



**Make The World
More Sustainable**

Ichigo Inc.

(Tokyo Stock Exchange First Section, 2337)

Materials for the Twentieth Annual Shareholder Meeting



THE KNOT TOKYO Shinjuku



Miyako City

Our Mission: Make The World More Sustainable

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable.

Our three key businesses are: Sustainable Real Estate, in which we preserve and improve real estate; Asset Management, including managing Tokyo Stock Exchange-listed Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282); and Clean Energy, in which we develop solar and wind power plants to supply clean energy and bring productive use to idle land.

We are committed to growing long-term value for our shareholders by contributing to a sustainable society.

The word “Ichigo” comes from the ancient Japanese proverb, *Ichigo Ichie*, literally meaning “One lifetime, one encounter.” The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized. Ichigo embraces the *Ichigo Ichie* philosophy of sincerity and service, and works to build strong long-term relationships to support the success of all of our clients, shareholders, and stakeholders.



Ichigo's Sustainability Commitment (ESG)

Environmental

Sustainable Real Estate

Ichigo preserves and improves real estate, lengthening the useful life of buildings and other physical and social infrastructure. Ichigo is for reducing mankind's environmental footprint and against the squandering of resources and human talent in wasteful and unnecessary demolition and development.

Safe & Clean Energy Produced Locally

Ichigo gives new purpose to idle land across Japan and supports the revitalization of local communities by building renewable energy plants that generate clean power locally. Ichigo is currently operating 45 solar power plants in communities across Japan with a panel output of 136MW (as of February 29, 2020).

Social

Sports Rooted in Communities: J.League Top Partner

Ichigo is a Top Partner of the J.League, Japan's professional soccer league, and is working to support the J.League's vision of promoting sports that benefit local communities. Ichigo is deploying its real estate expertise to help the J.League and local governments maintain aging stadiums and reduce steep operating costs.

Smart Agriculture

Ichigo has built a smart agriculture business to promote high-quality, locally-sourced agriculture, strengthen local communities, create jobs, and increase Japan's food self-sufficiency.

Athletes & Art

Ichigo supports world-class athletes and artists with disabilities via sponsorship of Paralympic Art.



Ichigo Weightlifter
Hiromi Miyake

Governance

Ichigo was an early adopter of global best-practice governance, adopting a Company with Committees (Nominating, Audit, Compensation) governance structure in 2006. The independence of Ichigo's Board of Directors underpins its strong governance and oversight capabilities. Of 9 members of Ichigo's Board, 5 are Independent Directors.



**Make The World
More Sustainable**

[Provisional Translation Only]

*This English translation of the original Japanese document is provided solely for information purposes.
Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

May 8, 2020

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
Representative: Scott Callon, Chairman

Materials for the Twentieth Annual Shareholder Meeting

Dear Shareholders:

We would like to express our deepest condolences to those affected by the Covid-19 global pandemic and our wishes for the earliest possible recovery.

We are pleased to invite you to attend the Twentieth Annual Shareholder Meeting of Ichigo Inc. (“Ichigo”).

We will take all necessary Covid-19 precautions at the Annual Shareholder Meeting, but you may also exercise your voting rights via postal mail or the Internet. We would appreciate it if you could please review the Reference Materials for the Annual Shareholder Meeting attached below and cast your vote by returning the enclosed voting form or by accessing our voting website (<https://soukai.mizuho-tb.co.jp/>) no later than Friday, May 22, 2020, 6:15 p.m. JST.

1. Date and Time Sunday, May 24, 2020 at 10:00 a.m.

2. Place La Rose, Fifth Floor, Dai-ichi Hotel Tokyo
1-2-6 Shimbashi, Minato-ku, Tokyo

3. Agenda

Matters to be Reported

- a. Ichigo’s business report, consolidated financial statements, and the results of the audit of the consolidated financial statements by the Independent Auditor and Ichigo’s Audit Committee for the Twentieth Period (March 1, 2019 – February 29, 2020)
- b. Ichigo’s parent financial statements for the Twentieth Period

Matters to be Resolved

Election of Nine Directors

Additional Accounting Notes

Additional accounting notes to Ichigo’s consolidated and parent financial statements are disclosed on our website at www.ichigo.gr.jp/en/ir/library.

Please also note that any amendments to the business report, consolidated and parent financial statements, or shareholder meeting materials will be posted on our website at www.ichigo.gr.jp/en.

Voting via the Internet

1. Handling of Multiple Votes via both the Proxy Card and the Internet

If you cast multiple votes via both the proxy card and the Internet voting site, only the vote cast via the Internet will be deemed effective.

2. Handling of Multiple Votes via the Internet

If you cast multiple votes via the Internet voting site, only the last vote will be deemed effective.

3. Internet Voting Procedure

The internet voting procedure is per the below. If you choose to attend the meeting, voting via the proxy card or the Internet is unnecessary.

a. Voting Website

- (i) You can access the designated website <https://soukai.mizuho-tb.co.jp/> from a PC, smartphone, or mobile phone.
- (ii) Please access our voting website (<https://soukai.mizuho-tb.co.jp/>) and use the voting rights exercise code and password shown on the enclosed voting form. Follow the on-screen instructions to indicate your consent or dissent.
- (iii) We will accept votes submitted via the Internet until 6:15 p.m. JST on Friday, May 22, 2020. Please contact the help desk below if you have any questions.

b. Login via QR Code

You can access the voting form by reading the QR code on the enclosed voting form. This is a shareholder-unique QR code that allows you to vote without having to enter your ID or password. We will accept votes submitted until 6:15 p.m. JST on Friday, May 22, 2020.

Inquiries concerning the Internet Voting Process

Help Desk, Corporate Agency Division, Mizuho Trust & Banking Co., Ltd.

Toll-free telephone (within Japan): 0120-768-524 (9:00 a.m. to 9:00 p.m. JST)

Institutional Investors

Institutional investors may use the electronic proxy-voting platform of the Tokyo Stock Exchange for electronic voting.

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Election of Nine Directors

The terms of office of all nine Directors will expire at the conclusion of this shareholder meeting. Accordingly, Ichigo proposes the election of the following nine Directors.

The candidates for Director are as follows:

No.	Name	Current Position and Responsibility	Board Meeting Attendance
1	Scott Callon Reappointment	Chairman of the Board of Directors Nominating Committee Member Compensation Committee Member Compliance Committee Member Chairman & Representative Statutory Executive Officer	100% (10 of 10 Total)
2	Takuma Hasegawa Reappointment	Chairman of Nominating Committee Chairman of Compensation Committee Chairman of Compliance Committee President & Representative Statutory Executive Officer	100% (10 of 10 Total)
3	Minoru Ishihara Reappointment	Executive Vice President & Statutory Executive Officer (Sustainable Real Estate) & COO	100% (10 of 10 Total)
4	Eri Murai Reappointment	Executive Managing Director & Statutory Executive Officer (HR)	100% (6 of 6 Total)
5	Tetsuya Fujita Reappointment – Independent Director	Lead Independent Director Chairman of Audit Committee Nominating Committee Member Compensation Committee Member Compliance Committee Member	100% (10 of 10 Total)
6	Noriko Kawate Reappointment – Independent Director	Independent Director Nominating Committee Member Audit Committee Member Compensation Committee Member	100% (10 of 10 Total)
7	Yukio Suzuki Reappointment – Independent Director	Independent Director Audit Committee Member Vice Chairman of Compliance Committee	100% (10 of 10 Total)
8	Masatoshi Matsuzaki Reappointment – Independent Director	Independent Director Nominating Committee Member Compensation Committee Member	100% (10 of 10 Total)
9	Nobuhide Nakaido Reappointment – Independent Director	Independent Director	100% (10 of 10 Total)

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	 <p data-bbox="167 1153 427 1220">Scott Callon (December 6, 1964)</p>	<p data-bbox="450 286 1359 1825"> April 1988 MIPS Computer Systems, Inc. September 1991 Asia-Pacific Research Center, Stanford University March 1994 Research Institute of Capital Formation, Japan Development Bank August 1994 Bankers Trust Asia Securities Co., Ltd. March 1997 Morgan Stanley Japan Limited June 2000 Japan Representative, Prudential plc May 2001 Representative Director, PCA Asset Management Limited April 2002 Morgan Stanley Japan Limited January 2003 Head of Equities, Morgan Stanley Japan Limited May 2006 Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. (current) October 2008 Ichigo Chairman & Representative Statutory Executive Officer (current) November 2008 Director (current), Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee November 2011 Member of Nominating Committee, Member of Compensation Committee May 2012 Associate Director, Japan Association of Corporate Directors Audit & Supervisory Board Member, Chiyoda Co., Ltd. July 2012 Director, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) May 2015 Independent Director, Chiyoda Co., Ltd. (current) September 2015 Chairman of Compliance Committee May 2016 Chairman of Nominating Committee, Chairman of Compensation Committee October 2016 Member of Nominating Committee (current), Member of Compensation Committee (current) July 2017 Group Head of IT Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd. May 2019 Member of Compliance Committee (current) March 2020 Chairman & Representative Director, Japan Display Inc. (current) </p> <p data-bbox="450 1863 1348 2083"> (Other Positions) Partner & Chief Executive Officer, Ichigo Asset Management, Ltd. Chairman & Representative Director, Japan Display Inc. Independent Director, Fujitsu Limited (Upon shareholder approval in June 2020) Independent Director, Chiyoda Co., Ltd. (Until May 2020) </p>	N/A

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>I offer my deepest condolences and wishes for the earliest possible recovery to all of those globally affected by the Covid-19 pandemic.</p> <p>This is your company. How societies and companies adapt to a post-Covid-19 future is the central question of our time. Companies can learn and grow from hardship and become stronger. All of us at Ichigo will work to strengthen our capabilities and drive sustainable growth in shareholder value.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
2	 <p data-bbox="181 1189 432 1261">Takuma Hasegawa (January 29, 1971)</p>	<p data-bbox="448 304 1353 1328"> April 1994 Joined Fujita Corporation November 2002 Joined Ichigo October 2004 General Manager, Fund Business Division September 2005 General Manager, Fund Business Division Group 1 May 2006 Senior Statutory Executive Officer & General Manager, Fund Business Division Group 1 May 2007 Senior Statutory Executive Officer & CMO March 2008 Senior Statutory Executive Officer May 2009 Director & Executive Vice President & Statutory Executive Officer (Real Estate) March 2010 Independent Director, Takara Building Maintenance Co., Ltd. January 2011 President & Representative Director (Overall Company Management), Ichigo Estate Co., Ltd. March 2015 Executive Vice President & Statutory Executive Officer May 2015 Director (current), President & Representative Statutory Executive Officer (current) Chairman & Director, Ichigo ECO Energy Co., Ltd. (current) March 2016 Chairman of Compliance Committee (current) May 2016 Member of Nominating Committee, Member of Compensation Committee October 2016 Chairman of Nominating Committee (current), Chairman of Compensation Committee (current) March 2018 Group Head of IT October 2019 Director, Cost Science Inc. (current) </p> <p data-bbox="448 1368 1121 1473">(Other Positions) Chairman & Director, Ichigo ECO Energy Co., Ltd. Director, Cost Science Inc.</p> <p data-bbox="448 1552 1342 1895"> <u>Message to Our Shareholders</u> As a sustainable infrastructure company, Ichigo is growing and expanding its sustainable real estate business while seeking to create a more sustainable society under our new <u>Ichigo 2030</u> long-term vision. Together with our employees, I will dedicate all of my strength to overcome the challenging real estate market conditions caused by the Covid-19 pandemic and continue working towards establishing Ichigo as a truly sustainable company that meets shareholder expectations. Thank you for your continued support. </p>	495,138 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	 Minoru Ishihara (October 5, 1967)	<p>April 1990 Joined Hazama Corporation</p> <p>October 2005 Joined Creed Corporation</p> <p>May 2007 Joined Ichigo as Head of Human Resources and General Administration Division</p> <p>March 2008 Executive Officer and Head of Human Resources and General Administration Division</p> <p>October 2008 Chief Administrative Officer & Statutory Executive Officer and Head of Business Management</p> <p>November 2008 Director, Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>May 2009 Director (current), Managing Director & Statutory Executive Officer (Administration), Member of Compliance Committee</p> <p>October 2009 Managing Director (Administration), Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>November 2009 President & Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.)</p> <p>May 2010 Director, Senior Managing Director & Statutory Executive Officer (Administration)</p> <p>April 2011 President & Representative Director, Miyako City Co., Ltd.</p> <p>May 2011 Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>November 2011 Executive Vice President (current) & Statutory Executive Officer (Administration)</p> <p>July 2012 Director (current), Executive Vice President & Statutory Executive Officer (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>November 2012 Director, Ichigo ECO Energy Co., Ltd.</p> <p>March 2013 Head of Real Estate Chairman, President, & Representative Director, Miyako City, Co., Ltd. (current) Chairman & Director, Ichigo Marché Co., Ltd. Chairman & Director, Takara Building Maintenance Co., Ltd.</p> <p>May 2015 Executive Vice President & Statutory Executive Officer & COO (current)</p> <p>March 2017 President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. (current)</p> <p>April 2017 Chairman, President, & Representative Director, Ichigo Marché Co., Ltd.</p>	151,608 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	(continued from previous page)	<p>March 2018 Group Head of Sustainable Real Estate (current)</p> <p>March 2019 Chairman & Representative Director, Ichigo Marché Co., Ltd. (current)</p> <p> Chairman & Representative Director, Hakata Hotels Inc. (current)</p> <p>June 2019 President & Representative Director, Miyazaki Sunshine FM Co., Ltd. (current)</p> <p>(Other Positions)</p> <p>Chairman, President, & Representative Director, Miyako City Co., Ltd.</p> <p>Chairman & Representative Director, Ichigo Marché Co., Ltd.</p> <p>President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd.</p> <p>Chairman & Representative Director, Hakata Hotels Inc.</p> <p>President & Representative Director, Miyazaki Sunshine FM Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>Although the Covid-19 pandemic's negative impact on business conditions is expected to be long-term, I will strive to protect real estate as an essential element of people's lives. As workstyles, consumer behavior, and lifestyles change on the back of the IT revolution, Ichigo will continue adapting to these changes and further strengthen the sustainability of our businesses. I will continue to work toward meeting the expectations of our shareholders, and appreciate your guidance and support.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	 <p data-bbox="225 972 427 1043">Eri Murai (May 16, 1970)</p>	<p data-bbox="464 304 1315 1032"> April 1993 Joined Fujita Corporation April 2002 Joined Ichigo January 2007 Head of Finance, Ichigo July 2012 Statutory Executive Officer (Business Management), Head of Business Planning, Ichigo March 2013 Director (Administration), Ichigo Estate, Director, Ichigo Global Capital Director (Business Planning), Ichigo ECO Energy March 2014 Senior Statutory Executive Officer (Administration & HR), Ichigo March 2015 Executive Managing Director (current) & Statutory Executive Officer (Administration & HR) Group Head of Administration & HR, Ichigo President, Ichigo University March 2017 Head of HR Development May 2019 Director (current) March 2020 Statutory Executive Officer (HR) (current) </p> <p data-bbox="472 1126 855 1160"><u>Message to Our Shareholders</u></p> <p data-bbox="472 1178 1299 1469"> The Covid-19 pandemic is dramatically impacting Ichigo's businesses. It is under such challenging times that I believe it is important for Ichigo to work as a whole and leverage individual skills and experiences to overcome difficulties together. I will continue to create a work environment at Ichigo in which employees can express their individual talents, helping drive sustainable growth and higher shareholder value. Thank you for your guidance and support. </p>	6,800 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	 <p>Tetsuya Fujita (March 26, 1954)</p>	<p>April 1976 Joined Taisho Marine and Fire Insurance Co., Ltd. (now Mitsui Sumitomo Insurance Co., Ltd.)</p> <p>April 2001 Executive Director, Taisho Marine & Fire Insurance (Malaysia) Bhd. (now MSIG Insurance (Malaysia) Bhd)</p> <p>April 2002 Board Director, Skandia Life Insurance (Japan) (now Tokyo Marine Nichido Financial Life Insurance Co., Ltd.)</p> <p>October 2006 Executive Director, AXA Life Insurance Co., Ltd.</p> <p>April 2007 Representative President & CEO, AXA Financial Life Insurance Co., Ltd. (now AXA Life Insurance Co., Ltd.)</p> <p>October 2009 Senior Advisor, AXA Life Insurance Co., Ltd.</p> <p>May 2010 Ichigo Independent Director (current), Member of Audit Committee, Member of Compliance Committee</p> <p>February 2011 Auditor, St. Thomas University</p> <p>March 2011 President, ReMark Japan Co., Ltd.</p> <p>May 2011 Chairman of Compliance Committee,</p> <p>May 2012 Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p>July 2012 Director, Member of Audit Committee, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>May 2014 Chairman of Audit Committee (current), Member of Compliance Committee (current), Chairman of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>October 2015 Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan</p> <p>May 2016 Lead Independent Director (current)</p> <p>August 2017 Special Advisor to CEO, ReMark Group</p> <p>March 2019 Advisor, Creative Solutions Co., Ltd.</p> <p>June 2019 CEO & Representative Director, Creative Solutions Co., Ltd (current)</p> <p>(Other Positions) CEO & Representative Director, Creative Solutions Co., Ltd.</p>	64,200 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>The world economy and the real estate market is entering a new era due to the Covid-19 pandemic. I believe that the ability to make decisions is crucial to overcome difficulties into the new era. As an Independent Director, I want to further strengthen corporate governance and risk management, and contribute to the creation of even greater corporate value for Ichigo as a sustainable infrastructure company on behalf of all shareholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
6	 <p data-bbox="169 1003 429 1070">Noriko Kawate (February 22, 1976)</p>	<p data-bbox="437 304 1347 1144"> April 1999 Joined International Dept., Deloitte Touche Tohmatsu LLC July 2001 Qualified as Certified Public Accountant August 2004 Joined Cast & Itoga (now Uryu & Itoga) November 2004 Qualified as Certified Tax Accountant February 2008 President of CLEA Consulting Co., Ltd. (current) January 2009 Joined Gracia Corporation May 2011 Ichigo Independent Director (current), Member of Audit Committee (current) November 2011 Qualified as American Certified Public Accountant July 2012 Director, Member of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) June 2013 Audit & Supervisory Board Member, Meiji Machine Co., Ltd. May 2014 Member of Nominating Committee (current), Member of Compensation Committee (current), Member of Nominating Committee, Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) February 2015 Partner, Cast Group (current) </p> <p data-bbox="437 1182 940 1290"> (Other Positions) President, CLEA Consulting Co., Ltd. Partner, Cast Group </p> <p data-bbox="437 1368 831 1402"> <u>Message to Our Shareholders</u> </p> <p data-bbox="437 1424 1326 1671"> Last year, Ichigo got off to a good start on its <u>Ichigo 2030</u> long-term vision. However, since the beginning of this year, the Covid-19 global pandemic has negatively impacted the real estate industry in which Ichigo participates. Although Ichigo may face difficulties in navigating the unprecedented changes in the economic landscape, I will do my best as an Independent Director to support Ichigo's sustainable growth. </p>	48,700 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	 Yukio Suzuki (June 3, 1950)	<p> April 1975 Joined Nomura Research Institute, Ltd. June 1996 Director, Nomura Research Institute Ltd. June 1997 Director & Head of Financial Research Center, Nomura Securities Co., Ltd. June 1999 Executive Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2000 Executive Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2003 Executive Managing Director, Nomura Asset Management Co., Ltd. June 2005 Director and Audit Mission Director, Nomura Holdings, Inc. June 2008 Advisor, Nomura Securities Co., Ltd. July 2010 CEO, Belle Investment Research of Japan Inc. (current) August 2010 Advisor, Deloitte Touche Tohmatsu, LLC June 2012 Independent Director, Systema Corporation (current) May 2015 Ichigo Independent Director (current), Director of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) September 2015 Member of Compliance Committee May 2016 Member of Audit Committee (current), Vice Chairman of Compliance Committee (current) March 2018 Independent Auditor, WILLs Inc. (current) June 2018 Independent Auditor, XNET Corporation (current) </p> <p> (Other Positions) CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Independent Auditor, WILLs Inc. Independent Auditor, XNET Corporation </p> <p> <u>Message to Our Shareholders</u> Sustainable corporate value creation requires a long-term vision, strategizing and executing on new business development, delivering revolutionary products and services, and solid risk management attuned to changes in the business environment. It is especially important that the process of corporate value creation be shared with shareholders. I want to fulfill my responsibility as an Independent Director by offering management supervision based on a belief in effective corporate governance, strong human capital development, and concern for the environment. </p>	13,900 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	 <p data-bbox="177 1305 445 1375">Masatoshi Matsuzaki (July 21, 1950)</p>	<p data-bbox="461 304 1305 374">April 1976 Joined Konishiroku Photo Industry Co., Ltd. (now Konica Minolta, Inc.)</p> <p data-bbox="461 383 1262 483">June 1999 General Manager, System Technology Development Division, Office Document Company, Konica Corporation</p> <p data-bbox="461 492 1177 562">October 2003 Director, Konica Minolta Business Technologies, Inc.</p> <p data-bbox="461 571 1305 703">April 2005 Executive Officer, Konica Minolta Holdings Inc. Representative Director & President, Konica Minolta Technology Center, Inc.</p> <p data-bbox="461 712 1270 781">April 2006 Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p data-bbox="461 790 1310 860">June 2006 Director & Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p data-bbox="461 869 1241 938">April 2009 Representative Director & CEO Konica Minolta Holdings, Inc.</p> <p data-bbox="461 947 1241 1016">April 2013 Representative Director & CEO Konica Minolta, Inc.</p> <p data-bbox="461 1025 1254 1095">April 2014 Director & Chairman of the Board of Directors, Konica Minolta, Inc. (current)</p> <p data-bbox="461 1104 1283 1205">June 2014 Chairman of the Board of Directors, Japan Business Machine and Information System Industries Association</p> <p data-bbox="461 1214 1246 1323">May 2016 Deputy Chairman, Japan Association of Corporate Directors Ichigo Independent Director, Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p data-bbox="461 1373 1326 1505">June 2016 Independent Director, Nomura Research Institute, Ltd. (current) Independent Director, Nippon Sheet Glass Co. Ltd. (current)</p> <p data-bbox="461 1514 1230 1583">August 2016 Member of Public Interest Supervisory Committee, PwC Aarata LLC (current)</p> <p data-bbox="461 1592 1334 1662">May 2018 Executive Director & Deputy Chairman, Japan Association of Corporate Directors (current)</p> <p data-bbox="461 1671 1267 1740">June 2019 Independent Director, LIXIL Corporation (current)</p> <p data-bbox="461 1776 1362 2101">(Other Positions) Chairman of the Board of Directors, Konica Minolta Inc. Executive Director & Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. (Until June 2020) Member of Public Interest Supervisory Committee, PwC Aarata LLC Independent Director, LIXIL Corporation</p>	32,600 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>In the short term, Ichigo may experience negative impacts from market changes caused by the Covid-19 global pandemic. I believe sustainable corporate growth is important for shareholders and all stakeholders. In order to achieve the <u>Ichigo 2030</u> long-term vision, I will continue to use my perspective as an Independent Director to help the company's management team keep an eye on structural changes in the business environment and assess opportunities and risks in order to meet the expectations of shareholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
9	 <p data-bbox="188 1128 450 1200">Nobuhide Nakaido (November 1, 1946)</p>	<p data-bbox="462 309 1305 1189"> April 1971 Joined Sumitomo Corporation April 1998 Director, Sumitomo Corporation April 2002 Managing Director, Sumitomo Corporation April 2003 Managing Executive Officer, Sumitomo Corporation April 2004 Senior Managing Executive Officer, Sumitomo Corporation April 2005 Executive Vice President, Sumitomo Corporation April 2009 Executive Director, Assistant to President, Sumitomo Corporation June 2009 Chairman, President, & CEO, Sumisho Computer Systems Corporation (now SCSK Corporation) October 2011 President & CEO, SCSK Corporation June 2013 Chairman, SCSK April 2016 Director & Senior Advisor, SCSK Corporation June 2016 Senior Advisor, SCSK Corporation May 2017 Ichigo Independent Director (current) October 2018 Chairman, Japan Association for Chief Human Resources Officers (current) March 2019 Independent Director, eSOL Co., Ltd. (current) </p> <p data-bbox="462 1227 1222 1368"> (Other Positions) Chairman, Japan Association for Chief Human Resources Officers Independent Director, eSOL Co., Ltd. </p> <p data-bbox="462 1447 1326 1715"> <u>Message to Our Shareholders</u> Consistent with Ichigo’s corporate mission <u>Make The World More Sustainable</u>, I will do my best as an Independent Director to contribute to growing shareholder value via business model innovations, corporate governance, and workstyle changes, and support Ichigo in becoming a sustainable infrastructure company that opens up a new era. </p>	10,000 shares

- (Note 1) None of the candidates for Director or Independent Director are a related party of Ichigo.
- (Note 2) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Scott Callon, Takuma Hasegawa, Minoru Ishihara, and Eri Murai for Director are as follows:
- (i) Scott Callon has extensive experience leading Ichigo since October 2008 as Director and Chairman and has knowledge and expertise derived from serving on a number of Japanese government bodies, including the Financial Services Agency (FSA) Council of Experts that drafted Japan's Corporate Governance Code and the Ministry of Economy, Trade and Industry (METI) Competitiveness and Incentives Structures for Sustainable Growth Project (the "Ito Review"). He assumed the position of Director in November 2008, and his term of office will have been eleven and a half years at the close of this shareholder meeting.
 - (ii) Takuma Hasegawa has extensive knowledge and experience at Ichigo, having led a number of Ichigo's real estate businesses. He has been Ichigo's President since May 2015. He assumed the position of Director in May 2009 for two years, and his term of office will have been seven years at the close of this shareholder meeting.
 - (iii) Minoru Ishihara has extensive knowledge and experience as Executive Vice President and COO of Ichigo. He assumed the position of Director in 2009, and his term of office will have been eleven years at the close of this shareholder meeting.
 - (iv) Eri Murai has extensive knowledge and experience since joining Ichigo in 2002, having led a number of key initiatives in finance, internal management, and HR. She is currently the Executive Managing Director & Statutory Executive Officer (HR), and her term of office will have been one year at the close of this shareholder meeting.
- (Note 3) All five candidates for Independent Director – Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Nobuhide Nakaido – meet the Tokyo Stock Exchange's (TSE) requirements for Independent Directors and will be registered with the TSE as such.
- (Note 4) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Nobuhide Nakaido as candidates for Independent Director are as follows:
- (i) Tetsuya Fujita has extensive knowledge and experience working for a leading property insurance company and a leading life insurance company. He assumed the position of Independent Director in May 2010, and his term of office will have been ten years at the close of this shareholder meeting.
 - (ii) Noriko Kawate has extensive experience in statutory auditing at a major auditing firm and in accounting and tax advisory as a certified public accountant and tax accountant. She assumed the position of Independent Director in May 2011, and her term of office will have been nine years at the close of this shareholder meeting.
 - (iii) Yukio Suzuki has extensive experience and knowledge of corporate and securities research from serving important roles at a securities company, think tank, and asset management company at a major financial group, and has experience and knowledge in operational monitoring and risk control, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2015, and his term of office will have been five years at the close of this shareholder meeting.

- (iv) Masatoshi Matsuzaki has extensive experience as the CEO and Chairman leading a major global office equipment manufacturer, driving positive structural transformation and business innovation, and played a leading role in developing a best-practice board committee system to support strong corporate governance, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2016, and his term of office will have been four years at the close of this shareholder meeting.
 - (v) Nobuhide Nakaido has extensive experience and knowledge as the Executive Vice President of one of Japan's largest trading companies and President & Chairman of a leading Japanese IT systems integrator, driving innovation in the IT service industry and increasing corporate value through workstyle & workplace transformation. He has extensive knowledge and experience leading major global companies which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2017, and his term of office will have been three years at the close of this shareholder meeting.
- (Note 5) No candidate for Independent Director has been involved in inappropriate conduct while serving as a Director in other companies over the past five years.
- (Note 6) Additional information pertaining to the independence of the candidates for Independent Director is as follows:
- (i) Tetsuya Fujita and Noriko Kawate served as Independent Directors of Ichigo subsidiary, Ichigo Investment Advisors, from July 2012 to May 2016.
 - (ii) Yukio Suzuki served as an Independent Director of Ichigo subsidiary, Ichigo Investment Advisors, from May 2015 to May 2016.
 - (iii) No candidate for Independent Director has received in the last two years, nor will they receive, material monetary or other financial compensation (excluding any remuneration as Director or Advisor before assuming the position of Independent Director) from Ichigo or related entities.
 - (iv) No candidate for Independent Director is the spouse of the management of Ichigo or related entities, nor are they related within three degrees of consanguinity.
- (Note 7) In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Nobuhide Nakaido. The extent of liabilities for compensation under the agreements is the minimum limited liability amount as defined in Article 425, Paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties which cause liability in good faith and without gross negligence. Upon the re-appointment of Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Nobuhide Nakaido as Independent Directors, Ichigo will enter into new limited liability agreements with equivalent terms with each of them.
- (Note 8) Scott Callon has not received and will not receive any compensation from Ichigo.
- (Note 9) Shares owned by Yukio Suzuki, a candidate for Independent Director, include shares owned by Belle Investment Research of Japan Inc., all of whose shares are owned by Yukio Suzuki.
- (Note 10) The number of Ichigo shares owned by each of the candidates for Director is as of February 29, 2020.

Business Report
(March 1, 2019 – February 29, 2020)

I. Current Operations and Financials

A. Business Conditions in the Current Fiscal Year (FY20/2)

1. Business Results and Progress

In the current fiscal year, although exports decreased due to a slowdown in the world economy, corporate earnings remained high and capital expenditures strong. Household consumption increased moderately on the back of increases in employment and income, despite the negative impact of the autumn 2019 consumption tax increase. Although the Japanese economy was forecast to expand moderately as a result of stable domestic demand, supportive economic and fiscal policies, and the Bank of Japan's monetary easing, the Covid-19 pandemic is putting downward pressure on both Japanese and global economic activity.

Pre-Covid-19, the Japanese real estate market continued to generate stable investment returns, with ongoing rent increases supported by historically low vacancy rates. Low interest rates drove strong demand for real estate investments in the search for yield, while the J-REIT market grew backed by capital gains and steady rent increases. However, Covid-19 is expected to have a negative impact on real estate. Hotel earnings in particular are expected to drop as a result of both new supply and a drop in inbound tourism.

For clean energy, while changes in the renewable energy feed-in-tariff (FIT) rules have caused some companies to reevaluate project viability, solar power plants have proved their resilience against natural disasters. The Tokyo Stock Exchange infrastructure market offers continuing growth prospects, with solar power producers offering both high earnings stability and less sensitivity to changes in economic conditions.

FY20/2 also marked the first year of Ichigo's Ichigo 2030 long-term vision. Ichigo is expanding its business domain as a sustainable infrastructure company to fulfill its mission of Make The World More Sustainable.

Core Business Growth

– **Sustainable Real Estate (SRE)**

Given the strong real estate market, Ichigo was selective on acquisitions and worked to be innovative in its acquisition strategies to avoid auctions and buy at the lowest possible prices. As a result, Ichigo acquired JPY 63 billion in assets, while selling JPY 60.6 billion. Ichigo also worked to increase the value of its assets through its core value-add activities, maintaining high occupancy while driving higher rental income.

– **Asset Management**

Ichigo supported the growth of its TSE-listed REITs and solar YieldCo by selling high-quality assets to Ichigo Office (8975) and Ichigo Hotel (3463) and operating Ichigo Green's (9282) solar power plants. It also expanded its private fund business.

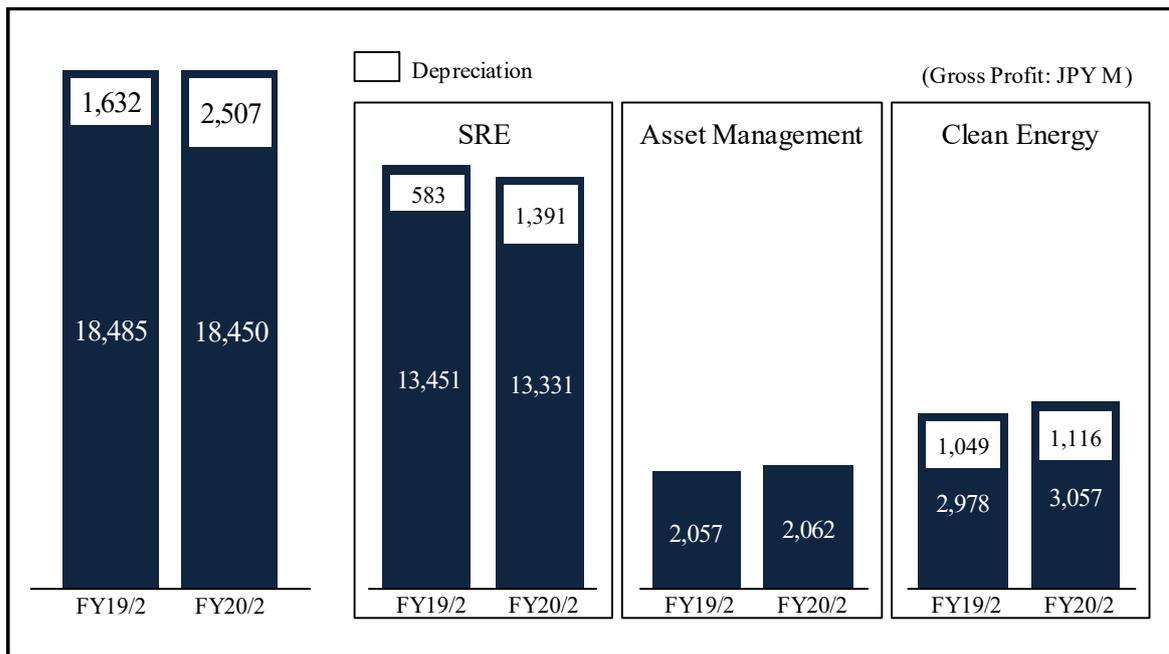
During the year, Ichigo Office was selected for inclusion in the FTSE EPRA/NAREIT Global Real Estate Index Series, a global real estate investment benchmark used by institutional investors worldwide.

- Clean Energy

Despite the massive size of Typhoon Faxai (Typhoon No. 15) and Typhoon Hagibis (Typhoon No. 19), there were no injuries or material damages at any Ichigo power plants, and the plants produced solar power as normal. Even with the typhoons and a long rainy season, Ichigo’s FY20/2 solar power generation exceeded forecast.

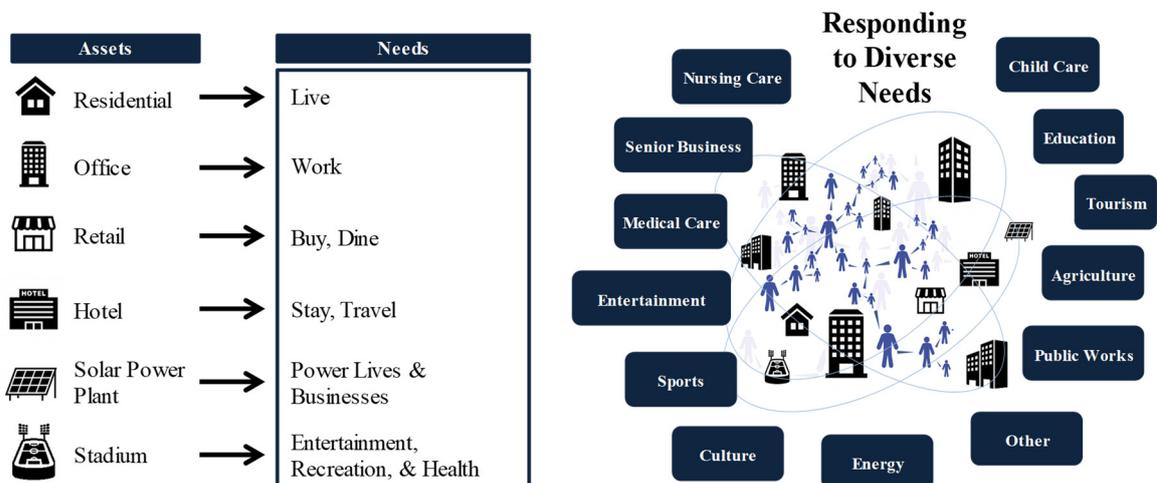
Ichigo brought five new solar power plants (23MW) online, and continues to develop a pipeline of reliable, high-performance solar power plants and grow wind power plant generation. In particular, construction of the Ichigo Yonezawa Itaya ECO Power Plant, Ichigo’s first wind power plant, is on-track.

Stock Earnings



Ichigo as a Sustainable Infrastructure Company

Ichigo is building upon its capabilities in real estate and clean energy to pursue new opportunities for growth and value creation for tenants, customers, and local communities.



New Business Entry

– Real Estate & Tourism: Hotel Operator Market Entry via Hakata Hotels

Ichigo entered the hotel operator market via acquiring Hakata Hotels to leverage its extensive experience and know-how as a hotel owner-operator to drive higher hotel earnings and value. With the acquisition, Ichigo is operating seven hotels (700 guest rooms), primarily in the Fukuoka area, ranging from full-service to casual hotels. Ichigo is also developing its own brands and delivering a high level of professionalism that benefits from its rich experience beyond the hotel industry.

– Real Estate & IT: AI-based Hotel Revenue Management System PROPERA

PROPERA is Ichigo's proprietary hotel revenue management system that uses artificial intelligence (AI) to drive a dynamic-pricing algorithm that calculates optimal pricing for hotel rooms in order to maximize hotel operator revenues. PROPERA's AI-based dynamic pricing can respond to changes in the market by using machine learning to calculate optimal hotel room pricing up to 365 days in advance. Ichigo has deployed PROPERA to increase revenues by 10% to 40% at its own hotels, and is now rolling out PROPERA to third-party hotel operators.

– Real Estate & Agriculture & Tourism: Public-Private Partnership as Operator of Yokosuka Port Market

Ichigo was selected as the operator of Yokosuka Port Market after the city of Yokosuka, as part of its tourism-promotion efforts, held an open public bid to renovate and operate the facility as a Public-Private Partnership (PPP). Ichigo is working to revitalize the local community, create new employment, and promote regional economic development, while generating a new capital-efficient, non-asset earnings stream for Ichigo.



Yokosuka Port Market After Renovation (Image)

– Real Estate & Anime: Ichigo’s New Anime Series VLADLOVE

On April 4, 2019, Ichigo established a wholly-owned subsidiary, Ichigo Animation, which became the sole investor financing the production of a new anime series directed by renowned Japanese directors Mamoru Oshii and Junji Nishimura. Ichigo has launched the anime business to create synergies with Ichigo’s existing sustainable real estate business.

Japanese anime has become a global cultural phenomenon and a centerpiece of the government’s Cool Japan campaign to create new growth and employment opportunities. As the sole producer of this new anime series, Ichigo is supporting the directors and other creators in producing high-quality work for audiences in Japan and around the world.

Ichigo Animation is also investing in other animation initiatives that promote the AKIBA CULTURES ZONE (ACZ), Ichigo’s major retail asset in Akihabara, the Tokyo district that is the epicenter of Japan’s anime sub-culture. VLADLOVE-related goods are already being sold at ACZ, along with related events being held there. Ichigo will continue to work to increase ACZ’s international recognition as a landmark of Japan’s anime sub-culture.

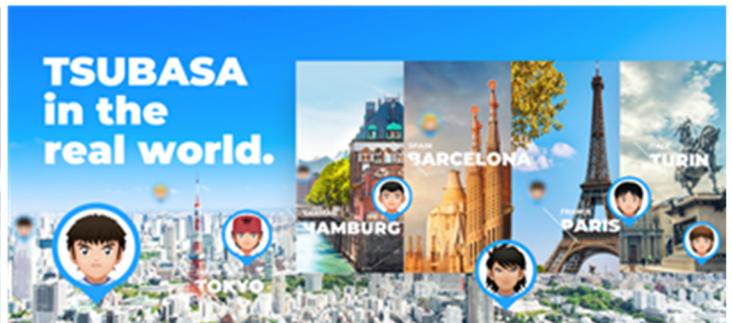
– Real Estate & Gaming: Real-World Augmented Reality (AR) Game TSUBASA+

Ichigo has also invested in TSUBASA+, a global, real-world augmented reality (AR) game that uses smartphone GPS.

TSUBASA+ merges elements from the popular soccer manga Captain Tsubasa with the real world. Ichigo is contributing Ichigo’s real estate capabilities and expertise in order to integrate real-world locations into the game, including placing virtual stadiums at Ichigo real estate assets.



New Anime Series VLADLOVE



Real -World AR Game TSUBASA+

– Improved Borrowing Terms, Green Bond Issuance, JPX-Nikkei 400 Index Inclusion, J.League Shareholder Program Launch, & Ichigo Social Media and Branding

Ichigo further strengthened its financial base in FY20/2 by extending its loan maturities, lowering borrowing costs, hedging against future interest rate rises, and expanding its uncollateralized borrowing.

Ichigo also issued a green bond in order to fund the construction and operation of solar power plants and grow its clean energy business.

For the fourth year in a row, Ichigo was selected for inclusion in the JPX-Nikkei Index 400 and ranked within the JPX-Nikkei 400's top 200 companies in August 2019, marking the achievement of all of Ichigo's goals set out in its Power Up 2019 mid-term business plan.

Ichigo became a J.League Top Partner in 2019, working with the J.League to help build stronger and healthier local communities. Ichigo also launched a Shareholder Program for Ichigo, Ichigo Office, Ichigo Hotel, and Ichigo Green shareholders. The Shareholder Program represents two first for Japanese shareholder programs: 1) Ichigo is the first Japanese company to include not just its own shareholders, but also the shareholders of the REITs and YieldCo that it manages, in its shareholder program; and 2) Ichigo is the first company to offer shareholders free tickets to all 55 J.League clubs (which is the number of clubs during the 2019 season) and all J. League games.



Ichigo also uses social media, including Facebook and Instagram, to provide Ichigo-related news and updates, and continues to execute on new branding initiatives to drive shareholder value.

FY20/2 Earnings Details

Ichigo generated consolidated FY20/2 revenue of JPY 87.4 billion (+4.6% year-on-year), operating profit of JPY 27.7 billion (+5.5% year-on-year), recurring profit of JPY 24.4 billion (+5.7% year-on-year), and net income of JPY 8.2 billion (-46.7% year-on-year).

In FY20/2, the first year of the Ichigo 2030 long-term vision, Ichigo achieved record-high operating and recurring profits on the back of stable stock earnings and strong flow earnings. From early 2020, however, the Covid-19 global pandemic is dramatically lowering hotel demand and putting pressure on real estate tenants across-the-board. Given these market conditions, Ichigo conducted a systematic review of the current market values of all of its Real Estate for Sale, and wrote down assets (primarily hotel and retail) that are significantly impacted by current business conditions. Ichigo thus recorded an FY20/2 extraordinary Covid-19 loss of JPY 8.07 billion, the bulk of which is a JPY 7.49 billion writedown of Real Estate for Sale.

Although FY20/2 net income thus decreased year-on-year, Ichigo has maintained the trustworthiness and integrity of its balance sheet and lowered future balance sheet risk.

Segment Earnings Details

The breakdown of revenue and operating profit by segment is as follows:

Asset Management

Due to increased performance fees at Ichigo Hotel (3463), a new private real estate fund mandate, and growth in base asset management fees, revenue increased to JPY 3.9 billion (+14.2% year-on-year) with segment operating profit up 15.1% year-on-year to JPY 2.5 billion.

Sustainable Real Estate

Strong value-add outcomes combined with stable growth in rental income contributed to an increase in stock earnings. Asset sales continued to be robust, generating high gross margins. As a result, revenue increased to JPY 80.5 billion (+4.0% year-on-year), with segment operating profit up 5.7% year-on-year to JPY 24.0 billion.

Clean Energy

Despite below-average productive daylight hours in July and August 2019, full-year contributions from power plants that came online in FY19/2 increased revenue to JPY 3.8 billion (+4.0% year-on-year). However, segment operating profit declined to JPY 1.3 billion (-6.7% year-on-year), due to increases in plant depreciation expenses and the cost allocation from group-wide strategic investments.

Ichigo expects FY21/2 earnings growth from 5 power plants that came online during FY20/2.

Consolidated Income Statement Details

Revenue

Robust asset sales, increased rental income from new acquisitions and value-add activities generating higher rents, higher Ichigo Hotel performance fees from hotel sales and asset management fees from new private funds, and the completion of new power plants led to a 4.6% year-on-year increase in revenue to JPY 87.4 billion.

Real estate sales contributed JPY 60.6 billion, real estate rental income JPY 19.1 billion, real estate management fee income JPY 3.1 billion, and solar power production revenue JPY 3.8 billion.

Operating Profit

Asset sales, rental income, and power generation revenue growth led to a record operating profit of JPY 27.7 billion (+5.5% year-on-year). Depreciation increased JPY 807 million due to the reclassification of some real estate for sale assets to fixed assets, with SG&A also rising JPY 940 million because of business expansion and strategic investments.

Non-Operating Profit & Expenses

Non-operating profit totaled JPY 150 million (+1.7% year-on-year), with dividend income of JPY 78 million and insurance proceeds of JPY 35 million.

Non-operating expenses totaled JPY 3.5 billion (+3.8% year-on-year), despite a decrease in the mark-to-market loss on long-term interest rate hedges, due to an increase in debt financing-related fees for asset acquisitions and sales,.

By category, interest costs were JPY 2.3 billion, debt financing-related fees were JPY 538 million, and the mark-to-market loss on long-term interest rate hedges was JPY 336 million.

Extraordinary Gains

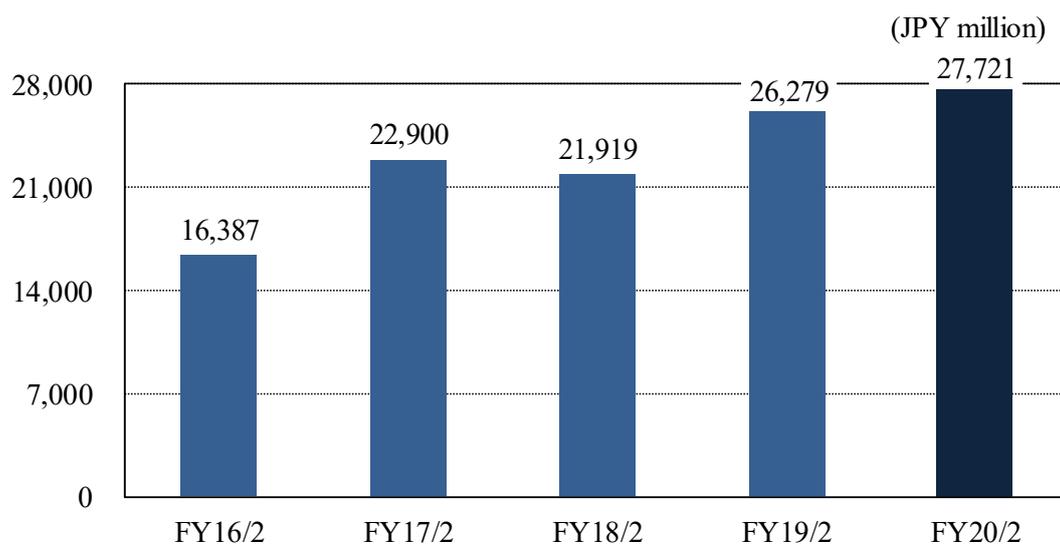
Extraordinary gains totaled JPY 215 million (vs. JPY 2 million in FY19/2) on gains on sale of subsidiary shares of JPY 169 million and gains on sale of securities investments of JPY 11 million.

Extraordinary losses totaled JPY 8.1 billion on a Covid-19 writedown of real estate for sale of JPY 7.5 billion, a Covid-19 writedown of goodwill of JPY 319 million, and a Covid-19 writedown of securities investments of JPY 229 million.

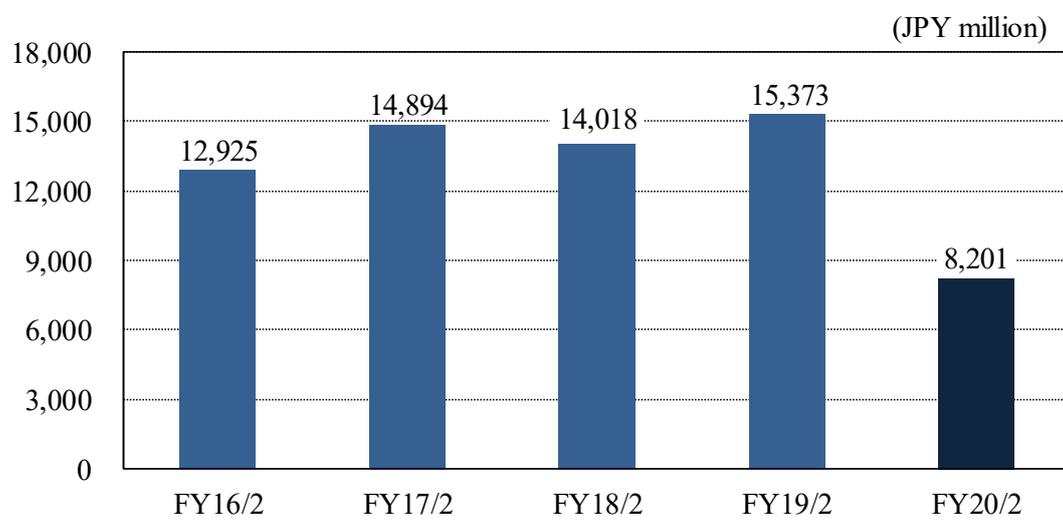
Net Income

Net income declined 46.7% year-on-year to JPY 8.2 billion. Incomes taxes totaled JPY 8.0 billion (which included a tax adjustment of -JPY 584 million).

Operating Profit



Net Income



2. Capital Expenditures

During FY20/2, property, plant, and equipment (PP&E), including operating and in-development power plants, increased by JPY 4.3 billion.

3. Financing

In order to drive earnings growth and further strengthen its financial standing, Ichigo is taking advantage of the current low interest rate environment to improve its borrowing terms and diversify its borrowings, including by lowering borrowing costs, staggering loan maturities, extending loan durations, and reducing loan amortizations.

Ichigo continues to increase its uncollateralized financing to further strengthen its borrowings and creditworthiness. In June 2019, Ichigo initiated a second uncollateralized JPY 10 billion commitment line. Combined with the JPY 10 billion commitment line initiated during FY19/2, the uncollateralized commitment lines totaled JPY 20 billion. Ichigo also issued an uncollateralized bond of JPY 3 billion in September 2019.

Ichigo plans to make effective use of the above commitment lines and uncollateralized bond to secure ongoing liquidity and fund real estate acquisitions.

Second Uncollateralized Commitment Line

Use of Proceeds	Real estate acquisitions
Commitment Line Amount	JPY 10 billion
Lenders	Syndicate (Lead Arranger: Mizuho Bank)
Drawdown Period	June 28, 2019 to June 30, 2022 (3 years)
Loan Final Repayment Date	June 29, 2029 (10 years)
Collateralized	No
Contract Date	June 28, 2019

Uncollateralized Bond

Issuer	Ichigo
Total Issue Amount	JPY 3 billion
Payment Date	September 27, 2019
Maturity	5 years
Lead Underwriter	Mizuho Securities
Fiscal Agent	Mizuho Bank

Ichigo ECO Energy, Ichigo's wholly-owned subsidiary, issued a green bond of JPY 2.9 billion in July 2019 in order to grow its clean energy business and further contribute to Ichigo's goal of building a more sustainable society.

Green Bond

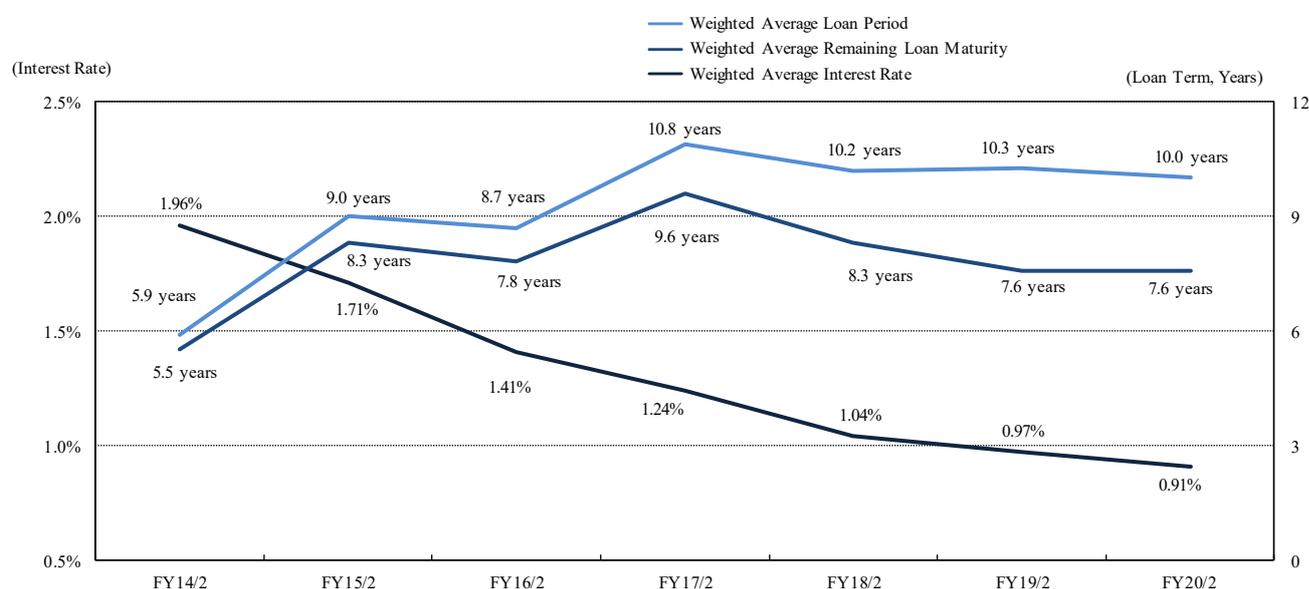
Issuer	Ichigo ECO Energy
Total Issue Amount	JPY 2.9 billion
Payment Date	July 31, 2019
Maturity	10 years
Lead Underwriter	SMBC

Note: SMBC, Daishi Bank, Resona Bank, and Kiraboshi Bank are the members of the green bond syndicate.

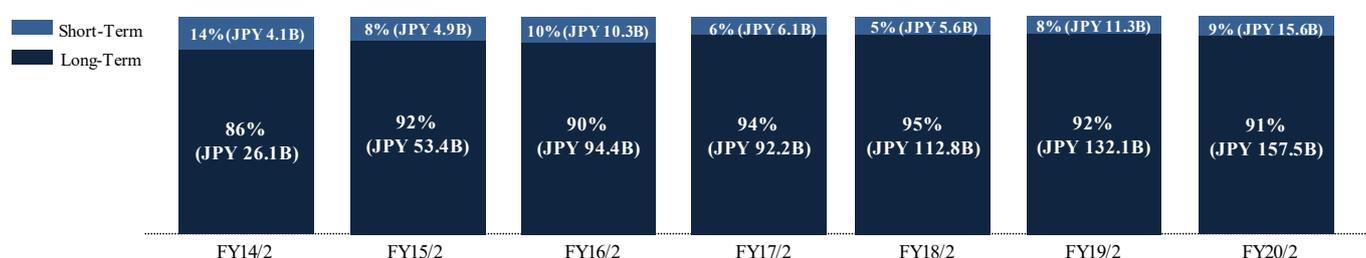
Ichigo's balance of interest-bearing corporate loans as of FY20/2-end was JPY 173.2 billion (+20.8% year-on-year), and its balance of non-recourse loans was JPY 40.3 billion (-23.5% year-on-year). The average interest rate during F20/2 for interest-bearing corporate loans and non-recourse loans were 0.91% (-0.06% year-on-year) and 1.02% (-0.10% year-on-year), respectively.

Ichigo continues to have an extraordinarily stable and durable balance sheet, with 91.0% of interest-bearing corporate loans as of FY20/2-end being long-term. JPY 112.7 billion of interest-bearing corporate loans have remaining loan terms of more than five years, with total interest-bearing corporate loans having an average loan term of 10 years. Furthermore, 53.0% of Ichigo's interest-bearing corporate loans as of FY20/2-end are with the Japanese megabanks. The proportion of total uncollateralized borrowings was 25.6% as of FY20/2-end, driven by the aforementioned FY20/2 commitment line and bond issuance.

Average Interest Rate and Loan Term



Term Structure of Loans



4. Business Transfers, Absorption-Type Splits or Incorporation-Type Splits

N/A

5. Transferred Businesses from Other Companies

N/A

6. Succession of Rights and Obligations relating to the Business of Other Companies by Absorption-Type Merger or Absorption-Type Split

N/A

7. Acquisition and Disposition of Shares and Other Interests in Other Companies and Stock Options, etc.

N/A

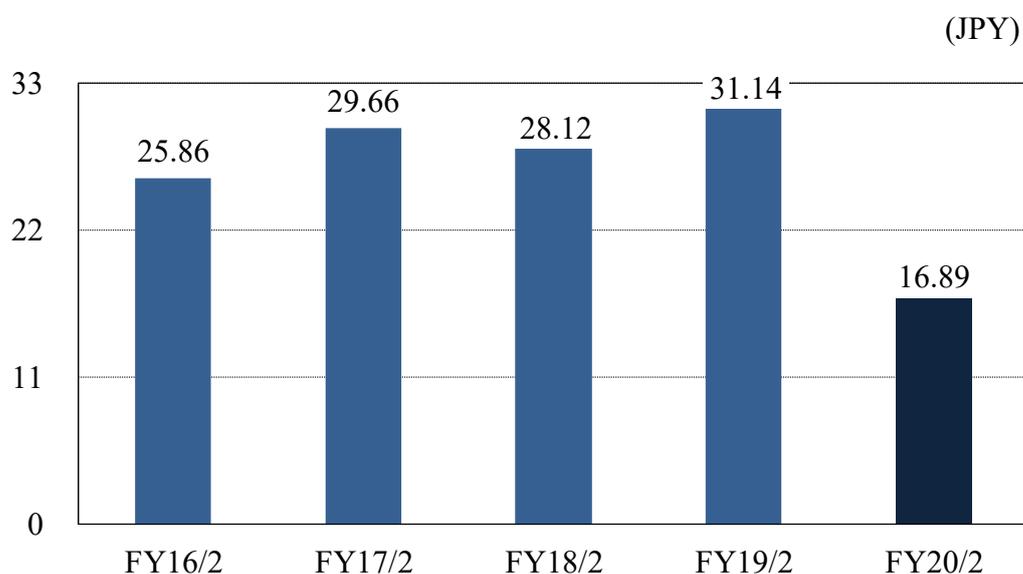
B. Earnings and Assets in the Current and Past Three Fiscal Years

	17 th Period (FY17/2)	18 th Period (FY18/2)	19 th Period (FY19/2)	20 th Period (FY20/2)
Revenue (JPY million)	109,253	57,846	83,540	87,360
Operating Profit (JPY million)	22,900	21,919	26,279	27,721
Recurring Profit (JPY million)	19,755	19,185	23,076	24,395
Net Income (JPY million)	14,894	14,018	15,373	8,201
Net Income per Share (JPY)	29.66	28.12	31.14	16.89
Total Assets (JPY million)	273,455	296,501	319,343	333,726
Net Assets (JPY million)	83,443	92,725	102,859	101,607
Net Assets per Share (JPY)	159.60	180.20	202.14	208.49
Dividend per Share (JPY)	5.0	6.0	7.0	7.0
Return on Equity	20.2%	16.5%	16.3%	8.2%

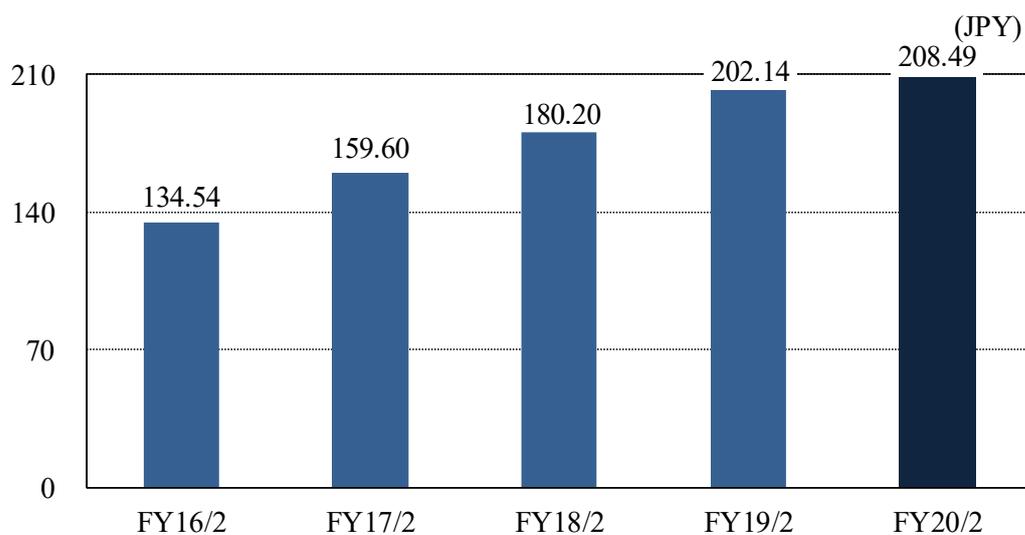
(Note 1) Net Income per Share is calculated based on the average number of outstanding shares, excluding treasury shares, during the period. Net Assets per Share is calculated based on the number of outstanding shares, excluding treasury shares, as of the end of the fiscal year.

(Note 2) Due to a change in accounting treatment from FY20/2, prior years have been restated. For details, please see page 18 of the “Additional Accounting Notes for the Twentieth Annual Shareholder Meeting.”

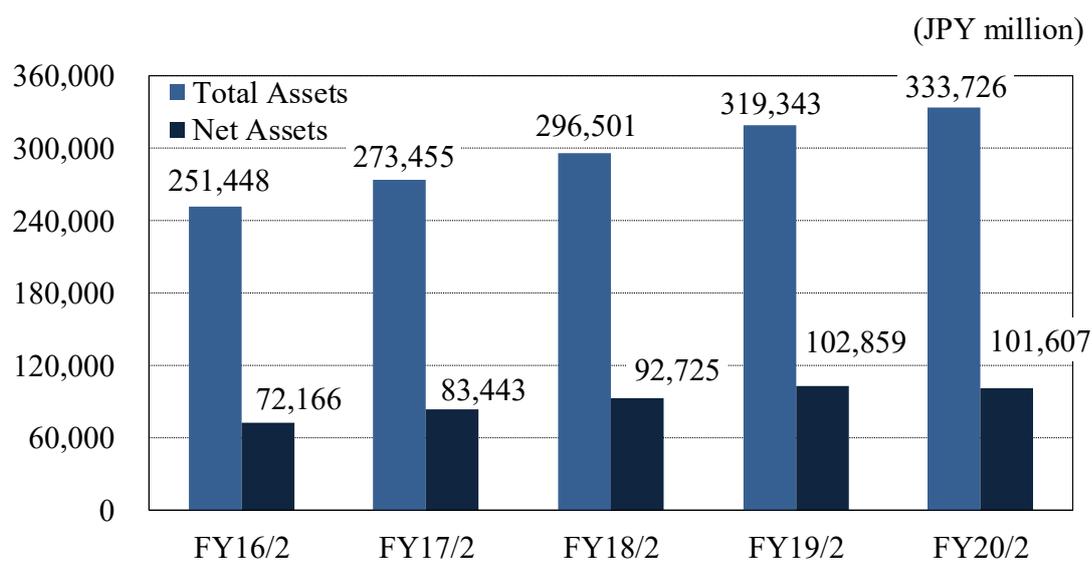
Net Income per Share (EPS)



Net Assets per Share



Total Assets & Net Assets



C. Company and Subsidiary Information

(1) Controlling Parent Company

N/A – Ichigo does not have a controlling parent company.

(2) Important Subsidiaries

Name	Capital	Percentage Ownership of Voting Rights	Main Business
Ichigo Investment Advisors Co., Ltd.	JPY 400 million	100%	Asset manager of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
Ichigo Estate Co., Ltd.	JPY 500 million	100%	Sustainable real estate
Ichigo ECO Energy Co., Ltd.	JPY 150 million	100%	Clean energy business focusing on utility-scale solar and wind power production, making purposeful use of idle land nationwide
Ichigo Owners Co., Ltd.	JPY 110 million	100%	Real estate investment services
Ichigo Land Shinchiku Co., Ltd.	JPY 50 million	100%	Sustainable real estate
Ichigo Real Estate Services Fukuoka Co., Ltd.	JPY 101 million	100%	Real estate business centered on Fukuoka
Ichigo Marché Co., Ltd.	JPY 95 million	100%	Operates Matsudo Nanbu market in Chiba Prefecture
Miyako City Co., Ltd.	JPY 50 million	100%	Operates Miyako City shopping mall in Miyazaki Prefecture
Centro Co., Ltd.	JPY 30 million	100%	New real estate-related businesses
Storage Plus Corp.	JPY 80 million	100%	High-grade self-storage
Ichigo Animation KK	JPY 400 million	100%	Japanese anime studio & real estate-related content developer
Hakata Hotels Inc.	JPY 100 million	100%	Hotel operator

(Note 1) Ichigo did not have any significant subsidiaries during FY20/2.

(Note 2) Centro established a wholly-owned subsidiary, Hakata Hotels, to expand the hotel operator business on March 11, 2019.

(Note 3) The newly-established Ichigo Animation became a consolidated subsidiary on April 4, 2019.

(Note 4) Percentage Ownership of Voting Rights for Centro, Storage Plus, and Hakata Hotels is calculated based on the number of shares held by Ichigo's subsidiary.

(Note 5) The Ichigo Animation capital amount is the amount held by a tokumei kumiai partnership.

D. Key Business Priorities

Ichigo's immediate focus will be managing the expected negative impact of the Covid-19 pandemic on the real estate market, including decreased rental income due to departing tenants and a drop in real estate value for hotels and other assets. Ichigo has adopted the lower of cost or market accounting for real estate early, maintained a strong financial base, and maximized cash management.

The revolution in IT and networks that has transformed industries globally has also reached real estate, creating opportunities for radical improvements in serving tenant needs. To invest in the potentially enormous growth opportunities from this technological change and drive significantly higher long-term growth for its shareholders, Ichigo has decided to pursue Ichigo 2030, an 11-year vision that is significantly more transformative than a traditional three-year mid-term business plan.

Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

As a sustainable infrastructure company, Ichigo is growing and expanding its core real estate and clean energy capabilities into new areas. In doing so, Ichigo will generate new earnings streams and opportunities to serve clients while seeking to create a more sustainable society.

a. Sustainable

We have entered an era when humanity must tread more lightly on our planet and learn to do more with less. Ichigo already has an extensive track record in sustainable real estate through its business model of preserving and improving existing real estate, which challenges the wasteful cycle of demolition and redevelopment in Japanese real estate. With 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. Sustainability is integral to the healthy development of people, society, and the environment.

b. Infrastructure

Ichigo has moved beyond the traditional view of real estate as simply physical buildings and land to one in which Ichigo more broadly provides key infrastructure that is fundamental to people's lives. Ichigo first expanded beyond real estate in 2012, when it began developing solar power, offering sustainable energy to support a cleaner and safer Japan and world. Ichigo 2030 takes this strategy forward by expanding the scope of Ichigo's real estate and clean energy businesses into other types of infrastructure that contribute to creating richer, more fulfilling lives for the people of Japan.

Ichigo is now working to merge the physical infrastructure of daily life – offices, homes, hotels – with the networks and data-driven possibilities of the digital world in order to offer more enriching experiences to its clients, tenants, and other stakeholders. While continuing to grow Ichigo's existing businesses, Ichigo is increasing investments in new technologies and talent and developing new partnerships with other companies who share our sustainability vision.

Time Period

FY20/2 to FY30/2 (11 years)

KPIs

1. High Capital Productivity

(a) FY20/2~FY30/2 Average ROE >15%

Although Ichigo's growth investments in IT and new businesses will initially lower ROE, Ichigo believes these investments will increase long-term ROE by driving higher capital productivity and earnings stability. Ichigo is focused on growing long-term EPS as a key driver of shareholder value.

(b) FY20/2~FY30/2 Continuous JPX-Nikkei 400 Index Inclusion

Ichigo is targeting continuous inclusion in the JPX-Nikkei 400 Index for the entire Ichigo 2030 period (11 years). The JPX-Nikkei 400 selects companies based on ROE, operating profit, and market capitalization, resulting in an index that is comprised of companies with high capital productivity and profitability.

2. High Cash Flow Generation

(a) FY20/2~FY30/2 Continuous Economic Operating Cash Flow* > Net Income

Ichigo's robust cash flows fund both growth investments and shareholder returns, so growing these cash flows is an important business priority. Ichigo is therefore setting a target of its annual Economic Operating Cash Flow exceeding its annual Net Income for the entire Ichigo 2030 period (11 years).

* Economic Operating Cash Flow = Cash Flows from Operations +/- any changes in Real Estate and Power Plants for Sale

3. High Earnings Stability

FY30/2 Stock Earnings Ratio >60%

Ichigo is targeting increasing its Stock Earnings ratio from FY19/2's 53% to 60% in FY30/2. It is also working to increase and diversify its Flow Earnings in order to reduce the weighting of profits from Value-Add real estate sales, which can be sensitive to changes in the real estate market. As a result, Ichigo expects to significantly increase both its earnings and its earnings stability over the Ichigo 2030 period.

Shareholder Return Policy

Ichigo will work to drive long-term shareholder value with a shareholder return policy that focuses on 1) dividend stability, transparency, and growth, and 2) flexible share buybacks.

1. Progressive Dividend Policy

Ichigo will continue its progressive dividend policy, originally adopted in FY17/2, in Ichigo 2030. Ichigo's progressive dividend policy underscores its commitment to driving continued organic earnings and dividend growth for shareholders. Under this policy, the previous year's dividend becomes the floor for the current year's dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside protection.

2. DOE >3%

In addition to its progressive dividend policy, Ichigo will continue its policy of a DOE (Dividend on Equity) payout ratio of greater than 3%. In contrast to a "dividend payout ratio policy," which calculates dividends based upon annual earnings which can be highly volatile, a DOE policy pays dividends based upon far more stable shareholder equity. A DOE policy thus results in more stable dividends for shareholders. Ichigo believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of Ichigo's shareholders.

3. Flexible Deployment of Share Buybacks

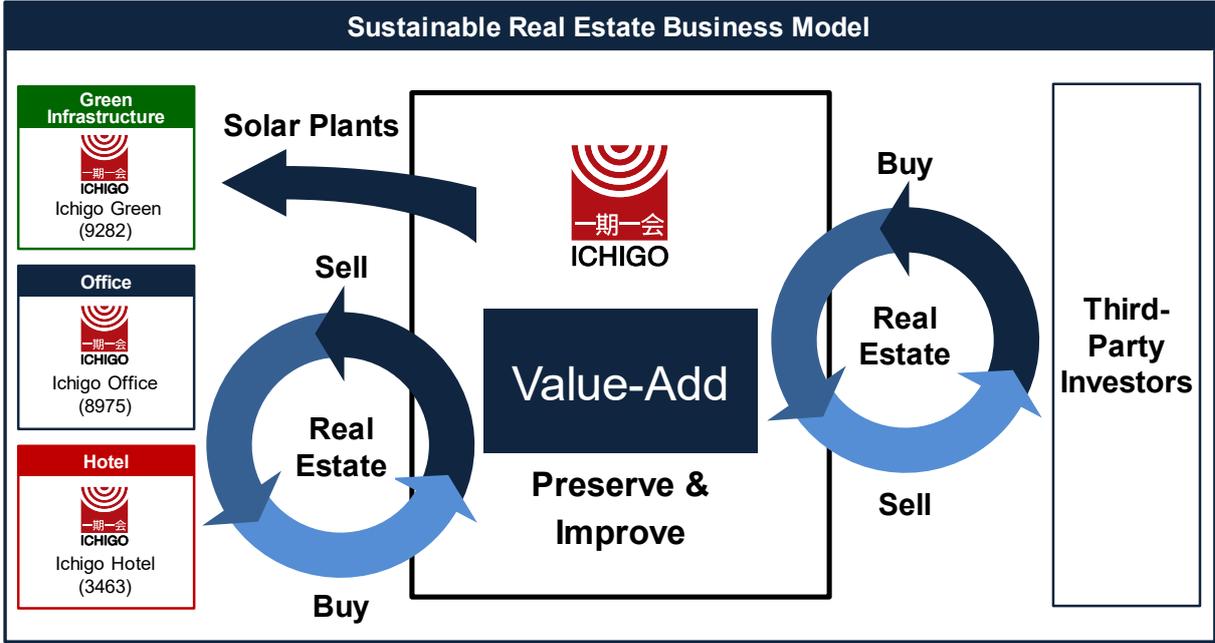
In addition to the above dividend policies, Ichigo is newly adopting a policy to flexibly conduct share buybacks to optimize its capital structure and drive shareholder value.

E. Key Business Segments (as of February 29, 2020)

Ichigo’s biggest segment is Sustainable Real Estate, in which Ichigo preserves and improves real estate. Ichigo receives rental income during the period it is carrying out its value-add, along with profits on sale that reflect the real estate’s higher value after the value-add is complete.

In addition to its value-add activity with respect to mid-size offices, hotels, and retail and other assets, Ichigo develops and operates solar and wind power plants to supply clean energy and bring productive use to idle land.

Ichigo’s Sustainable Real Estate Business Model



F. Employees (as of February 29, 2020)

1. Employees (Consolidated)

Segment	Number of employees	Increase/decrease from previous fiscal year-end
Asset Management Sustainable Real Estate	246 (64)	80 (+57)
Clean Energy	16 (1)	3 (-)
Company-wide	61 (1)	9 (-1)
Total	323 (66)	92 (+56)

- (Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo), including Directors who are also employees.
- (Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.
- (Note 3) On a year-on-year basis the number of employees increased by 92 and the number of non-full-time employees increased by 56, primarily reflecting the addition of employees from acquired companies.

2. Employees (Parent company only)

Number of employees	Increase/decrease from previous fiscal year-end	Average age	Average years of employment
110 (1)	12 (-1)	42.5 years old	5.7 years

(Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo) including Directors who are also employees.

(Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.

(Note 3) On a year-on-year basis the number of employees increased by 12; however, this was mainly due to employees being moved from a subsidiary pursuant to a corporate reorganization and new hiring.

G. Principal Lenders (as of February 29, 2020)

Lenders	Amount
Sumitomo Mitsui Banking Corporation	JPY 43.4 billion
Mizuho Bank, Ltd.	JPY 37.9 billion
Kansai Mirai Banking Corporation	JPY 10.4 billion
The Nishi-Nippon City Bank, Ltd.	JPY 8.0 billion
The Tokyo Start Bank, Limited.	JPY 7.4 billion

(Note) These amounts are for corporate loans and do not include non-recourse loans with respect to assets that Ichigo manages (e.g., tokumei kumiai partnerships, etc.)

H. Policy on Dividends and Shareholder Distributions

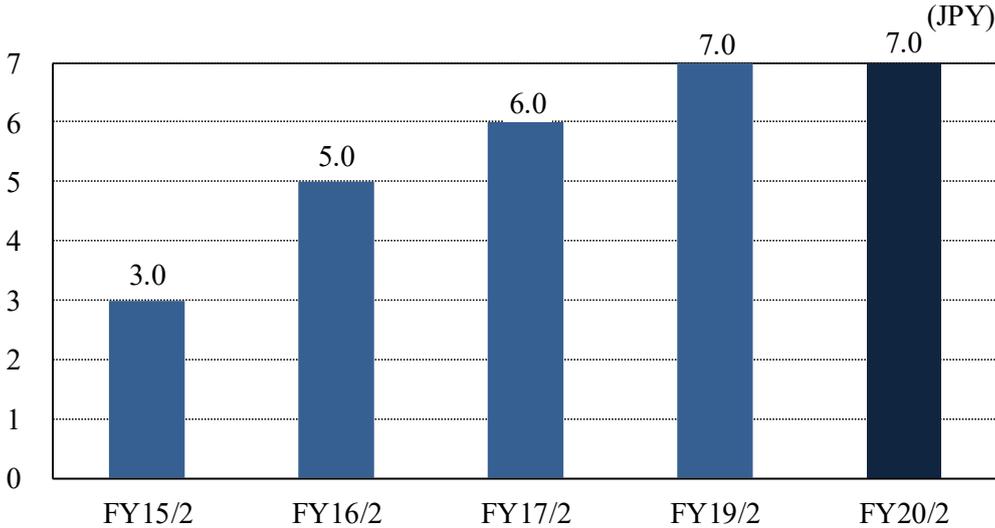
Ichigo views distributions to its shareholders as an important priority.

Ichigo’s Board of Directors adopted on April 19, 2016 a progressive dividend policy. This policy underscores Ichigo’s commitment to driving continued organic earnings and dividend growth for its shareholders. Under a progressive dividend policy, the previous year’s dividend becomes the floor for the current year’s dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside protection.

In addition to this progressive dividend policy, Ichigo has adopted a minimum DOE (dividend on equity) payout ratio of 3%. In contrast to an “earnings payout ratio policy,” which pays dividends based upon more volatile annual earnings, a DOE policy that pays dividends based upon more stable shareholder equity is by its very nature more stable. Ichigo believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of Ichigo’s shareholders.

The FY20/2 dividend per share is JPY 7.

Dividend per Share



I. Other Material Matters

Ichigo's Board of Directors decided to conduct a share buyback, pursuant to the provisions of Articles 156 and 165 of the Company Law, at the Board of Directors meeting held on July 11, 2019 and October 10, 2019. The details of the buyback are as follows:

1. Share Buyback Rationale

To grow value for Ichigo shareholders

2. Share Buyback Summary

July 2019 Share Buyback

Number of Shares	7,081,200
Amount	JPY 2,999,996,200
Average Share Price	JPY 424
Buyback Period	July 12, 2019 – November 1, 2019
Buyback Method	In-market purchases via trust bank

(Note) The share buyback period was extended to January 10, 2020 at the Board of Directors meeting held on October 10, 2019.

II. Other Matters

A. Shares and Shareholder Information (as of February 29, 2020)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 505,368,918 shares (including 23,637,400 treasury shares)
3. Number of Shareholders: 23,400

Top 10 Shareholders

Name	Shares Held	Shareholding Ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	237,743,200	49.35%
MACQUARIE BANK LIMITED DBU AC (Standing Proxy: Citibank, N.A., Tokyo Branch)	22,653,000	4.70%
Morgan Stanley MUFG Securities Co., Ltd.	13,909,865	2.89%
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,219,000	2.74%
NORTHERN TRUST CO. (AVFC) RE YALE UNIVERSITY (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	11,265,000	2.34%
SMBC Nikko Securities Inc.	8,526,200	1.77%
Japan Trustee Services Bank, Ltd. (Trust Account)	8,459,300	1.76%
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT (Standing Proxy: Citibank, N.A., Tokyo Branch)	8,124,800	1.69%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	7,501,372	1.56%
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing Proxy: Mizuho Bank, Ltd.)	7,009,244	1.46%
TOTAL	338,410,981	70.25%

(Note 1) Shareholding Ratio is calculated excluding 23,637,400 treasury shares.

(Note 2) The Shareholding Ratio of Ichigo Trust Pte. Ltd., Ichigo's largest shareholder, increased during the period from 48.67% to 49.35% as a result of sharebuyback.

B. Employee Stock Options

Detailed disclosure of Employee Stock Options issued as a compensation for execution of duties by officers and Directors are stated in the Additional Accounting Notes for the Twentieth Annual Shareholder Meeting available on Ichigo's corporate website:

www.ichigo.gr.jp/en/ir/shareholders_info.html#agm

C. Directors and Officers

1. Directors (as of February 29, 2020)

Position	Name	Responsibility and Other Business Affiliations
Director	Scott Callon	Chairman & Representative Statutory Executive Officer Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. Independent Director, Chiyoda Co., Ltd. Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd.
Director	Takuma Hasegawa	President & Representative Statutory Executive Officer Chairman of Nominating Committee, Compensation Committee, and Compliance Committee, Head of IT Chairman & Director, Ichigo ECO Energy Co., Ltd. Director, Cost Science Inc.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Sustainable Real Estate) & COO Director, Ichigo Investment Advisors Co., Ltd. Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. Chairman & Representative Director, Hakata Hotels Inc. President & Representative Director, Miyazaki Sunshine FM Co., Ltd.
Director	Eri Murai	Executive Managing Director & Statutory Executive Officer (Administration & HR)
Independent Director	Tetsuya Fujita ¹	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member CEO & Representative Director, Creative Solutions Co., Ltd.
Independent Director	Noriko Kawate ²	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President, CLEA Consulting Co., Ltd. Partner, Cast Group
Independent Director	Yukio Suzuki ³	Vice Chairman of Compliance Committee, Audit Committee Member CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Independent Auditor, Wills Inc. Independent Auditor, XNET Corporation
Independent Director	Masatoshi Matsuzaki ⁴	Nominating Committee Member, Compensation Committee Member Chairman of the Board of Directors, Konica Minolta Inc. Executive Director & Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. Member, Public Interest Supervisory Committee of PwC Aarata LLC Independent Director, LIXIL Group Corporation
Independent Director	Nobuhide Nakaido	Executive Director, Japan Association for Chief Human Resources Officers Independent Director, eSOL Co., Ltd.

¹ Tetsuya Fujita, Chairman of the Audit Committee, has served as president of a major life insurance and a major property insurance company, in addition to having served as internal audit officer at a major life insurance company, and is certified as an internal auditor. He thus has extensive knowledge of internal auditing.

² Audit Committee Member Noriko Kawate is a Certified Public Accountant as well as a Certified Tax Accountant and thus has extensive knowledge of the finance and accounting fields.

³ Audit Committee Member Yukio Suzuki has served important roles at financial companies and thus has extensive experience and knowledge of corporate and securities research.

⁴ Ichigo has registered all of the Independent Directors with the Tokyo Stock Exchange as meeting the Tokyo Stock Exchange's qualifications for Independent Directors.

(Note) Ichigo has assigned officers and employees to assist the Audit Committee to fulfill its duties. Independent from other officers and employees, they proactively collect information and work closely with the Audit Committee members on a daily basis, and thus the effectiveness of auditing by the Audit Committee is ensured. Since such condition is maintained, Ichigo does not appoint a full-time Audit Committee member.

2. Statutory Executive Officers (as of February 29, 2020)

Position	Name	Responsibility and Other Business Affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall Group Management Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd. Partner & Chief Executive Officer, Ichigo Asset Management, Ltd.
Chairman & Representative Statutory Executive Officer	Kenji Iwasaki	Overall Group Management Chairman & Director, Ichigo Land Shinchiku Co., Ltd.
President & Representative Statutory Executive Officer	Takuma Hasegawa	Overall Group Management Chairman & Director, Ichigo ECO Energy Co., Ltd. Director, Cost Science Inc.
Executive Vice President & Statutory Executive Officer & COO	Minoru Ishihara	Chairman, President, & Representative Director, Ichigo Investment Advisors Co., Ltd. Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. Chairman & Representative Director, Hakata Hotels Inc. President & Representative Director, Miyazaki Sunshine FM Co., Ltd.
Executive Managing Director	Eri Murai	HR
Executive Managing Director	Go Watanabe	Finance President & Representative Director, Centro Co., Ltd. Chairman & Director, Storage Plus Corp.
Executive Managing Director	Takeyuki Yoshimatsu	Business Management Executive Vice President, Ichigo Investment Advisors Co., Ltd.
Statutory Executive Officer	Katsuhiko Hattori	Engineering
Statutory Executive Officer	Akihiko Tsukasa	Osaka Branch
Statutory Executive Officer	Kenichi Tanaka	Business Development
Statutory Executive Officer	Yasutoyo Senda	Audit
Statutory Executive Officer	Takanori Sakamatsu	Accounting & Business Planning
Statutory Executive Officer	Kazunori Kurita	Engineering, Design, Facility Management President & Representative Director, Ichigo Marché Co., Ltd.
Statutory Executive Officer	Takashi Ohigawa	Real Estate Strategic Planning

3. Directors and Statutory Executive Officers Who Stepped Down during the Current Fiscal Year

N/A (none other than those whose terms expired).

4. Outline of Limited Liability Agreement with Independent Directors

In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with its Independent Directors pursuant to Article 427, Paragraph 1 of the Company Law.

The extent of liability for compensation under the agreements is the minimum limited liability amount as defined in Article 425, Paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties in good faith and without gross negligence.

5. Total Remuneration Paid to Directors and Statutory Executive Officers

	Number of Recipients	Amount Paid
Directors (of whom are Independent Directors)	9 (6)	JPY 301 million (JPY 56 million)
Statutory Executive Officers	11	JPY 164 million
Total (of whom are Independent Directors)	20 (6)	JPY 465 million (JPY 56 million)

(Note 1) As of the end of the period, there are nine Directors (including five Independent Directors) and 14 Statutory Executive Officers (four of whom are also Directors), resulting in a total of 19 officers. Since those who are both a Statutory Executive Officer and a Director do not receive Statutory Executive Officer's remuneration, the total amount and number of recipients are shown in the row of Directors and not in the row of Statutory Executive Officers.

(Note 2) There is one Director that receives no remuneration from Ichigo.

(Note 3) The total of 21 Directors and Statutory Executive Officers, which is the sum of the 20 aforementioned Directors and Statutory Executive Officers plus the one non-remunerated Director, differs from the total of 19 Directors and Statutory Executive Officers as of the end of the period, because one Statutory Executive Officer stepped down and one Statutory Executive Officer was promoted to Director during FY20/2.

(Note 4) The amount paid includes remuneration in the form of stock options of JPY 37 million for Directors (of which JPY 9 million is for Independent Directors) and JPY 16 million for Statutory Executive Officers.

(Note 5) In addition, Ichigo paid JPY 121 million as employee compensation to seven Statutory Executive Officers who also serve as employees. This amount includes remuneration in the form of stock options of JPY 12 million.

(Note 6) No remuneration has been paid by Ichigo subsidiaries to Ichigo's Independent Directors.

6. Policy on Determining Remuneration for Directors and Statutory Executive Officers

a. Basic Policy

Remuneration for Directors and Statutory Executive Officers of Ichigo is determined based on factors including the duties of each individual, contribution to Ichigo, base compensation, and relevant work experience.

b. Specific Policies

– Remuneration for Directors

Remuneration for Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Director, while the performance-based bonus is based on Ichigo's performance.

– Remuneration for Statutory Executive Officers

Remuneration for Statutory Executive Officers consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Statutory Executive Officer, whereas the performance-based bonus is based on the performance of Ichigo, the performance of the division for which the Statutory Executive Officer is responsible, and the performance of the Statutory Executive Officer.

– Employee Stock Options

Stock options are granted to Directors and Statutory Executive Officers (and all Ichigo employees) to increase alignment in growing value for shareholders. These stock options are granted in addition to the remuneration described above.

7. External Positions Held by Independent Directors

a. Positions in Other Companies and the Relationship between Ichigo and these Other Companies

- Independent Director Tetsuya Fujita is CEO of Creative Solutions Co., Ltd. Ichigo has no relationship with Creative Solutions Co., Ltd.
- Independent Director Noriko Kawate is President of CLEA Consulting Co., Ltd. and a Partner of Cast Group. Ichigo has no relationship with CLEA Consulting Co., Ltd. or Cast Group.
- Independent Director Yukio Suzuki is CEO of Belle Investment Research of Japan Inc. Ichigo has no relationship with Belle Investment Research of Japan Inc.

b. Positions as Independent Directors in Other Companies

- Independent Director Yukio Suzuki is an Independent Director of Systema Corporation, an Independent Auditor of WILLs Inc., and an Independent Auditor of XNET Corporation. Ichigo has no relationship with Systema Corporation, WILLs Inc., or XNET Corporation.
- Independent Director Masatoshi Matsuzaki is the Chairman of the Board of Directors of Konica Minolta Inc., Executive Director and Deputy Chairman of the Japan Association of Corporate Directors, an Independent Director of Nomura Research Institute, Ltd. and Nippon Sheet Glass Co. Ltd., a Member of the Public Interest Supervisory Committee of PwC Aarata LLC, and an Independent Director of LIXIL Group Corporation. Ichigo has no relationship with any of these companies.

- Independent Director Nobuhide Nakaido is an Executive Director of Japan Association for Chief Human Resources Officer and an Independent Director of eSOL Co., Ltd. Ichigo has no relationship with any of these companies.

c. Relationship with Ichigo or Related Entities of Ichigo

The five Independent Directors have no spouse or relatives in the third degree or closer who are Statutory Executive Officers of Ichigo or related entities.

d. Independent Director Activities in the Current Fiscal Year

	Name	Activities
Independent Director	Tetsuya Fujita	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 19 out of 19 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 5 out of 5 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Noriko Kawate	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 19 out of 19 meetings (100%) of the Audit Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 5 out of 5 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Yukio Suzuki	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 19 out of 19 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Masatoshi Matsuzaki	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 5 out of 5 meetings (100%) of the Nominating Committee. Attended 5 out of 5 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Nobuhide Nakaido	Attended 10 out of 10 meetings (100%) of the Board of Directors since becoming a Director. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.

D. Independent Auditor

1. Grant Thornton Taiyo LLC

2. Fees Paid to the Independent Auditor

(i) Fees paid to the Independent Auditor during FY20/2

Fees for the services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	JPY 70 million
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Fees for the services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act	—
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JPY 70 million

(ii) Total monetary and other financial benefits payable by Ichigo and subsidiaries to the Independent Auditor	JPY 85 million
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(Note 1) Pursuant to Article 399, Paragraph 1 of the Company Law and based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee, Ichigo’s Audit Committee concurs with the Independent Auditor’s fees after a thorough confirmation and consideration of the content of the Independent Auditor’s audit plan, execution of work, audit fee trends, and the Independent Auditor’s calculation of its fee estimates.

(Note 2) Pursuant to both the Company Law and the Financial Instruments and Exchange Law, the audit agreement between Ichigo and the Independent Auditor does not call for itemizing the audit fee breakdown, and, thus as a practical matter, Ichigo is not able to itemize the fees. Therefore, the fees paid to the Independent Auditor show the total amount.

3. Policy for the Determination of Dismissal or Non-Reappointment of the Independent Auditor

The Audit Committee has stipulated a Policy for the dismissal or non-reappointment of the Independent Auditor based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee. The Policy is as below:

(a) The term of the Independent Auditor is one year, as specified in a one-year audit contract.

(b) The reappointment of the Independent Auditor will be decided at the Audit Committee.

(c) 1. The selection, dismissal, or the non-reappointment of the Independent Auditor will be decided at the Annual Shareholder Meeting. The Audit Committee makes the decision to place this on the shareholding meeting agenda.

2. In the event Ichigo decides to dismiss or not reappoint an Independent Auditor at Ichigo’s discretion or for the breach of laws and regulations such as the Company Law or the Certified Public Accountants Law, or the breach of the contract of engagement, the dismissal or the non-reappointment will be deliberated by the Audit Committee with reference to the views of the Directors and Statutory Executive Officers.

3. In the event the dismissal or the non-reappointment of the Independent Auditor is to become the agenda of the shareholder meeting, the details of the agenda item will be determined by the Audit Committee.

4. In the event the Independent Auditor contravenes his/her duty as an Auditor or if proper duty as an Auditor stipulated in Article 340, Paragraph 1 of the Company Law is deemed difficult, the Audit Committee may dismiss the Independent Auditor upon consent of all Audit Committee members.

E. Controls to Ensure Appropriate Business Conduct

Detailed disclosure of Controls to Ensure Appropriate Business Conduct is included in the Additional Accounting Notes for the Twentieth Annual Shareholder Meeting available on Ichigo's corporate website:

www.ichigo.gr.jp/en/ir/shareholders_info.html#agm

1. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Full Compliance with Japanese Law and Ichigo's Articles of Incorporation
2. Systems to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers
3. Risk Management Policies and Systems
4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (
5. Audit Committee and Audit Systems
6. Systems to Ensure Fully Appropriate Business Activities by Ichigo and its Subsidiaries

Reference: Establishment and Status of Internal Structures to Prevent Dealings with Anti-Social Forces

F. Policy on Corporate Control (Takeover Defenses)

Ichigo has not adopted any takeover defense, poison pill, or any other policy with respect to entities or persons who would seek to control decisions with respect to Ichigo's financial and business policies.

Consolidated Balance Sheet

(As of February 29, 2020)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	117,608	Current Liabilities	24,280
Cash and deposits	41,067	Short-term loans	3,086
Trade notes and accounts receivable	2,308	Bonds (due within one year)	274
Operational loan investments	1,324	Long-term loans (due within one year)	12,277
Operational securities investments	902	Long-term non-recourse loans (due within one year)	1,178
Real estate for sale	68,290	Income taxes payable	2,416
Other	3,721	Accrued bonuses	33
Less: allowance for doubtful accounts	-6	Other current liabilities	5,013
Fixed Assets	216,118	Long-Term Liabilities	207,838
Property, Plant, and Equipment	206,198	Bonds	6,082
Buildings and structures	60,131	Long-term loans	151,483
Depreciation	-5,080	Long-term non-recourse loans	39,156
Buildings and structures (net)	55,050	Deferred tax liabilities	1,890
Solar power plant equipment	26,713	Long-term security deposits received	8,118
Depreciation	-3,287	Other long-term liabilities	1,107
Solar power plant equipment (net)	23,425		
Land	122,114		
Buildings under construction	2,432		
Solar power plants under construction	2,058		
Other	1,844		
Depreciation	-727		
Other (net)	1,116		
Intangible Assets	2,482	Total Liabilities	232,119
Goodwill	1,090	Net Assets	
Leasehold rights	687	Shareholders' Equity	100,674
Other	705	Capital	26,885
Investments and Other Assets	7,436	Capital reserve	11,272
Securities investments	4,321	Earnings reserve	71,505
Long-term loans receivable	510	Treasury shares	-8,988
Deferred tax assets	568	Accumulated Other Comprehensive Income	-239
Other	2,128	Valuation gains (losses) on other securities	158
Less: allowance for doubtful accounts	-91	Deferred gains (losses) on long-term interest rate hedges	-397
		Stock Options	988
		Minority Interests	184
		Total Net Assets	101,607
Total Assets	333,726	Total Liabilities and Net Assets	333,726

Consolidated Income Statement
(March 1, 2019 – February 29, 2020)

(JPY million)

Item	Amount	
Revenue		87,360
Cost of Goods Sold		52,851
Gross Profit		34,509
SG&A		6,787
Operating Profit		27,721
Non-Operating Profit		
Interest income	8	
Dividend income	78	
Insurance income	35	
Other	27	150
Non-Operating Expenses		
Interest expense	2,293	
Mark-to-market loss on long-term interest rate hedges	336	
Debt financing-related fees	538	
Other	307	3,476
Recurring Profit		24,395
Extraordinary Gains		
Gains on sale of securities investments	11	
Gains on sale of subsidiary shares	169	
Other	35	215
Extraordinary Losses		
Loss on disposal of fixed assets	27	
Covid-19 writedown of real estate for sale	7,487	
Covid-19 writedown of securities investments	229	
Covid-19 writedown of goodwill	319	8,065
Pre-Tax Net Income		16,545
Income taxes – current	7,990	
Income taxes – deferred	-584	7,406
Pre-Minority Interest Net Income		9,139
Net Income Attributable to Minority Interests		938
Net Income		8,201

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2019 – February 29, 2020)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2019	26,820	11,207	66,730	-5,988	98,769
Changes in the Current Fiscal Year					
Share Issuance	64	64			129
Dividend Payment			-3,419		-3,419
Net Income			8,201		8,201
Change in Consolidated Subsidiaries		-	-7		-7
Share Buyback				-2,999	-2,999
Changes in Items other than Shareholders' Equity					
Total Changes	64	64	4,774	-2,999	1,904
Balance as of February 29, 2020	26,885	11,272	71,505	-8,988	100,674

	Other Comprehensive Income			Stock Options	Minority Interests	Total Net Assets
	Valuation Gains (Losses) on Other Securities	Deferred Gains (Losses) on Long-Term Interest Rate Hedges	Total Other Comprehensive Income			
Balance as of March 1, 2019	386	-408	-21	827	3,283	102,859
Changes in the Current Fiscal Year						
Share Issuance						129
Dividend Payment						-3,419
Net Income						8,201
Change in Consolidated Subsidiaries						-7
Share Buyback						-2,999
Changes in Items other than Shareholders' Equity	-228	10	-217	160	-3,098	-3,156
Total Changes	-288	10	-217	160	-3,098	-1,251
Balance as of February 29, 2020	158	-397	-239	988	184	101,607

Parent Balance Sheet
(As of February 29, 2020)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	61,413	Current Liabilities	10,731
Cash and deposits	20,254	Short-term loans	1,620
Accounts receivable	324	Bonds (due within one year)	112
Operational securities investments	902	Long-term loans (due within one year)	5,269
Short-term loans to affiliates	38,027	Accounts payable	1,288
Advance payments	132	Accrued expenses	76
Accounts receivable – other	593	Income taxes payable	2,067
Accounts receivable due to consolidated taxation	548	Advances received	62
Other	630	Deposits received	39
Less: allowance for doubtful accounts	–	Other	195
Fixed Assets	85,156	Long-Term Liabilities	49,593
Property, Plant, and Equipment	6,386	Bonds	3,296
Buildings and structures	2,575	Long-term loans	45,777
Depreciation	-336	Long-term security deposits received	84
Buildings and structures (net)	2,209	Other long-term liabilities	435
Land	4,146		
Other	83	Total Liabilities	60,324
Depreciation	-52	Net Assets	
Other (net)	31	Shareholders' Equity	85,566
Intangible Assets	526	Capital	26,885
Software	502	Capital reserve	11,270
Other	23	Retained earnings	11,201
Investments and Other Assets	78,242	Capital reserve – other	68
Securities investments	2,087	Retained earnings	56,398
Securities investments in affiliates	6,321	Earnings reserve	44
Affiliate bonds	1,700	Earnings reserve – other	56,354
Securities investments in affiliates – other	44,118	Retained earnings carried forward	56,354
Long-term loans receivable	10	Treasury shares	-8,988
Long-term loans to affiliates	23,290	Revaluations and Adjustments	-308
Deferred tax assets – other	379	Valuation gains (losses) on other securities	81
Other Less: allowance for doubtful accounts	419	Deferred gains (losses) on long-term interest rate hedges	-389
Less: allowance for doubtful accounts	-85	Stock Options	988
		Total Net Assets	86,246
Total Assets	146,570	Total Liabilities and Net Assets	146,570

Parent Income Statement

(March 1, 2019 – February 29, 2020)

(JPY million)

Item	Amount	
Revenue		21,895
Cost of Goods Sold		783
Gross Profit		21,112
SG&A		3,761
Operating Profit		17,351
Non-Operating Profit		
Interest income	530	
Dividend income	71	
Credit guarantees income	17	
Other	12	632
Non-Operating Expenses		
Interest expense	521	
Debt financing-related fees	332	
Mark-to-market loss on long-term interest rate hedges	218	
Other	298	1,370
Recurring Profit		16,612
Extraordinary Gains		
Gains on sale of securities investments	11	
Gains on sale of subsidiary shares	138	149
Extraordinary Losses		
Covid-19 writedown of real estate for sale	2,040	
Covid-19 writedown of securities investments	200	
Other	19	2,260
Pre-Tax Net Income		14,502
Income taxes – current	5,587	
Income taxes – deferred	-510	5,077
Net Income		9,424

Parent Statement of Changes in Shareholders' Equity

(March 1, 2019 – February 29, 2020)

(JPY million)

	Shareholders' Equity								
	Capital	Capital Surplus			Retained Earnings			Treasury Shares	Total Shareholders' Equity
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Earnings Reserve	Other Retained Earnings Carried Forward/ Retained Earnings	Total Retained Earnings		
Balance as of March 1, 2019	26,820	11,136	68	11,205	44	50,349	50,393	-5,988	82,431
Changes in the Current Fiscal Year									
Share Issuance	64	64		64					129
Dividend Payments						-3,419	-3,419		-3,419
Share Buyback								-2,999	-2,999
Net Income						9,424	9,424		9,424
Changes in Items other than Shareholders' Equity									
Total Changes	64	64	—	64	—	6,005	6,005	-2,999	3,135
Balance as of February 29, 2020	26,885	11,201	68	11,270	44	56,354	56,398	-8,988	85,566

	Revaluation and Adjustment			Stock Options	Total Net Assets
	Valuation Gains (losses) on Other Securities	Deferred Gains (losses) on Long-Term Interest Rate Hedges	Total Revaluation and Adjustment		
Balance as of March 1, 2019	312	-389	-77	827	83,181
Changes in the Current Fiscal Year					
Share Issuance					129
Dividend Payments					-3,419
Share Buyback					-2,999
Net Income					9,424
Changes in Items other than Shareholders' Equity	-230	—	-230	160	-70
Total Changes	-230	—	-230	160	3,064
Balance as of February 29, 2020	81	-389	-308	988	86,246

Auditor's Report on the Consolidated Financial Statements

Report of Independent Auditor

April 14, 2020

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the consolidated financial statements of Ichigo Inc., namely the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements, for the fiscal year from March 1, 2019 to February 29, 2020 pursuant to Article 444, Paragraph 4 of the Company Law.

Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the consolidated financial statements in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the consolidated financial statements are compiled and indicated free of material misstatement in the form of fraud or error.

Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the consolidated financial statements. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

We conducted our audit by carrying out auditing procedures on amounts in the consolidated financial statements and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the consolidated financial statements. This included an overall assessment of the consolidated financial statements and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the consolidated financial statements.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

Auditing Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Ichigo Group consisting of Ichigo Inc. and its consolidated subsidiaries for the period for the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Matter of Note

The Company has reclassified some of its Real Estate for Sale assets to Fixed Assets as stated in the notes to the consolidated financial statements (Reclassification of Certain Real Estate for Sale Assets to Fixed Assets). This reclassification has not affected our opinion.

Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or the engagement partner.

Auditor's Report on the Parent Financial Statements

Report of Independent Auditor

April 14, 2020

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the Twentieth Period financial statements of Ichigo Inc., namely the balance sheet, the income statement, the statement of changes in shareholders' equity, and the notes to the financial statements and schedules, for the fiscal year from March 1, 2019 to February 29, 2020 pursuant to Article 436, Paragraph 2, Item 1 of the Company Law.

Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the financial statements and notes and schedules thereto in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the financial statements and notes and schedules are compiled and indicated free of material misstatement in the form of fraud or error.

Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the financial statements and the notes and schedules. We conducted our audit in accordance with the auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement.

We conducted our audit by carrying out auditing procedures on amounts in the financial statements and notes and schedules and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the financial statements and notes and schedules. This included an overall assessment of the consolidated financial statements and notes and schedules and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the financial statements and notes and schedules.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

Auditing Opinion

In our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the financial position of Ichigo Inc. for the period for the financial statements and schedules in conformity with accounting principles generally accepted in Japan.

Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or the engagement partner.

Audit Committee Report

April 16, 2020

Audit Committee, Ichigo Inc.

Tetsuya Fujita, Audit Committee Member (seal)

Noriko Kawate, Audit Committee Member (seal)

Yukio Suzuki, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the twentieth fiscal year from March 1, 2019 to February 29, 2020. We report the method and results of this audit as follows:

1. Method and Description of Audit

The Audit Committee has received regular reports and has made requests for explanations as necessary from the Directors, Statutory Executive Officers, and employees of Ichigo regarding the details of resolutions by the Board of Directors with respect to Article 416, Paragraph 1, Item 1, b and e of the Company Law and the system established under the resolutions (internal control system) and in accordance with audit policy and duties prescribed by the Audit Committee. In cooperation with the Internal Audit Department and other internal control related divisions of Ichigo, the Audit Committee has investigated the process and details of decision-making at important meetings, the details of principal-approved documents and other material documents relating to the execution of business, the execution of duties by Statutory Executive Officers and employees and reviewed Ichigo's business and assets. With respect to subsidiaries, we have communicated and exchanged information with Directors and auditors of subsidiaries and received business reports from subsidiaries as necessary.

In addition, we have supervised and verified that the Independent Auditor was independent and conducting an appropriate audit and received reports on the execution of duties from the Independent Auditor and requested explanations as necessary. We have also received a report from the Independent Auditor that the structure to ensure appropriate performance of duties (matters described in Article 131, each Item of the Company Calculation Rules) has been established pursuant to laws and regulations including the Standards for Quality Control of Audits (issued by Business Accounting Council on October 28, 2005) and that management structures have been properly established within the audit firm.

By these methods, we have reviewed Ichigo's own business report, financial statements (balance sheet, income statement, statement of changes in shareholders' equity and notes) and their schedules, along with Ichigo's consolidated financial statements (including the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated notes).

2. Results of Audit

A. Audit Results of Business Report

- (1) We note that the business report and its schedules present Ichigo's status correctly pursuant to all laws and regulations and the Articles of Incorporation.
- (2) We note that there has been no misconduct with respect to the execution of duties by Directors and Statutory Executive Officers, nor have we discovered any material facts which violate laws and regulations or the Articles of Incorporation.
- (3) We note that the details of the resolution by the Board of Directors with respect to the internal control system are reasonable. Also, there is nothing material to be pointed out with respect to the execution of duties on the internal control system by Statutory Executive Officers.

B. Audit Results of Financial Statements and their Schedules

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

C. Audit Results of Consolidated Financial Statements

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

(Note) All members of the Audit Committee are Independent Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.