

[Provisional Translation Only]

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FY23/2 Full-Year Earnings Forecast Upward Revision

Ichigo is revising up its FY23/2 consolidated full-year earnings forecast announced in a range on April 19, 2022.

1. Revised FY23/2 Full-Year Earnings Forecast (March 1, 2022 – February 28, 2023)

(JPY million)

	Revenue	Operating Profit		All-In Operating Profit ¹		Recurring Profit	
		Bottom of Range	Top of Range	Bottom of Range	Top of Range	Bottom of Range	Top of Range
Previous Forecast (A)	–	9,700	10,600	12,700	15,600	6,700	7,600
Revised Forecast (B)	67,200	11,900		16,300		10,000	
Change (B) – (A)	+10,266	+2,200	+1,300	+3,600	+700	+3,300	+2,400
% Change	+18.0%	+22.7%	+12.3%	+28.3%	+4.5%	+49.3%	+31.6%
Reference: FY22/2 Actual	56,934	10,018		13,266		7,471	

	All-In Recurring Profit ²		Net Income		EPS	
	Bottom of Range	Top of Range	Bottom of Range	Top of Range	Bottom of Range	Top of Range
Previous Forecast (A)	9,700	12,600	6,500	8,500	JPY 14.04	JPY 18.36
Revised Forecast (B)	14,400		9,000		JPY 19.56	
Change (B) – (A)	+4,700	+1,800	+2,500	+500	+ JPY 5.52	+ JPY 1.20
% Change	+48.5%	+14.3%	+38.5%	+5.9%	+39.3%	+6.5%
Reference: FY22/2 Actual	10,719		6,473		JPY 13.81	

¹ All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate Assets

² All-In Recurring Profit = Recurring Profit + Gains on Sale of Sustainable Real Estate Assets

To provide transparency to investors on the full profit contribution of Ichigo's Sustainable Real Estate business, Ichigo discloses All-In Operating Profit, which adds the Sustainable Real Estate Segment's Fixed Asset Gains on Sales (accounted for as Extraordinary Gains in J-GAAP) to Operating Profit.

2. FY23/2 Full-Year Earnings Forecast Revision Rationale

Ichigo is revising up its earnings forecast to reflect earnings growth in its Sustainable Real Estate and Asset Management businesses. In Sustainable Real Estate, Ichigo's value-add activity is driving earnings growth across-the-board in a strong real estate market, while its hotel business is benefiting from a rapid recovery in domestic travel demand.

In Asset Management, Ichigo is the only J-REIT sponsor that has adopted a no fixed fee, performance-fee only fee structure to maximize asset manager alignment with positive shareholder outcomes. Ichigo will thus receive a higher asset management fee as a result of earnings growth at Ichigo Office (8975).

As a sustainable infrastructure company committed to contributing to a sustainable society, Ichigo is working to drive long-term value growth for Ichigo shareholders and all stakeholders.