H1-end, cash and cash equivalents amounted to JPY 47.1 billion, a JPY 4.5 billion increase from JPY 42.6 billion as of FY25/2-end. The details and underlying factors of each cash flow are as follows:

Cash Flows from Operations

Net cash from operations was -JPY 3.7 billion (vs. -JPY 13.2 billion in FY25/2 H1), primarily attributable to a FY26/2 H1 pre-tax profit of JPY 12.9 billion, offset by an increase in real estate for sale resulting from asset acquisitions of JPY 9.0 billion, interest payments of JPY 2.0 billion, and income taxes paid of JPY 5.1 billion.

Cash Flows from Investments

Net cash from investments was JPY 4.0 billion (vs. -JPY 5.2 billion in FY25/2 H1), primarily attributable to proceeds from sale of property, plant, and equipment of JPY 8.8 billion, payments received for loans receivable of JPY 1.7 billion, and proceeds from sales of investment securities of JPY 407 million, offset by acquisitions of property, plant, and equipment of JPY 4.1 billion and payments of loans receivable of JPY 2.5 billion.

Cash Flows from Financing

Net cash from financing was JPY 4.2 billion (vs. JPY 11.0 billion in FY25/2 H1), primarily attributable to a net increase in short-term loans of JPY 9.1 billion and proceeds from long-term loans of JPY 30.4 billion, offset by long-term loan repayments of JPY 24.9 billion, a share buyback of JPY 5.0 billion, and dividend paid of JPY 4.4 billion.

(2) Financial Condition

Assets

Total assets amounted to JPY 420.2 billion, an increase of JPY 13.5 billion (+3.3% vs. FY25/2-end).

This was primarily due to an increase of JPY 9.0 billion in real estate for sale resulting from asset acquisitions mainly consisting of residential assets, and an increase of JPY 4.6 billion in cash and deposits.

Liabilities

Total liabilities amounted to JPY 295.8 billion, an increase of JPY 11.8 billion (+4.2% from the end of FY25/2).

This was primarily attributable to a JPY 13.7 billion increase in loans used for growth investments such as property acquisitions.

Net Assets

Total net assets amounted to JPY 124.3 billion, an increase of JPY 1.6 million (+1.3% vs. FY25/2-end).

This was primarily due to JPY 8.6 billion in net income, paid dividends of JPY 4.5 billion, and a JPY 5.0 billion share buyback.

The shareholders’ equity ratio was 26.8% (-0.5pt vs. FY25/2-end).

(3) Explanation of Consolidated Earnings Forecasts

In line with global best practices and the Corporate Governance Code, Ichigo provides forecasts for full-year results as it focuses on long-term corporate value enhancement and sustainable growth.

In addition, to provide transparency to our shareholders on the full earnings contribution of Ichigo's Sustainable Real Estate (SRE) and Hotel businesses, Ichigo discloses "All-In Operating Profit" in its financial statements, which adds Fixed Asset Gains on Sales of SRE and Hotel assets (accounted for as Extraordinary Gains in J-GAAP) to Operating Profit.

From today's earnings release, Ichigo will rename "All-In Operating Profit" to "Business Profit" to align with the more generally used name for this earnings category.

In line with this change, "All-In Recurring Profit" will be removed from Ichigo's earnings forecasts.

(Before Change)

(JPY million)

	Operating Profit (JPY million)		All-In Operating Profit (JPY million)		Recurring Profit (JPY million)		All-In Recurring Profit (JPY million)	
FY26/2	19,500	+19.6%	28,400	+14.2%	14,800	+7.5%	23,700	+6.2%

	Net Income (JPY million)		Cash Net Income (JPY million)		Net Income per Share		Cash Net Income per Share	
FY26/2	16,000	+5.4%	20,500	+5.7%	JPY 38.13	+9.4%	JPY 48.85	+9.8%

(After Change)

(JPY million)

	Operating Profit (JPY million)		Business Profit (JPY million)		Recurring Profit (JPY million)		(Removed)
FY26/2	19,500	+19.6%	28,400	+14.2%	14,800	+7.5%	(Removed)

	Net Income (JPY million)		Cash Net Income (JPY million)		Net Income per Share		Cash Net Income per Share	
FY26/2	16,000	+5.4%	20,500	+5.7%	JPY 38.13	+9.4%	JPY 48.85	+9.8%

2. Consolidated Financial Statements

Consolidated Balance Sheet (FY26/2 H1)

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 H1 (August 31, 2025)
Assets		
Current Assets		
Cash and deposits	42,689	47,319
Accounts receivable	4,272	3,480
Operational loan investments	1,324	1,324
Operational securities investments	10	215
Real estate for sale	143,993	153,008
Other	4,197	4,438
Less: venture investments writedown	-490	-48
Total Current Assets	**195,998**	**209,738**
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	56,705	56,059
Accumulated depreciation	-14,721	-15,349
Buildings and structures (net)	41,983	40,710
Solar and wind power plants	39,391	39,416
Accumulated depreciation	-11,861	-12,860
Solar and wind power plants (net)	27,529	26,556
Land	97,798	94,800
Buildings and structures under construction	5,954	8,153
Solar and wind power plants under construction	489	620
Other	2,721	2,579
Accumulated depreciation	-1,965	-1,925
Other (net)	755	653
Total Property, Plant, and Equipment	**174,511**	**171,494**
Intangible Assets		
Goodwill	857	791
Leasehold rights	1,332	849
Other	158	192
Total Intangible Assets	**2,348**	**1,833**
Investments and Other Assets		
Securities investments	24,300	26,971
Long-term loans receivable	3,993	4,652
Deferred tax assets	918	333

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 H1 (August 31, 2025)
Other	5,469	6,144
Less: Venture investments writedown	-826	-976
Total Investments and Other Assets	**33,856**	**37,124**
Total Fixed Assets	**210,717**	**210,451**
Total Assets	**406,715**	**420,190**

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 H1 (August 31, 2025)
Liabilities		
Current Liabilities		
Short-term loans	6,520	15,583
Bonds (due within one year)	232	2,162
Long-term loans (due within one year)	7,340	17,379
Long-term non-recourse loans (due within one year)	4,478	4,462
Income taxes payable	4,592	3,939
Current year employee bonus accrual	282	637
Other current liabilities	5,696	6,016
Total Current Liabilities	**29,143**	**50,181**
Long-Term Liabilities		
Bonds	7,074	4,993
Long-term loans	195,477	190,955
Long-term non-recourse loans	40,991	40,142
Deferred tax liabilities	1,445	1,584
Long-term security deposits received	7,614	7,678
Other long-term liabilities	2,261	310
Total Long-Term Liabilities	**254,865**	**245,665**
Total Liabilities	**284,009**	**295,847**
Net Assets		
Shareholders' Equity		
Capital	26,946	26,950
Capital reserve	10,363	10,367
Retained earnings	81,396	85,489
Treasury shares	-7,212	-12,212
Total Shareholders' Equity	**111,493**	**110,595**
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	-399	1,738
Deferred gains (losses) on long-term interest rate hedges	136	250
Foreign currency translation adjustment	-241	-131
Total Accumulated Other Comprehensive Income	**-505**	**1,857**
Stock Options	**724**	**786**
Minority Interests	**10,992**	**11,103**
Total Net Assets	**122,706**	**124,343**
Total Liabilities and Net Assets	**406,715**	**420,190**

Consolidated Income Statement (FY26/2 H1)

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Revenue	**36,295**	**51,024**
Cost of Goods Sold	**25,068**	**35,017**
(Depreciation amount included in COGS)	2,263	2,245
Gross Profit	**11,226**	**16,006**
SG&A	**4,371**	**4,745**
Operating Profit	**6,855**	**11,261**
Non-Operating Income		
Interest income	23	30
Dividend income	3	12
Foreign exchange gains	168	–
Mark-to-market gains on long-term interest rate hedges	388	517
Other	31	28
Total Non-Operating Income	**615**	**588**
Non-Operating Expenses		
Interest expense	1,396	2,050
Foreign exchange loss	–	199
Equity-method loss	–	215
Mark-to-market losses on long-term interest rate hedges	–	159
Debt financing-related fees	351	15
Other	167	161
Total Non-Operating Expenses	**1,916**	**2,802**
Recurring Profit	**5,554**	**9,047**
Extraordinary Gains		
Gains on sale of fixed assets	2,588	3,422
Gains on sale of securities investments	–	407
Other	28	119
Total Extraordinary Gains	**2,616**	**3,949**
Extraordinary Loss		
Loss on removal of fixed assets	84	1
Loss on sale of securities investments	–	74
Impairment loss	–	35
Other	–	1
Total Extraordinary Loss	**84**	**113**
Pre-Tax Income	**8,086**	**12,883**
Total Income Taxes	**2,606**	**4,144**
Pre-Minority Interest Net Income	**5,479**	**8,739**
Net Income Attributable to Minority Interests	**114**	**114**
Net Income	**5,365**	**8,624**

Consolidated Statement of Comprehensive Income (FY26/2 H1)

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Pre-Minority Interest Net Income	**5,479**	**8,739**
Other Comprehensive Income		
Valuation gains (losses) on other securities	1,356	2,138
Deferred gains (losses) on long-term interest rate hedges	47	113
Share of other comprehensive income of equity method affiliates	–	110
Total Other Comprehensive Income	**1,404**	**2,362**
Comprehensive Income	**6,883**	**11,101**
Comprehensive income attributable to common shareholders	6,769	10,986
Comprehensive income attributable to minority interests	114	114

Consolidated Income Statement (FY26/2 Q2 Stand-Alone)

(JPY million)

	FY25/2 Q2 (Jun 1, 2024 to Aug 31, 2024)	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)
Revenue	**11,198**	**38,537**
Cost of Goods Sold	**6,408**	**28,365**
(Depreciation amount included in COGS)	1,123	1,114
Gross Profit	**4,790**	**10,172**
SG&A	**2,156**	**2,379**
Operating Profit	**2,633**	**7,792**
Non-Operating Income		
Interest income	13	29
Dividend income	2	11
Foreign exchange gains	161	—
Mark-to-market gains on long-term interest rate hedges	–	273
Other	23	16
Total Non-Operating Income	**200**	**331**
Non-Operating Expenses		
Interest expense	717	1,056
Foreign exchange loss	—	93
Equity-method loss	—	116
Mark-to-market losses on long-term interest rate hedges	236	46
Debt financing-related fees	3	11
Other	39	80
Total Non-Operating Expenses	**996**	**1,405**
Recurring Profit	**1,837**	**6,719**
Extraordinary Gains		
Gains on sale of fixed assets	931	2,640
Other	10	1
Total Extraordinary Gains	**942**	**2,641**
Extraordinary Losses		
Loss on disposal of fixed assets	80	–
	–	–
Total Extraordinary Losses	80	–
Pre-Tax Income	**2,700**	**9,361**
Total Income Taxes	**869**	**3,010**
Pre-Minority Interest Net Income	**1,831**	**6,350**
Net Income Attributable to Minority Interests	**57**	**57**
Net Income	**1,773**	**6,292**

Consolidated Cash Flow Statement (FY26/2 H1)

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Cash Flows from Operations:		
Pre-tax income	8,086	12,883
Depreciation	2,388	2,319
Amortization of goodwill	90	65
Increase (decrease) in current year employee bonus accrual	366	354
Increase (decrease) in venture investments writedown	-9	-292
Interest and dividend income	-26	-42
Interest expense	1,396	2,050
Forex losses (gains)	-169	199
Losses (gains) on investment in equity-method affiliates	–	215
Losses (gains) on sale of securities investments	–	-332
Loss on removal of fixed assets	84	1
Losses (gains) on sales of fixed assets	-2,588	-3,422
Impairment loss	–	35
Decrease (increase) in trading notes and receivables	-328	792
Decrease (increase) in operational securities investments	14	-204
Decrease (increase) in real estate for sale	-16,958	-9,014
Decrease (increase) in advances paid	323	254
Decrease (increase) in prepaid expenses	-377	-372
Decrease (increase) in accounts receivable	-14	14
Decrease (increase) in consumption taxes receivable	546	-8
Increase (decrease) in accounts payable	-1,004	-1,183
Increase (decrease) in accrued expenses	-114	-269
Increase (decrease) in advances received	15	-6
Increase (decrease) in deposits received	129	191
Increase (decrease) in security deposits received	129	63
Increase (decrease) in accrued consumption taxes	-70	-710
Other	-142	-236
Sub-Total	**-8,231**	**3,347**

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Interest and dividends received	26	42
Interest expense paid	-1,272	-1,990
Income taxes paid	-4,040	-5,066
Income taxes refunded	328	–
Net Cash from (Used for) Operations	**-13,189**	**-3,666**

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Cash Flows from Investments:		
Payments into time deposits	-15	-221
Redemptions of time deposits	800	80
Payments for securities investments	-10,203	-40
Proceeds from sale of securities investments	–	407
Proceeds from redemption of securities investments	–	40
Acquisition of property, plant, and equipment	-1,975	-4,117
Proceeds from sale of property, plant, and equipment	9,006	8,764
Acquisition of intangible assets	-20	-66
Payments of security deposits	-7	–
Acquisition of subsidiary shares resulting in change of consolidation scope	-114	–
Acquisition of equity-method affiliate shares	-2,259	–
Payments of loans receivable	-481	-2,476
Payments received for loans receivable	45	1,670
Other	5	-61
Net Cash from (Used for) Investments	**-5,220**	**3,978**

(JPY million)

	FY25/2 H1 (Mar 1, 2024 to August 31, 2024)	FY26/2 H1 (Mar 1, 2025 to August 31, 2025)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-8,163	9,063
Repayment of maturing bond principal to bondholders	-81	-151
Proceeds from long-term loans	53,348	30,393
Repayment of long-term loans	-37,801	-24,876
Proceeds from long-term non-recourse loans	9,500	–
Repayment of long-term non-recourse loans	-749	-864
Proceeds from exercise of stock options	74	6
Share buyback	-1,228	-4,999
Dividends paid	-3,892	-4,391
Dividends paid to minority interests	-3	-3
Net Cash from (Used for) Financing	**11,003**	**4,175**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**–**	**–**
Increase (Decrease) in Cash and Cash Equivalents	**-7,407**	**4,488**
Cash and Cash Equivalents at Beginning of Period	**46,101**	**42,576**
Cash and Cash Equivalents at End of Period	**38,693**	**47,065**

Consolidated Cash Flow Statement (FY26/2 Q2 Stand-Alone)

(JPY million)

	FY25/2 Q2 (Jun 1, 2024 to Aug 31, 2024)	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)
Cash Flows from Operations:		
Pre-tax income	2,700	9,361
Depreciation	1,189	1,143
Amortization of goodwill	57	32
Increase (decrease) in accrued bonuses	102	180
Increase (decrease) in allowance for doubtful accounts	-8	-
Interest and dividend income	-15	-41
Interest expense	717	1,056
Forex losses (gains)	-162	93
Losses (gains) on investment in equity-method affiliates	–	116
Loss on removal of fixed assets	80	–
Gains on sale of fixed assets (A minus figure is a gain)	-931	-2,640
Decrease (increase) in trading notes and receivables	203	410
Decrease (increase) in operational securities investments	–	-204
Decrease (increase) in real estate for sale	-16,167	5,372
Decrease (increase) in advances paid	360	-145
Decrease (increase) in prepaid expenses	1	108
Decrease (increase) in accounts receivable	64	-14
Decrease (increase) in consumption taxes receivable	506	181
Increase (decrease) in accounts payable	269	313
Increase (decrease) in accrued expenses	19	–
Increase (decrease) in advances received	-164	-6
Increase (decrease) in deposits received	78	-572
Increase (decrease) in security deposits received	87	11
Increase (decrease) in accrued consumption taxes	-163	-262
Other	237	-129
Sub-Total	**-10,936**	**14,365**
Interest and dividends received	15	41
Interest expense paid	-683	-1,124
Income taxes paid	-1,519	-188
Income taxes refunded	328	–
Net Cash from (Used for) Operations	**-12,795**	**13,095**

(JPY million)

	FY25/2 Q2 (Jun 1, 2024 to Aug 31, 2024)	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)
Cash Flows from Investments:		
Payments into time deposits	-15	-221
Redemptions of time deposits	100	–
Payments for securities investments	-10,163	–
Proceeds from redemption of securities investments	–	40
Acquisition of property, plant, and equipment	-1,279	-2,043
Proceeds from sale of property, plant, and equipment	3,356	6,750
Acquisition of intangible assets	-14	-31
Payments of security deposits	-6	–
Acquisition of subsidiary shares resulting in change of consolidation scope	-114	–
Acquisition of equity-method affiliate shares	-2,259	–
Payments of loans receivable	-339	-1,037
Payments received for loans receivable	7	800
Other	6	-2
Net Cash from (Used for) Investments	**-10,722**	**4,253**

(JPY million)

	FY25/2 Q2 (Jun 1, 2024 to Aug 31, 2024)	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-663	5,695
Repayment of maturing bond principal to bondholders	-40	-40
Proceeds from long-term loans	8,458	8,705
Repayment of long-term loans	-8,644	-20,919
Proceeds from f long-term non-recourse loans	4,000	–
Repayment of long-term non-recourse loans	-643	-745
Proceeds from exercise of stock options	7	4
Share buyback	-57	-2,560
Dividends paid	-45	-52
Dividends paid to minority interests	-2	-2
Net Cash from (Used for) Financing	**2,368**	**-9,915**
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	**-21,150**	**7,433**
Cash and Cash Equivalents at Beginning of Period	**59,844**	**39,631**
Cash and Cash Equivalents at End of Period	**38,693**	**47,065**

Notes to the FY26/2 H1 Consolidated Financial Statements

Notes on Changes in Accounting Policies

Application of “Accounting Standard for Current Income Taxes”

ASBJ Statement No.27 (revised 2022), “Accounting Standard for Current Income Taxes” (October 28, 2022) has been applied from the beginning of FY26/2 H1 and will be applied on an ongoing basis.

There is no impact from this change.

Notes on Accounting Treatment Specific to H1 Consolidated Financial Statements

Calculation of Tax Expenses

Ichigo uses a reasonable estimate of the effective tax rate based on Pre-Tax Income for the fiscal year, including the H1 of the fiscal year, after applying tax effect accounting. FY26/2 H1 tax expenses are then calculated by applying this effective tax rate to Pre-Tax Income.

Notes to the FY26/2 H1 Consolidated Balance Sheet

Deferred Gains (Losses) on Long-Term Interest Rate Hedges

FY25/2 (February 28, 2025)

Using interest rate swaps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Unrealized mark-to-market gains or losses on these hedges calculated are recorded as deferred gains (losses) on long-term interest rate hedges.

FY26/2 H1 (August 31, 2025)

Using interest rate swaps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Unrealized mark-to-market gains or losses on these hedges calculated are recorded as deferred gains (losses) on long-term interest rate hedges.

Notes to the FY26/2 H1 Consolidated Income Statement

Valuation Gains (Losses) on Derivatives

FY25/2 H1 (Mar 1, 2024 to Aug 31, 2024)

Using interest rate swaps and interest rate caps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Any increase (decrease) in the market value of these instruments is recorded as valuation gains (losses) on derivatives.

FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)

Using interest rate swaps and interest rate caps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Any increase (decrease) in the market value of these instruments is recorded as valuation gains (losses) on derivatives.

Notes to the FY26/2 H1 Consolidated Statement of Comprehensive Income

Deferred Gains (Losses on Long-Term Interest Rate Hedges)

FY25/2 H1 (Mar 1, 2024 to Aug 31, 2024)

Using interest rate swaps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Unrealized mark-to-market gains or losses on these hedges calculated are recorded as deferred gains (losses) on long-term interest rate hedges.

FY26/2 (Mar 1, 2025 to Aug 31, 2025)

Using interest rate swaps, Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise. Unrealized mark-to-market gains or losses on these hedges calculated using mark-to-market valuation are recorded as deferred gains (losses) on long-term interest rate hedges.

Notes on Segment Information

Segment Overview

Asset Management (AM) generates fee income via management of the Tokyo Stock Exchange-listed Ichigo Office (TSE REIT 8975), Ichigo Hotel (TSE REIT 3463), and Ichigo Green (TSE Infrastructure 9282), private real estate funds, and real estate-backed security tokens.

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.

Hotel leverages Ichigo's deep value-add expertise and management capabilities as a hotel owner and operator. Ichigo improves hotel functionality, aesthetics, and guest services to drive higher guest comfort and satisfaction, develops and operates Ichigo brand hotels, and deploys PROPERA (Ichigo's AI-based hotel revenue management system) to drive significant increases in hotel cash flows, earnings, and asset value.

Ichigo Owners develops high-quality real estate assets for Japanese real estate owners via a highly capital-efficient, asset-light business model. Ichigo outsources construction to third-party developers, focusing on design and planning, construction engineering quality control, and post-construction leasing tailored to tenant and investor needs.

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

Revenue, P&L, and Assets by Segment (Current FY26/2 H1)

(Mar 1, 2025 to August 31, 2025)

(JPY million)

	Segment						Adjustment[2]	Amount Recorded in Consolidated Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	1,835	12,113	7,493	26,129	3,452	51,024	–	51,024
Inter-Segment Activities or Reclassifications	186	74	–	–	–	260	-260	–
Total	2,022	12,187	7,493	26,129	3,452	51,285	-260	51,024
Operating Profit	1,029	3,919	2,650	2,496	1,211	11,308	-47	11,261
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains	–	1,227	2,639	–	–	3,867	–	3,867
Segment P&L (Business Profit)[1]	1,029	5,147	5,290	2,496	1,211	15,176	-47	15,128
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	788	2,697	2,963	264	1,211	7,925	–	–
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	240	2,450	2,327	2,232	–	7,251	–	–
Segment Assets	1,767	202,618	87,902	56,598	39,043	387,929	32,260	420,190
Other								
Depreciation	–	711	562	–	1,001	2,276	43	2,319
Impairment loss	–	35	–	–	–	35	–	35
Increase in Property, Plant, and Equipment and Intangible Assets	–	576	3,204	–	140	3,921	124	4,046

[1] Segment P&L (Business Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains

[2] The Adjustment to Segment P&L (-JPY 47 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 32.26 billion) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 43 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 124 million) reflects corporate assets that were not allocated to the segments.

Information on Impairment Loss of Fixed Assets or Goodwill by Reporting Segment

Omitted due to immateriality

Segment Reporting Changes

(1) From the FY25/2 earnings report, Ichigo is providing expanded, more detailed segment reporting to increase the transparency of its earnings. Specifically, Ichigo Owners and Hotel have been newly created as segments by breaking them out from the Sustainable Real Estate segment.

Please note that the FY25/2 H1 segment earnings results have been prepared and disclosed based on this new segment reporting.

(2) In order to increase the transparency of its earnings results, Ichigo discloses “All-In Operating Profit,” which is calculated by adding to Operating Profit gains and losses on asset sales in the Sustainable Real Estate and Hotel businesses. Although recognized as extraordinary gains or losses under Japanese accounting standards, these gains and losses are essentially operational in nature.

From FY26/2 H1 onward “All-In Operating Profit” will be renamed to “Business Profit.”

Accordingly, “Segment Profit (All-In Operating Profit)” will be presented as “Segment Profit (Business Profit).” The name change has no impact on the results themselves.

Revenue, P&L, and Assets by Segment (Previous FY25/2 H1)
(Mar 1, 2024 to August 31, 2024)

(JPY million)

	Segment						Adjustment[2]	Amount Recorded in Consolidated Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	1,264	11,351	5,883	14,399	3,395	36,295	–	36,295
Inter-Segment Activities or Reclassifications	198	74	–	–	–	272	-272	–
Total	1,462	11,425	5,883	14,399	3,395	36,567	-272	36,295
Operating Profit	634	1,925	1,865	1,199	1,225	6,850	4	6,855
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains	–	2,591	–	–	–	2,591	–	2,591
Segment P&L (Business Profit) [1]	634	4,516	1,865	1,199	1,225	9,441	4	9,446
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	555	2,187	1,865	279	1,225	6,113	–	–
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	78	2,328	–	920	—	3,328	–	–
Segment Assets	1,543	195,591	72,768	52,028	40,373	362,306	23,250	385,556
Other								
Depreciation	–	734	623	–	982	2,340	48	2,388
Increase in Property, Plant, and Equipment and Intangible Assets	27	1,549	152	–	311	2,041	15	2,056

[1] Segment P&L (Business Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains

[2] The Adjustment to Segment P&L (JPY 4 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 23.25 billion) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 48 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 15 million) reflects corporate assets that were not allocated to the segments.

Information on Impairment Loss of Fixed Assets or Goodwill by Reporting Segment

N/A

Information on Significant Changes in Shareholders' Equity

N/A

Information on Going Concern Assumption

N/A