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FY26/2 Earnings

April 14, 2026

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Annual Shareholders Meeting: May 24, 2026 (expected)

Submission of the Financial Report (*Yuka Shoken Hokokusho*): May 20, 2026 (expected)

Dividend Payment: May 25, 2026 (expected)

Supplemental Materials to Financial and Business Results: Yes

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

1. FY26/2 Consolidated Financial Results (March 1, 2025 to February 28, 2026)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Business Profit (JPY million) YOY		Recurring Profit (JPY million) YOY	
FY26/2	92,705	+10.9%	20,449	+25.4%	28,047	+12.8%	17,095	+24.2%
FY25/2	83,576	+1.0%	16,309	+25.8%	24,864	+17.3%	13,764	+32.5%

Note: Comprehensive Income FY26/2: JPY 19,561 million (+22.2% YOY)
FY25/2: JPY 16,008 million (+47.0% YOY)

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

	Net Income (JPY million) YOY		Cash Net Income (JPY million) YOY		Net Income per Share (EPS) (Basic, JPY) YOY		Net Income per Share (EPS) (Diluted, JPY)		Cash Net Income per Share (EPS) (JPY) YOY	
FY26/2	16,628	+9.5%	18,442	-4.9%	40.11	+15.1%	40.01	+15.0%	44.49	-
FY25/2	15,187	+25.4%	19,391	+8.5%	34.86	+29.6%	34.79	-	44.51	+12.1%

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

	Return on Equity (ROE)	Cash ROE	Return on Assets (ROA) (Recurring Profit)	Operating Profit Margin (OPM)
FY26/2	14.6%	16.2%	4.1%	22.1%
FY25/2	14.1%	18.0%	3.6%	19.5%

Cash ROE = Cash Net Income/Shareholders' Equity

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY26/2	435,820	116,754	26.6%	288.76
FY25/2	406,715	122,706	27.3%	260.49

Note: Shareholders' Equity FY26/2: JPY 116,097 million FY25/2: JPY 110,988 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY26/2	-21,859	14,726	9,708	42,019
FY25/2	-28,449	5,358	19,567	42,576

Note: Economic Operating Cash Flow FY26/2: JPY 18,372 million
FY25/2: JPY 19,827 million

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

2. Dividends

	Dividend per Share (JPY)					Total Dividends (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY25/2	–	–	–	10.5	10.5	4,473	30.1%	4.2%
FY26/2	–	–	–	11.5	11.5	4,623	28.7%	4.2%
FY27/2 (Forecast)	–	–	–	15.5	15.5		34.3%	

3. FY27/2 Full-Year Consolidated Earnings Forecast (March 1, 2026 to February 28, 2027)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		Business Profit (JPY million) YOY		Recurring Profit (JPY million) YOY	
FY27/2	20,600	+0.7%	34,000	+21.2%	14,900	-12.8%

	Net Income (JPY million) YOY		Cash Net Income (JPY million) YOY		Net Income per Share YOY		Cash Net Income per Share YOY	
FY27/2	18,000	+8.2%	24,000	+30.1%	45.13	+12.5%	60.17	+35.3%

- (1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes
 Subsidiaries removed from consolidation (2): GK ACZ
 GK LIFT2
- (2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
- (i) Changes in accounting standards/principles: Yes
 (ii) Changes in accounting principles other than the above: None
 (iii) Changes in accounting estimates: None
 (iv) Revisions of previous financial statements: None
- (3) Number of common shares outstanding
- (i) Number of shares outstanding (including treasury shares) at period-end
- FY26/2: 415,993,612
 FY25/2: 445,665,118
- (ii) Number of treasury shares at period-end
- FY26/2: 13,943,725
 FY25/2: 19,589,711
- (iii) Average number of shares outstanding (excluding treasury shares) during the period
- FY26/2: 414,537,642
 FY25/2: 435,699,952

Reference

Summary of Parent Company Results

1. FY26/2 Parent Financial Results (March 1, 2025 to February 28, 2026)

(1) Parent Financial Results (YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY	
FY26/2	13,295	-15.1%	7,988	-26.3%	9,055	-20.5%	4,851	-53.2%
FY25/2	15,667	+85.5%	10,839	+157.4%	11,385	+213.0%	10,355	+459.7%

	Net Income per Share (EPS) (Basic, JPY) YOY	Net Income per Share (EPS) (Diluted, JPY)
FY26/2	11.70	11.67
FY25/2	23.77	23.72

Differences from FY25/2 results

Differences are mainly due to a decrease in dividends received from subsidiaries and REIT shares.

(2) Parent Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY26/2	209,376	58,977	27.9%	145.30
FY25/2	190,013	66,164	34.4%	153.59

Note: Shareholders' Equity FY26/2: JPY 58,418 million FY25/2: JPY 65,439 million

Note on Appropriate Use of Forecasts

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

For the assumptions underlying the forecasts and precautions for the use of earnings forecasts, please refer to 1. Operating Results (4) Forecast on page 14.

Please note that this earnings report is not within the audit scope of Ichigo's external auditor.

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1. Operating Results

(1) FY26/2 Operating Results

During FY26/2 the Japanese economy showed signs of recovery in personal consumption, supported by improvements in the employment and income environment and capital investment picking up moderately. Although some weaknesses remain, the Japanese economy continued to recover gradually. In addition, inbound consumption, particularly in the lodging sector, remained strong. On the other hand, the outlook continues to warrant close attention due to uncertainties such as rising prices, geopolitical risks, U.S. trade policies, and interest rate trends in Japan and overseas.

On the back of the continued interest rate gap between Japan and the U.S., capital inflows continued into the Japanese real estate market, and investor appetite for real estate assets in Tokyo and other major Japanese cities remained strong.

Ichigo achieved steady growth in rental income from its assets, particularly offices, due to Ichigo's value-add capex and expanding its high-margin Ready-to-Move-In offices. Stock earnings increased 6% year-on-year to a record high, and flow earnings increased 14% year-on-year, also a record high, supported by strong sales of newly built residential assets located in prime central Tokyo locations by Ichigo Owners, as well as sales of value-added assets, which leverage Ichigo's value-add expertise.

As a result, Ichigo generated a record profit with a 13% increase in business profit and a 9% increase in net income.

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

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

Specifically, Ichigo is leveraging its real estate know-how and value-add capabilities to grow stock revenues. As a key performance indicator of its financial stability, Ichigo's stock earnings to fixed expenses coverage ratio was 195% in FY26/2, with secure and stable earnings that significantly exceeds the expenses necessary to continue operations.

By deepening its existing businesses and developing new growth areas, Ichigo will continue to focus on maximizing shareholder value.

Core Business Growth

Asset Management

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

In FY26/2 Ichigo recorded performance fees following the sale of assets (JPY 30.6 billion) to Ichigo Office, Ichigo Residence Tokens, and private real estate funds. Ichigo established a new private real estate fund comprising seven Ichigo Owners' prime residential assets (JPY 9.8 billion), and earned fees associated with the fund launch.

Base asset management fees increased significantly by 31% year-on-year from Ichigo Hotel on the back of robust growth in lodging demand.

As part of its sponsor support, Ichigo sold an office building (Ichigo Funabashi Building), in which it had completed significant value-add, to Ichigo Office.

Both Ichigo Office and Ichigo Hotel completed transitioning to renewable energy at all of their assets, with Ichigo supporting these initiatives as a sponsor.

Sustainable Real Estate (SRE)

Ichigo is a sustainable infrastructure company dedicated to making the world more sustainable. In FY26/2 Ichigo completed construction and began operations of three logistics facilities. In developing the facilities, Ichigo created a highly secure project design that reduced the risk of increasing construction expenses via collaborating with Takuyo, a company specializing in the design, building, and operating of logistics facilities, and also mitigated leasing risk via entering a master lease agreement with Takuyo. As a result, the total number of logistics facilities developed in collaboration with Takuyo reached five, contributing to the expansion of Japan's logistics infrastructure.

With respect to offices, Ichigo has been promoting its Ready to Move In offices that accommodate diversified work styles. Its Ready to Move In offices have generated rents exceeding market levels, contributing to higher asset value, while reducing tenants' costs and relocation burdens.

As a result, in FY26/2 SRE stock earnings increased 14% year-on-year.

In FY26/2 SRE acquisitions totaled JPY 10.7 billion, and SRE sales totaled JPY 23.2 billion.

Hotel

In FY26/2 RevPAR, centered on Ichigo's THE KNOT boutique hotels, increased 12% versus FY25/2 on the back of continued strong lodging demand, particularly from inbound tourists. As a result of acquiring three hotels (JPY 20.6 billion) during FY26/2, stock earnings increased 2% year-on-year supported by increased rental income from existing hotels. The newly acquired hotels have been carefully selected based on their upside potential.

Ichigo has rebranded two hotels acquired in Utsunomiya and Fukuoka to Ichigo's THE KNOT brand. THE KNOT UTSUNOMIYA held its grand opening in January 2026 and began operations as a hub for capturing new tourism and lodging demand and promoting cultural exchange in the city. THE KNOT FUKUOKA Tenjin in Fukuoka is scheduled for its grand opening on April 20, 2026. Both hotels are operated by OneFive Hotels, Ichigo's wholly-owned hotel operator subsidiary, to further enhance profitability from both the architectural, aesthetic, and functional elements and soft service elements of THE KNOT's guest services.

Ichigo's hotel business has established an integrated structure spanning ownership, asset management, operations, and DX (digital transformation), allowing Ichigo to implement diverse initiatives to drive hotel value while also securing multiple revenue streams.

In FY26/2 hotel acquisitions totaled JPY 21.5 billion and sales totaled JPY 6.7 billion.

Ichigo Owners

During FY26/2 Ichigo acquired high-quality, newly built residential assets in central Tokyo totaling JPY 47.1 billion, steadily building future earnings drivers. Ichigo has been developing its own residential brand GRAN PASEO series, working in partnership with developers to create high value-added assets. Ichigo designs and develops highly competitive assets via marketing that reflects diverse buyer and tenant needs. Construction is outsourced to reduce risks and costs, while Ichigo's engineering team maintains rigorous, high-level quality control to develop high-quality residences.

Ichigo sold seven high-quality new residential assets (JPY 9.8 billion) to a private real estate fund created by Ichigo Realty Management, Ichigo's wholly-owned subsidiary. Total asset sales to domestic institutional investors and companies amounted to JPY 37.8 billion in FY26/2.

Clean Energy

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

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

Strengthening Financial Base to Support Growth

Since the global financial crisis, Ichigo has been strengthening both its earnings and financial base via measures such as lengthening borrowing terms, reducing borrowing costs, hedging against increases in interest-rates, and borrowing via unsecured loans.

With interest rates expected to continue rising, Ichigo has fixed the interest rates on 56% of its borrowings, thus limiting the impact of higher interest rates.

Ichigo has also increased funding via ESG-linked loans, newly financing JPY 22.4 billion in ESG-linked loans in FY26/2. Ichigo will continue implementing these measures to underpin its growth as a sustainable infrastructure company.

Shareholder Returns

Flexible Share Buybacks (9 Consecutive Years)

In line with its Ichigo 2030 long-term vision, Ichigo conducts flexible share buybacks to drive shareholder value. In FY26/2 Ichigo conducted a share buyback for the ninth successive year, with the buyback amounting to 9.8 billion, and cancelled 30 million shares.

Ichigo is working to grow EPS as an important driver of shareholder value, and will continue to grow its core profitability while conducting value-enhancing share buybacks.

Dividends (FY26/2 Dividend Increase)

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

Ichigo is working to drive long-term shareholder value with a shareholder return policy that focuses on dividend stability, transparency, and growth, and has established a Dividend on Equity (DOE) payout ratio policy paying dividends based upon more stable shareholder equity.

In line with this shareholder return policy, Ichigo expects to pay a FY26/2 dividend of JPY 11.5 (+10% year-on-year, DOE 4.1%).

Having increased its DOE target to 4% from 3% in FY25/2 and in light of steady progress in building a highly sustainable and stable earnings base as well as continued growth in stock earnings, Ichigo has raised its DOE target to 5% from FY27/2.

Accordingly, Ichigo has forecast a FY27/2 dividend of JPY 15.5 (+35% increase from FY26/2).

J.League Shareholder Program

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

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

With the conclusion of the J.League Top Partner agreement on June 30, 2026, the Ichigo J.League Shareholder Program will be discontinued. Following its conclusion, Ichigo is launching a new Ichigo shareholder gift program. For further details, please refer to today's releases "Ichigo Concludes J.League Top Partnership" and "Conclusion of Ichigo J.League Shareholder Program & Launch of Ichigo THANKS! Monthly Present Program."

Ichigo as a Sustainable Infrastructure Company

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

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

Ichigo achieves CO2 reductions via its clean energy generation at Ichigo and Ichigo Green solar and wind power plants. Ichigo will continue to be Climate Positive via CO2 reductions that exceed total CO2 emissions (Scope 1 & 2) from Ichigo's operations including Ichigo Office, Ichigo Hotel, and Ichigo Green.

In addressing environmental issues and working to build a sustainable society, Ichigo has set KPIs such as being included in the CDP Climate Change and Water Security A Lists. Ichigo was selected as an A List Company in both the 2025 CDP Climate Change and Water Security Assessments (3 consecutive years on the Climate Change A List and 2 consecutive years on the Water Security A List), achieving this KPI.

Of the 22,000 companies worldwide participating in the 2025 CDP assessments, only 150 companies were selected as Double A List Companies. That Ichigo was selected to be among this top group of global companies reflects the extraordinary strength of Ichigo's environmental initiatives. Ichigo will continue to proactively address environmental issues and maintain its position on the CDP A Lists.

Ichigo also supports the recommendations provided by the TCFD (Task Force on Climate-Related Financial Disclosures), identifying climate-related risks and establishing appropriate risk management procedures while also identifying new business opportunities that can help solve the global problem of climate change.

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

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

Details of Operating Results

Ichigo recorded FY26/2 revenue of JPY 92.7 billion (+10.9% year-on-year), operating profit of JPY 20.5 billion (+25.4% year-on-year), business profit of JPY 28.0 billion (+12.8% year-on-year), recurring profit of JPY 17.1 billion (+24.2% year-on-year), net income of JPY 16.6 billion (+9.5% year-on-year), and cash net income of JPY 18.4 billion (-4.9% year-on-year).

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

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

Segment Earnings Details

(i) Asset Management

Revenue increased to JPY 4.5 billion (+1.2% year-on-year) due to an increase in Ichigo Hotel base AM fees as well as growth in gains on sale performance fees from Ichigo Office and fees from the formation of new private funds. Business profit decreased to JPY 2.3 billion (-12.7% year-on-year) due to an increase in SG&A expenses as a result of investments in employee development made to expand and strengthen operations.

(ii) Sustainable Real Estate

Driven by increased rental revenue centering on office buildings as well as sales of retail and logistics facilities, revenue and business profit increased to JPY 27.6 billion (+51.3% year-on-year) and JPY 13.1 billion (+63.3% year-on-year), respectively.

(iii) Hotel

Although stock earnings such as rental income increased due to robust accommodation demand, flow earnings from real estate sales dropped off in FY26/2. As a result, revenue and business profit decreased to JPY 15.3 billion (-3.9% year-on-year) and JPY 7.2 billion (-21.2% year-on-year), respectively.

(iv) Ichigo Owners

Due to steady progress in asset sales, revenue increased to JPY 39.7 billion (+0.7% year-on-year) and business profit increased to JPY 3.8 billion (+13.0% year-on-year).

(v) Clean Energy

Although earnings were stable due to the favorable weather conditions and portfolio diversification, maintenance expenses increased. As a result, revenue increased to JPY 6.2 billion (+0.9 year-on-year), but business profit decreased to JPY 1.6 billion (-4.5% year-on-year).

Consolidated Income Statement Details

Revenue

Revenue increased to JPY 92.7 billion (+10.9% year-on-year), driven by an increase in stock earnings from Sustainable Real Estate and Hotel, continued steady sales of assets in Ichigo Owners, and Asset Management fees associated with the formation of new private funds.

The revenue breakdown was as follows: real estate sales of JPY 46.3 billion (SRE JPY 8.4 billion, Ichigo Owners JPY 37.9 billion), real estate rental income of JPY 28.8 billion (SRE JPY 12.2 billion, Ichigo Owners JPY 1.9 billion, Hotel JPY 14.8 billion), real estate management fee income of JPY 4.0 billion, and power production revenue of JPY 6.2 billion.

Operating Profit

Operating profit increased to JPY 20.5 billion (+25.4% year-on-year), reflecting AM fees associated with the formation of new private funds and an increase in flow earnings resulting from asset sales in Ichigo Owners, offsetting an increase in SG&A expenses due to personnel investments aimed at business expansion and strengthening.

In addition, gains on sales of fixed assets and equity interests related to real estate in the Sustainable Real Estate and Hotel businesses, which were recorded as extraordinary profit, made a significant contribution. As a result, business profit increased to JPY 28.0 million (+12.8% year-on-year).

Non-Operating Profit & Expenses

Non-operating profit was JPY 3.1 billion (+79.4% year-on-year) due to a year-on-year increase in derivative valuation gains.

Derivative valuation gains were JPY 2.9 billion. Ichigo has executed interest rate swaps and caps to hedge against interest rate risks.

Non-operating expenses totaled JPY 6.5 billion (+51.0% year-on-year) due to an increase in interest expenses on new loans for asset acquisitions. Interest expenses were JPY 4.3 billion.

Extraordinary Gains & Losses

Extraordinary gains totaled JPY 9.4 billion (+6.5% year-on-year), including JPY 7.8 billion in gains on sale of Sustainable Real Estate and Hotel fixed assets, as well as JPY 1.3 billion in gains on sale of securities investments.

Extraordinary losses totaled JPY 2.0 billion (+145.2% year-on-year), with valuation losses on investment securities of JPY 791 million.

Net Income

Income taxes totaled JPY 7.7 billion and net income attributable to minority interests totaled JPY 215 million. As a result, net income increased to JPY 16.6 billion (+9.5% year-on-year). Cash net income decreased to JPY 18.4 billion (-4.9% year-on-year) due to mark-to-market losses on long-term interest rate hedges and income taxes-deferred.

(2) Financial Condition

Assets

Total assets amounted to JPY 435.8 billion, an increase of JPY 29.1 billion (+7.2% vs. FY25/2-end).

This was primarily due to an increase of JPY 32.9 billion in real estate for sale resulting from acquisitions of assets for Ichigo Owners and hotel and office assets.

Liabilities

Total liabilities amounted to JPY 319.1 billion, an increase of JPY 35.1 billion (+12.3% from the end of FY25/2).

This was primarily attributable to a JPY 32.4 billion increase in loans used for asset acquisitions.

Net Assets

Total net assets amounted to JPY 116.8 billion, a decrease of JPY 6.0 billion (-4.9% vs. FY25/2-end).

This was primarily due to JPY 16.6 billion in net income, dividend payments of JPY 4.5 billion, a JPY 9.8 billion share buyback, and a JPY 10.9 billion decrease in minority interests. Ichigo's shareholders' equity ratio was 26.6% (-0.7pt vs. FY25/2-end).

(3) Cash Flows

As of FY26/2-end, cash and cash equivalents amounted to JPY 42.0 billion, a JPY 557 million decrease from JPY 42.6 billion as of FY25/2-end. The details and underlying factors of cash flows are as follows:

Cash Flows from Operations

Net cash from operations was -JPY 21.9 billion (vs. -JPY 28.5 billion in FY25/2), primarily attributable to a FY26/2 pre-tax profit of JPY 24.5 billion, offset by an increase in real estate for sale resulting from asset acquisitions of JPY 32.9 billion, interest payments of JPY 4.1 billion, and income taxes paid of JPY 8.4 billion.

Cash Flows from Investments

Net cash from investments was JPY 14.7 billion (vs. JPY 5.4 billion in FY25/2), primarily attributable to proceeds from sale of property, plant, and equipment of JPY 21.7 billion, payments received for loans receivable of JPY 5.3 billion, and proceeds from sales of equity-method affiliate of JPY 2.3 billion, offset by acquisitions of property, plant, and equipment of JPY 10.1 billion and payments of loans receivable of JPY 4.7 billion.

Cash Flows from Financing

Net cash from financing was JPY 9.7 billion (vs. JPY 19.6 billion in FY25/2), primarily attributable to an increase in proceeds from long-term loans of JPY 82.2 billion, offset by long-term loan repayments of JPY 47.5 billion, payments to minority interests of JPY 11.1 billion, a share buyback of JPY 9.8 billion, and dividend payments of JPY 4.4 billion.

Reference: Financial Key Indicators

	FY22/2	FY23/2	FY24/2	FY25/2	FY26/2
Shareholders' Equity Ratio (%)	29.8	30.4	28.5	27.3	26.6
Risk-Based Shareholders' Equity Ratio (%)	45.8	45.9	43.6	40.6	39.5
Interest-Bearing Liabilities / EBITDA (x)	13.4	11.8	13.0	12.2	11.8

Shareholders' Equity Ratio: Shareholders' Equity / Total Assets

Risk-Based Shareholders' Equity Ratio:

Shareholders' Equity (Including Unrealized Gains in Real Estate) / Risk-Based Balance Sheet Total Assets (Including Unrealized Gains in Real Estate))

Note 1: Shareholders' Equity Ratio and Interest-Bearing Liabilities / EBITDA Ratio are calculated based on Consolidated Financial Statements

Note 2: Consolidated Balance Sheet includes assets and liabilities related to consolidated funds for which Ichigo does not bear the associated risks. The Risk-Based Balance Sheet is calculated by excluding such non-recourse assets and liabilities from the consolidated balance sheet and offsetting cash and deposits against corporate loans.

Note 3: Interest-Bearing Liabilities include all liabilities on the balance sheet that are subject to interest payment.

(4) Forecast

The FY27/2 forecast is as follows:

Ichigo expects operating profit of JPY 20.6 billion (+0.7% year-on-year), recurring profit of JPY 14.9 billion (-2.8% year-on-year), net income of JPY 18.0 billion (+8.2% year-on-year), and EPS of JPY 45.13 (+12.5% year-on-year).

In addition, business profit, which reflects actual operational performance, is forecasted to be JPY 34.0 billion (+21.2% year-on-year). Cash net income and cash EPS, KPIs representing cash generating capabilities, are projected to be JPY 24.0 billion (+30.1% year-on-year), and JPY 60.17 (+35.3% year-on-year), respectively.

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

(5) Dividend Policy for FY26/2 and FY27/2

Since FY17/2 Ichigo has adopted a progressive dividend policy, under which Ichigo's dividend is maintained or raised every year, but not cut. Ichigo is working to deliver long-term growth in shareholder value via a shareholder return policy that focuses on dividend stability, transparency, and growth. In addition, with a focus on dividend stability and sustainable growth, Ichigo uses a DOE payout ratio, which is based on shareholders' equity, in its shareholder return policy.

Having increased its DOE target to 4% from 3% in FY25/2 and in light of steady progress in building a highly sustainable and stable earnings base as well as continued growth in stock earnings, Ichigo has raised its DOE target to 5% from FY27/2.

Ichigo will allocate cash generated through disciplined cash flow management to growth investments and shareholder returns in order to grow long-term shareholder value.

For FY26/2 Ichigo is maintaining its dividend forecast of JPY11.5 and submitting this as a proposal to its AGM scheduled for May 24, 2026.

For FY27/2 Ichigo has forecast a dividend of JPY15.5 (+35% year-on-year).

2. Policy on the Selection of Accounting Standards

Ichigo prepares its consolidated financial statements in accordance with Japanese GAAP, taking into account period-to-period comparability and comparability with other companies.

Regarding application of International Financial Reporting Standards (IFRS), Ichigo is policy is to respond appropriately, taking into consideration various domestic and international circumstances.

3. Consolidated Financial Statements

Consolidated Balance Sheet (FY26/2)

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 (Feb 28, 2026)
Assets		
Current Assets		
Cash and deposits	42,689	42,059
Accounts receivable	4,272	4,079
Operational loan investments	1,324	1,324
Operational securities investments	10	3,180
Real estate for sale	143,993	176,904
Other	4,197	8,303
Less: venture investments writedown	-490	-59
Total Current Assets	195,998	235,792
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	56,705	59,558
Accumulated depreciation	-14,721	-15,728
Buildings and structures (net)	41,983	43,829
Solar and wind power plants	39,391	39,463
Accumulated depreciation	-11,861	-13,851
Solar and wind power plants (net)	27,529	25,611
Land	97,798	88,432
Buildings and structures under construction	5,954	6,327
Solar and wind power plants under construction	489	748
Other	2,721	3,179
Accumulated depreciation	-1,965	-2,093
Other (net)	755	1,086
Total Property, Plant, and Equipment	174,511	166,035
Intangible Assets		
Goodwill	857	460
Leasehold rights	1,332	827
Other	158	83
Total Intangible Assets	2,348	1,371
Investments and Other Assets		
Securities investments	24,300	22,149
Long-term loans receivable	3,993	267
Deferred tax assets	918	2,220
Other	5,469	9,068
Less: Venture investments writedown	-826	-1,084
Total Investments and Other Assets	33,856	32,621
Total Fixed Assets	210,717	200,028
Total Assets	406,715	435,820

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 (Feb 28, 2026)
Liabilities		
Current Liabilities		
Short-term loans	6,520	6,421
Bonds (due within one year)	232	2,162
Long-term loans (due within one year)	7,340	24,082
Long-term non-recourse loans (due within one year)	4,478	18,062
Income taxes payable	4,592	6,040
Current year employee bonus accrual	282	300
Provision for loss on debt guarantees	–	36
Other current liabilities	5,696	5,740
Total Current Liabilities	29,143	62,848
Long-Term Liabilities		
Bonds	7,074	7,812
Long-term loans	195,477	213,596
Long-term non-recourse loans	40,991	25,090
Deferred tax liabilities	1,445	1,479
Provision for loss on debt guarantees	–	345
Long-term security deposits received	7,614	7,587
Other long-term liabilities	2,261	305
Total Long-Term Liabilities	254,865	256,218
Total Liabilities	284,009	319,066
Net Assets		
Shareholders' Equity		
Capital	26,946	27,012
Capital reserve	10,363	10,429
Retained earnings	81,396	81,909
Treasury shares	-7,212	-5,467
Total Shareholders' Equity	111,493	113,884
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	-399	1,664
Deferred gains (losses) on long-term interest rate hedges	136	547
Foreign currency translation adjustment	-241	–
Total Accumulated Other Comprehensive Income	-505	2,212
Stock Options	724	559
Minority Interests	10,992	97
Total Net Assets	122,706	116,754
Total Liabilities and Net Assets	406,715	435,820

Consolidated Income Statement (FY26/2)

(JPY million)

	FY25/2 (Mar 1, 2024 to Feb 28, 2025)	FY26/2 (Mar 1, 2025 to Feb 28, 2026)
Revenue	83,576	92,705
Cost of Goods Sold	58,051	62,586
(Depreciation amount included in COGS)	4,567	4,510
Gross Profit	25,524	30,119
SG&A	9,215	9,670
Operating Profit	16,309	20,449
Non-Operating Income		
Interest income	58	79
Dividend income	16	26
Foreign exchange gains	235	–
Mark-to-market gains on long-term interest rate hedges	1,324	2,910
Other	89	77
Total Non-Operating Income	1,724	3,093
Non-Operating Expenses		
Interest expense	3,069	4,347
Foreign exchange loss	–	322
Equity-method loss	179	539
Mark-to-market losses on long-term interest rate hedges	4	166
Debt financing-related fees	423	204
Other	592	867
Total Non-Operating Expenses	4,269	6,447
Recurring Profit	13,764	17,095
Extraordinary Gains		
Gains on sale of fixed assets	7,943	7,756
Gains on sale of securities investments	608	1,259
Other	289	402
Total Extraordinary Gains	8,841	9,418
Extraordinary Loss		
Loss on disposal of fixed assets	100	11
Loss on sale of securities investments	23	74
Valuation losses on securities investments	588	791
Allowance for doubtful accounts	83	279
Provision for loss on debt guarantees	–	381
Impairment loss	25	435
Other	1	40
Total Extraordinary Loss	821	2,015
Pre-Tax Income	21,784	24,499
Income Taxes – Current	6,594	9,728
Income Taxes – Deferred	-223	-2,072
Total Income Taxes	6,370	7,655
Pre-Minority Interest Net Income	15,414	16,843
Net Income Attributable to Minority Interests	226	215
Net Income	15,187	16,628

Consolidated Statement of Comprehensive Income (FY26/2)

(JPY million)

	FY25/2 (Mar 1, 2024 to Feb 28, 2025)	FY26/2 (Mar 1, 2025 to Feb 28, 2026)
Pre-Minority Interest Net Income	15,414	16,843
Other Comprehensive Income		
Valuation gains (losses) on other securities	743	2,064
Deferred gains (losses) on long-term interest rate hedges	92	411
Share of other comprehensive income of equity method affiliates	-241	241
Total Other Comprehensive Income	594	2,717
Comprehensive Income	16,008	19,561
Comprehensive income attributable to common shareholders	15,781	19,346
Comprehensive income attributable to minority interests	226	215

Consolidated Statement of Changes in Shareholders' Equity

(FY26/2 – Current Period)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of Mar 1, 2025	26,946	10,363	81,396	-7,212	111,493
Changes in the Current Period					
Share Issuance	65	65			131
Dividend Payment			-4,473		-4,473
Net Income			16,628		16,628
Change in Consolidated Subsidiaries			-1		-1
Decrease due to Corporate Divestiture			-57		-57
Share Buyback				-9,836	-9,836
Cancellation of Treasury Shares		-11,581		11,581	–
Reclassification of Retained Earnings to Capital Surplus		11,581	-11,581		–
Changes in Items other than Shareholders' Equity					
Total Changes	65	65	513	1,745	2,390
Balance as of Feb 28, 2026	27,012	10,429	81,909	-5,467	113,884

	Other Comprehensive Income				Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Forex Translation Adjustment Account	Total Other Comprehensive Income			
Balance as of Mar 1, 2025	-399	136	-241	-505	724	10,992	122,706
Changes in the Current Period							
Share Issuance							131
Dividend Payment							-4,473
Net Income							16,628
Change in Consolidated Subsidiaries							-1
Decrease due to Corporate Divestiture							-57
Share Buyback							-9,836
Cancellation of Treasury Shares							–
Reclassification of Retained Earnings to Capital Surplus							–
Changes in Items other than Shareholders' Equity	2,064	411	241	2,717	-165	-10,895	-8,343
Total Changes	2,064	411	241	2,717	-165	-10,895	-5,952
Balance as of Feb 28, 2026	1,664	547	–	2,212	559	97	116,754

Consolidated Statement of Changes in Shareholders' Equity

(FY25/2 – Previous Period)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of Mar 1, 2024	26,892	10,313	90,967	-22,446	105,727
Changes in the Current Period					
Share Issuance	53	53			107
Dividend Payment			-3,963		-3,963
Net Income			15,187		15,187
Share Buyback				-5,564	-5,564
Cancellation of Treasury Shares		-20,799		20,799	–
Reclassification of Retained Earnings to Capital Surplus		20,795	-20,795		–
Changes in Items other than Shareholders' Equity					
Total Changes	53	49	-9,571	15,234	5,766
Balance as of Feb 28, 2025	26,946	10,363	81,396	-7,212	111,493

	Other Comprehensive Income				Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Forex Translation Adjustment Account	Total Other Comprehensive Income			
Balance as of Mar 1, 2024	-1,143	44	–	-1,099	879	10,772	116,281
Changes in the Current Period							
Share Issuance							107
Dividend Payment							-3,963
Net Income							15,187
Share Buyback							-5,564
Cancellation of Treasury Shares							–
Reclassification of Retained Earnings to Capital Surplus							–
Changes in Items other than Shareholders' Equity	743	92	-241	594	-154	220	659
Total Changes	743	92	-241	594	-154	220	6,425
Balance as of Feb 28, 2025	-399	136	-241	-505	724	10,992	122,706

Consolidated Cash Flow Statement (FY26/2)

(JPY million)

	FY25/2 (Mar 1, 2024 to Feb 28, 2025)	FY26/2 (Mar 1, 2025 to Feb 28, 2026)
Cash Flows from Operations:		
Pre-tax income	21,784	24,499
Depreciation	4,795	4,676
Amortization of goodwill	156	131
Increase (decrease) in accrued bonuses	145	17
Increase (decrease) in allowance for doubtful accounts	80	-173
Interest and dividend income	-74	-106
Interest expense	3,069	4,347
Forex losses (gains)	-235	322
Losses (gains) on investment in equity-method affiliates	179	539
Losses (gains) on sale of securities investments	-584	-1,184
Loss on disposal of fixed assets	100	11
Losses (gains) on sale of fixed assets	-7,943	-7,756
Impairment loss	25	435
Valuation losses on securities investments	588	791
Gain on reversal of stock option	-241	-272
Decrease (increase) in trading notes and receivables	-1,724	193
Decrease (increase) in operational securities investments	3	-204
Decrease (increase) in real estate for sale	-40,430	-32,910
Decrease (increase) in advances paid	322	303
Decrease (increase) in prepaid expenses	-624	-622
Decrease (increase) in accounts receivable	-57	-164
Decrease (increase) in consumption taxes receivable	490	-1,311
Increase (decrease) in accounts payable	3	659
Increase (decrease) in accrued expenses	178	-184
Increase (decrease) in advances received	91	94
Increase (decrease) in deposits received	-29	166
Increase (decrease) in security deposits received	385	-26
Increase (decrease) in accrued consumption taxes	484	-546
Other	-753	-1,223
Sub-Total	-19,816	-9,498

(JPY million)

	FY25/2 (Mar 1, 2024 to Feb 28, 2025)	FY26/2 (Mar 1, 2025 to Feb 28, 2026)
Interest and dividends received	74	106
Interest expense paid	-2,827	-4,091
Income taxes paid	-6,208	-8,377
Income taxes refunded	328	1
Net Cash from (Used for) Operations	-28,449	-21,859
Cash Flows from Investments:		
Payments into time deposits	-96	-232
Redemptions of time deposits	800	314
Payments for securities investments	-10,314	-40
Proceeds from sale of securities investments	7,813	407
Proceeds from redemption of securities investments	–	40
Acquisition of property, plant, and equipment	-5,044	-10,180
Proceeds from sale of property, plant, and equipment	19,016	21,628
Acquisition of intangible assets	-85	-85
Payments of security deposits	-99	-2
Acquisition of subsidiary shares resulting in change of consolidation scope	-114	–
Acquisition of equity-method affiliate shares	-2,259	–
Proceeds from sale of shares in equity-method affiliates	–	2,289
Payments of loans receivable	-5,067	-4,710
Payments received for loans receivable	688	5,315
Other	121	-16
Net Cash from (Used for) Investments	5,358	14,726

(JPY million)

	FY25/2 (Mar 1, 2024 to Feb 28, 2025)	FY26/2 (Mar 1, 2025 to Feb 28, 2026)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-10,206	-98
Proceeds from bond issuance	2,984	2,887
Repayment of maturing bond principal to bondholders	-3,162	-232
Proceeds from long-term loans	96,037	82,241
Repayment of long-term loans	-60,504	-47,547
Proceeds from long-term non-recourse loans	11,700	–
Repayment of long-term non-recourse loans	-7,908	-2,317
Proceeds from exercise of stock options	92	113
Share buyback	-5,564	-9,836
Payments to minority interests	–	-11,101
Dividends paid	-3,893	-4,392
Dividends paid to minority interests	-6	-8
Net Cash from (Used for) Financing	19,567	9,708
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	2
Increase (Decrease) in Cash and Cash Equivalents	-3,524	2,577
Cash and Cash Equivalents at Beginning of Period	46,101	42,576
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	–	-3,135
Cash and Cash Equivalents at End of Period	42,576	42,019

Consolidated Cash Flow Statement (FY26/2 Q4 Stand-Alone)

(JPY million)

	FY25/2 Q4 (Dec 1, 2024 to Feb 28, 2025)	FY26/2 Q4 (Dec 1, 2025 to Feb 28, 2026)
Cash Flows from Operations:		
Pre-tax income	8,416	8,706
Depreciation	1,206	1,148
Amortization of goodwill	32	32
Increase (decrease) in accrued bonuses	-464	-641
Increase (decrease) in allowance for doubtful accounts	89	272
Interest and dividend income	-26	-44
Interest expense	884	1,203
Forex losses (gains)	-44	24
Losses (gains) on investment in equity-method affiliates	90	163
Losses (gains) on sale of securities investments	-45	-852
Loss on disposal of fixed assets	12	1
Losses (gains) on sale of fixed assets	-3,647	-4,314
Impairment loss	25	399
Valuation losses on securities investments	588	791
Gain on reversal of stock option	-218	-263
Decrease (increase) in trading notes and receivables	-870	-147
Decrease (increase) in operational securities investments	-10	-
Decrease (increase) in real estate for sale	-22,075	-12,109
Decrease (increase) in advances paid	284	112
Decrease (increase) in prepaid expenses	11	-150
Decrease (increase) in accounts receivable	5	-103
Decrease (increase) in consumption taxes receivable	46	25
Increase (decrease) in accounts payable	-487	2,269
Increase (decrease) in accrued expenses	251	51
Increase (decrease) in advances received	40	59
Increase (decrease) in deposits received	-170	-4
Increase (decrease) in security deposits received	255	-452
Increase (decrease) in accrued consumption taxes	318	195
Other	-321	-1,458
Sub-Total	-15,820	-5,321
Interest and dividends received	26	44
Interest expense paid	-894	-1,182
Income taxes paid	-197	-220
Net Cash from (Used for) Operations	-16,885	-6,679

(JPY million)

	FY25/2 Q4 (Dec 1, 2024 to Feb 28, 2025)	FY26/2 Q4 (Dec 1, 2025 to Feb 28, 2026)
Cash Flows from Investments:		
Payments into time deposits	–	–
Redemptions of time deposits	–	230
Payments for securities investments	-90	–
Proceeds from sale of securities investments	229	–
Acquisition of property, plant, and equipment	-1,522	-1,267
Proceeds from sale of property, plant, and equipment	6,559	12,730
Acquisition of intangible assets	-35	-3
Payments of security deposits	-92	–
Proceeds from sale of shares in equity-method affiliates	–	2,289
Payments of loans receivable	-3,926	-1,213
Payments received for loans receivable	635	3,585
Other	3	36
Net Cash from (Used for) Investments	1,761	16,385
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-1,017	-986
Proceeds from bond issuance	-1	–
Repayment of maturing bond principal to bondholders	-40	-40
Proceeds from long-term loans	24,632	13,405
Repayment of long-term loans	-11,496	-12,533
Repayment of long-term non-recourse loans	-4,869	-802
Proceeds from exercise of stock options	14	101
Share buyback	-2,649	-3,951
Payments to minority interests	–	-11,101
Dividends paid	–	–
Dividends paid to minority interests	-1	-2
Net Cash from (Used for) Financing	4,569	-15,911
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-10,553	-6,205
Cash and Cash Equivalents at Beginning of Period	53,130	51,360
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	–	-3,135
Cash and Cash Equivalents at End of Period	42,576	42,019

Notes to Consolidated Financial Statements

Going Concern

N/A

Notes on Changes in Accounting Policies

Application of “Accounting Standard for Current Income Taxes”

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

There is no impact from this change.

Notes to the Consolidated Balance Sheet

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

FY25/2 (February 28, 2025)

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

FY26/2 (February 28, 2026)

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

Notes to Consolidated Income Statement

Impairment Loss

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

N/A

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

Ichigo wrote down the below assets in FY26/2.

(1) Assets and Writedown Amounts

Asset	Type	Location	Impairment Loss
Operating Asset	Intangible Asset	Chiyoda-ku, Tokyo	JPY 363 million

(2) Writedown Rationale

Due to changes in the business environment, earnings originally anticipated from the intangible asset are no longer expected to be realized. Therefore, Ichigo is impairing the value of the intangible asset to its recoverable amount. The equivalent amount was recorded as loss under Extraordinary Loss.

When applying impairment accounting, Ichigo classifies assets into discrete groups using the minimum asset unit that generates independent cash flow. For intangible assets, the grouping classification is applied individually.

Please note that Ichigo calculates the recoverable amount based on value-in-use. For assets that are not expected to generate future cash flows, the recoverable amount is set to zero.

Mark-to-Market Gains (Losses) on Long-Term Interest Rate Hedges

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

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

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

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

Notes to Consolidated Statement of Comprehensive Income

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

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

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

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

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

Notes on Segment Information

Segment Information

1. Overview of Reporting Segments

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

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

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

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

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

2. Basis for Calculation of Revenue, P&L, and Assets by Segment

The accounting policies applied to each reporting segment are generally consistent with those adopted in the preparation of consolidated financial statements.

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

(Mar 1, 2025 to Feb 28, 2026)

(JPY million)

	Segment						Adjustment ²	Amount Recorded in Consolidated Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	4,041	27,497	15,238	39,735	6,192	92,705	-	92,705
Inter-Segment Activities or Reclassifications	423	149	16	-	-	589	-589	-
Total	4,464	27,647	15,255	39,735	6,192	93,295	-589	92,705
Operating Profit	2,282	8,135	4,585	3,765	1,648	20,416	32	20,449
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains	-	4,958	2,639	-	-	7,597	-	7,597
Segment P&L (Business Profit) ¹	2,282	13,094	7,224	3,765	1,648	28,014	32	28,047
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,594	5,743	5,017	611	1,648	14,615	-	-
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	687	7,350	2,207	3,153	-	13,399	-	-
Segment Assets	2,373	193,999	100,617	73,041	34,296	404,327	31,493	435,820
Other								
Depreciation	1	1,422	1,150	-	1,997	4,572	103	4,675
Impairment loss	-	399	-	-	35	435	-	435
Increase in Property, Plant, and Equipment and Intangible Assets	-	2,831	5,922	-	400	9,154	209	9,364

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

² The Adjustment to Segment P&L (JPY 32 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 31,493 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 103 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 209 million) reflects corporate assets that were not allocated to the segments.

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

(Mar 1, 2024 to Feb 28, 2025)

(JPY million)

	Segment						Adjustment ³	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners (IO)	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	3,974	18,122	15,877	39,464	6,137	83,576	—	83,576
Inter-Segment Activities or Reclassifications	435	148	—	—	—	583	-583	—
Total	4,410	18,271	15,877	39,464	6,137	84,160	-583	83,576
Operating Profit	2,613	3,095	5,535	3,330	1,725	16,300	9	16,309
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains ²	—	4,924	3,630	—	—	8,554	—	8,554
Segment P&L (All-In Operating Profit) ¹	2,613	8,019	9,166	3,330	1,725	24,855	9	24,864
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,779	4,293	4,973	538	1,725	13,310	—	—
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	834	3,726	4,192	2,792	—	11,544	—	—
Segment Assets	2,687	201,650	79,205	59,804	38,890	382,237	24,478	406,715
Other								
Depreciation	1	1,465	1,229	—	2,003	4,699	96	4,795
Impairment loss	—	22	—	—	2	25	—	25
Increase in Property, Plant, and Equipment and Intangible Assets	35	2,824	1,537	—	649	5,047	29	5,077

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

² Sustainable Real Estate & Hotel Assets refers to real estate assets belonging to the Sustainable Real Estate and Hotel businesses, as well as equity interests in investments backed by such real estate.

³ The Adjustment to Segment P&L (JPY 9 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 24,478 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 96 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 29 million) reflects corporate assets that were not allocated to the segments.

Segment Reporting Changes

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

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

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

From FY26/2 Q2, “All-In Operating Profit” was renamed to “Business Profit.”

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

Related Information

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

1. Product/Service Breakdown

Please refer to Segment Overview, Revenue, P&L, and Assets by Segment.

2. Region Breakdown

Revenues to third-party customers in Japan and fixed assets located in Japan accounted for more than 90% of revenue in the consolidated income statement and fixed assets in the consolidated balance sheet.

3. Major Customer Breakdown

Customer Name	Relevant Segment	Revenue
GK IRM Residence 1 GK IRM Residence 2	Ichigo Owners & Asset Management	JPY 10,085 million
GK DLMA Residence	Ichigo Owners	JPY 19,101 million

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

1. Product/Service Breakdown

Please refer to Segment Overview, Revenue, P&L, and Assets by Segment.

2. Region Breakdown

Revenues to third-party customers in Japan and fixed assets located in Japan accounted for more than 90% of revenue in the consolidated income statement and fixed assets in the consolidated balance sheet, respectively.

3. Major Customer Breakdown

Customer Name	Relevant Segment	Revenue
GK IST Residence 4	Ichigo Owners & Asset Management	JPY 10,414 million
GK IST Residence 5	Ichigo Owners & Asset Management	JPY 11,602 million
GK KURENAI	Ichigo Owners	JPY 11,282 million

Fixed Asset Gains and Losses by Segment

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

Omitted as it is disclosed in the “Other Items” section under Segment Overview, Revenue, P&L, and Assets by Segment.

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

Omitted as it is disclosed in the “Other Items” section under Segment Overview, Revenue, P&L, and Assets by Segment.

Goodwill and Amortization by Segment

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

(JPY million)

	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Ichigo Owners	Hotel	Clean Energy (CE)	Total		
Amortization during the period	70	46	—	—	15	131	—	131
Outstanding balance as of period-end	350	—	—	—	110	460	—	460

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

(JPY million)

	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Ichigo Owners	Hotel	Clean Energy (CE)	Total		
Amortization during the period	95	46	—	—	15	156	—	156
Outstanding balance as of period-end	420	311	—	—	125	857	—	857

Negative Goodwill by Segment

FY26/2 (Mar 1, 2025 to Feb 28, 2026)

N/A

FY25/2 (Mar 1, 2024 to Feb 28, 2025)

N/A

Per Share Information

FY25/2 (March 1, 2024 to February 28, 2025)		FY26/2 (March 1, 2025 to February 28, 2026)	
Net Assets per Share	JPY 260.49	Net Assets per Share	JPY 288.76
Net Income per Share	JPY 34.86	Net Income per Share	JPY 40.11
Diluted Net Income per Share	JPY 34.79	Diluted Net Income per Share	JPY 40.01

Calculation of Net Income per Share and Diluted Net Income per Share is as follows:

	FY25/2 (March 1, 2024 to February 28, 2025)	FY26/2 (March 1, 2025 to February 28, 2026)
Net Income per Share		
Net Income Attributable to Shareholders (JPY million)	15,187	16,628
Amount Not Attributable to Common Shareholders	-	-
Net Income Attributable to Shareholders in Regards to Common Shares (JPY million)	15,187	16,628
Average Number of Shares Outstanding (thousand)	435,699	414,537
Diluted Net Income per Share		
Increase in Shares Outstanding during Period (thousand)	803	1,082
(of which are related to exercise of employee stock options) (thousand)	803	1,082
Details of Potentially Dilutive Shares Outstanding	Jan 12, 2018 Employee Stock Options Outstanding: 1,300,100 shares Jan 11, 2019 Employee Stock Options Outstanding: 1,336,000 shares October 10, 2024 Employee Stock Options Outstanding: 2,745,000 shares	Jan 11, 2019 Employee Stock Options Outstanding: 1,314,600 shares October 10, 2024 Employee Stock Options Outstanding: 2,665,000 shares February 13, 2026 Employee Stock Options Outstanding: 2,950,000 shares

Notes on Significant Subsequent Events

N/A