



**Make The World
More Sustainable**

ICHIGO

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Ichigo (2337)

Additional Accounting Notes for the Twenty-Sixth Annual Shareholder Meeting

- **Business Report**
 - **Employee Stock Option Details**
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Pursuant to Japanese law and Article 14 of Ichigo's Articles of Incorporation, these Notes are posted on Ichigo's website at www.ichigo.gr.jp/en

Employee Stock Option Details

1. Stock Options Issued as Compensation for Execution of Duties by Officers

		17th Stock Option Plan	
Date of resolution		January 11, 2019	
Number of stock options		1,314,600 units ¹	
Type and number of shares		1,314,600 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 432 per share	
Exercise period		January 12, 2022 – January 11, 2027	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	177,300 units
		Number of shares:	177,300 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	40,500 units
		Number of shares:	40,500 shares
		Number of holders:	3
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	211,600 units
		Number of shares:	211,600 shares
		Number of holders:	9

¹ Of the total stock options, 429,400 units have been issued to Officers. (No units have been exercised in the fiscal year ending February 2026.)

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		18th Stock Option Plan	
Date of resolution		October 14, 2020	
Number of stock options		1,240,906 units ¹	
Type and number of shares		1,240,906 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 340 per share	
Exercise period		October 15, 2023 – October 14, 2028	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options: Number of shares: Number of holders:	185,000 units 185,000 shares 2
	Independent Directors	Number of stock options: Number of shares: Number of holders:	0 units 0 shares 0
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock options: Number of shares: Number of holders:	162,706 units 162,706 shares 8

¹ Of the total stock options, 347,706 units have been issued to Officers. (118,094 units have been exercised in the fiscal year ending February 2026.)

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		19th Stock Option Plan	
Date of resolution		April 19, 2021	
Number of stock options		1,624,300 units ¹	
Type and number of shares		1,624,300 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 388 per share	
Exercise period		April 20, 2024 – April 19, 2029	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	236,200 units
		Number of shares:	236,200 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	45,000 units
		Number of shares:	45,000 shares
		Number of holders:	3
Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	251,000 units	
	Number of shares:	251,000 shares	
	Number of holders:	9	

¹ Of the total stock options, 532,200 units have been issued to Officers. (No units have been exercised in the fiscal year ending February 2026.)

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		20th Stock Option Plan	
Date of resolution		August 19, 2022	
Number of stock options		1,698,900 units ¹	
Type and number of shares		1,698,900 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 350 per share	
Exercise period		August 20, 2025 – August 19, 2030	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	217,100 units
		Number of shares:	217,100 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	15,000 units
		Number of shares:	15,000 shares
		Number of holders:	1
Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	285,000 units	
	Number of shares:	285,000 shares	
	Number of holders:	9	

¹ Of the total stock options, 517,100 units have been issued to Officers. (45,000 units have been exercised in the fiscal year ending February 2026.)

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		21st Stock Option Plan	
Date of resolution		April 19, 2023	
Number of stock options		2,349,000 units ¹	
Type and number of shares		2,349,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 296 per share	
Exercise period		April 20, 2026 – April 19, 2031	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	325,000 units
		Number of shares:	325,000 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	54,000 units
		Number of shares:	54,000 shares
		Number of holders:	3
Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	370,000 units	
	Number of shares:	370,000 shares	
	Number of holders:	9	

¹ Of the total stock options, 749,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		22nd Stock Option Plan	
Date of resolution		October 10, 2024	
Number of stock options		2,665,000 units ¹	
Type and number of shares		2,665,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 467 per share	
Exercise period		October 11, 2027 – October 10, 2032	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	305,000 units
		Number of shares:	305,000 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	90,000 units
		Number of shares:	90,000 shares
		Number of holders:	5
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	440,000 units
		Number of shares:	440,000 shares
		Number of holders:	10

¹ Of the total stock options, 835,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		23rd Stock Option Plan	
Date of resolution		February 13, 2026	
Number of stock options		2,950,000 units ¹	
Type and number of shares		2,950,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 501 per share	
Exercise period		February 14, 2029 – February 13, 2034	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	315,000 units
		Number of shares:	315,000 shares
		Number of holders:	3
	Independent Directors	Number of stock options:	100,000 units
		Number of shares:	100,000 shares
		Number of holders:	5
Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	455,000 units	
	Number of shares:	455,000 shares	
	Number of holders:	10	

¹ Of the total stock options, 870,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

2. Stock Options Issued for Compensation for Execution of Duties by Officers and Employees during the Current Fiscal Year

		23rd Stock Option Plan	
Date of resolution		February 13, 2026	
Number of stock options		2,950,000 units ¹	
Type and number of shares		2,950,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 501 per share	
Exercise period		February 14, 2029 – February 13, 2034	
Exercise conditions ²			
Holding Details	Employees (excluding those who are Directors and Statutory Executive Officers)	Number of stock options:	2,055,500 units
		Number of shares:	2,055,500 shares
		Number of holders:	243
Holding Details	Directors and Employees of Subsidiaries	Number of stock options:	18,000 units
		Number of shares:	18,000 shares
		Number of holders:	2

¹ Of the total stock options, 2,073,500 units have been issued to employees.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (ii) Pledges and other dispositions of stock options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

3. Other Material Matters regarding Stock Options

N/A

Controls to Ensure Appropriate Business Conduct

Pursuant to Article 416 of the Company Law and Article 112 of the Enforcement Regulation of the Company Law, Ichigo's Board of Directors approved and enacted a "Basic Policy for the Establishment of Structure of Internal Controls," with details shown below. Pursuant to Article 14 of Ichigo's Articles of Incorporation, Ichigo has made this policy available on its corporate website:

www.ichigo.gr.jp/en/ir/management_policies/internal_controls.html

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 (Article 416, Clause 1, Item 1 of the Company Law, Article 112, Clause 2, Item 4 of the Enforcement Regulation of the Company Law)

Overview

(1) The Board of Directors complies with relevant laws and regulations, the Articles of Incorporation, resolutions adopted at shareholders' meetings, Ichigo's mission, Ichigo's Code of Corporate Ethics, and Ichigo's Code of Conduct in making its decisions and supervising the business execution by the Statutory Executive Officers. The Statutory Executive Officers make decisions on the execution of business within their respective delegated areas of management and perform their duties pursuant to these decisions. The Board of Directors supervises the Statutory Executive Officers by receiving reports on the status of business execution at least once every three months. The Audit Committee audits the performance of both Statutory Executive Officers and employees.

(2) The Board of Directors sets basic policies, establishes relevant divisions and appoints Statutory Executive Officers, and engages external experts with respect to establishing compliance, reliability of financial reporting, internal audit, prevention of dealings with Anti-Social Forces, prevention of insider trading, and climate change initiatives.

Status

(1) The Board of Directors is comprised of five independent and four internal Directors, and had a total of nine meetings during FY26/2 with a 100% attendance rate. Statutory Executive Officers make decisions and/or seek board approval through board proposals, and report their activities to the Board of Directors at least quarterly. The Audit Committee is comprised of three Independent Directors, and held a total of 19 meetings during FY26/2 with a 100% attendance rate.

(2) Controls to Assure Business Compliance

(a) Compliance – The Compliance Committee held six meetings to deliberate material compliance matters and conducted training sessions based on the company's Code of Corporate Ethics and Code of Conduct. A whistle-blowing system exists, including the ability to directly notify an external lawyer.

(b) Reliability of financial reporting – The President and Statutory Executive Officers of each division and subsidiary work to ensure compliance with internal controls and the evaluation thereof.

(c) Internal Audit Department – The objective of the Internal Audit Department for FY26/2 was to contribute to management level decision-making through a group-wide, risk-based approach along with the Audit Committee and auditors of subsidiaries. Specifically, the Internal Audit Department examined the execution of management duties, the status of investment securities, and the status of information management.

(d) Prevention of Dealings with Anti-Social Forces – Ichigo has written manuals on how to handle Anti-Social Forces as well as rules that require Anti-Social Force avoidance clauses to be included in Ichigo contracts. Furthermore, Ichigo works with the Tokyo Metropolitan Police Department and other external experts in conducting due diligence of business counterparties. (See “System Against Anti-Social Forces.”)

(e) Prevention of Insider Trading – Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all officers and employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

(f) Climate Change Initiatives – Ichigo has designated the President as responsible for climate change initiatives and sets greenhouse gas emission reduction targets (long-term and annual). The Statutory Executive Officer and the ReGeneration Group work with group companies to reduce greenhouse gas emissions, monitor progress towards targets, and report to the Board of Directors.

2. Systems to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers (Article 112, Clause 2, Item 1 of the Enforcement Regulation of the Company Law)

Overview

Ichigo has internal rules with respect to the management and storage of information and documents pertaining to the execution of duties by Statutory Executive Officers. Ichigo remains fully compliant with all relevant laws and regulations.

Status

Handling of information is stipulated in the Information Management Policy, handling of documents is stipulated in the Document Management Policy, and rules on undisclosed information and internal information are stipulated in the Internal Information Management Policy, and all officers and employees conduct business in full compliance with these policies.

3. Risk Management Policies and Systems (Article 112, Clause 2, Item 2 of the Enforcement Regulation of the Company Law)

Overview

Ichigo’s policy is that the Statutory Executive Officer of each division is responsible for the compliance of respective business operations and for managing business risks. In addition, a Chief Risk Officer has been appointed and a Risk Management Division established in order to ensure a proper risk management framework exists across the entire group and to deal with any significant risks that arise. Ichigo establishes a management structure for disaster and other crises. In the event of a crisis, a crisis management team will be established to speed business recovery.

Status

Ichigo continually monitors business execution and the risk thereof, and the Chief Risk Officer reports monitoring results to the Board. Ichigo has business continuity plans that specify how to recover from natural disasters and other crises, and all officers and employees are fully aware of these plans.

4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (Article 112, Clause 2, Item 3 of the Enforcement Regulation of the Company Law)

Overview

Ichigo provides for efficient and agile execution of duties by establishing clarity with respect to scope of responsibilities and associated authority, and holds regular Senior Management Meetings comprised of the Chairman, President, Executive Vice President, heads of each division, and representatives of each subsidiary to evaluate and make decisions on material management matters.

To achieve Ichigo's mission and the Ichigo 2030 vision, Ichigo sets business plans and appropriately monitors progress towards annual group policies and annual business targets to ensure efficient business execution by the Statutory Executive Officers.

Status

Statutory Executive Officers execute their duties within their respective delegated scopes of responsibilities without any undue overlap or negligence. Furthermore, the Head of Finance Division organizes the Senior Management Meetings held to conduct productive discussions.

The Board of Directors monitors the business execution by the Statutory Executive Officers and progress towards company targets and each division's targets at the Board Meeting at least once every three months.

5. Audit Committee and Audit Systems (Article 416, Clause 1, Item 1 of the Company Law, Article 112, Clause 1, Items 1~7 of the Enforcement Regulation of the Company Law)

Overview

- (1) Ichigo appoints Directors and employees that assist the Audit Committee in the execution of its duties. Such Directors and employees carry out their duties independent from the Board of Directors, other Directors, and Statutory Executive Officers, with any change in appointment requiring the authorization of the Audit Committee.
- (2) Audit Committee Members attend important meetings, and can request explanations from officers and employees as well as view all related materials.
- (3) Officers and employees must report to the Audit Committee or Audit Committee Members matters that have material impact on the business and financial situation of Ichigo. Any person making such report shall not receive disadvantageous treatment for making such report.
- (4) The Audit Committee maintains a close relationship with the Internal Audit Department by discussing audit plans and receiving reports on audit results. The Audit Committee also receives periodic reports from the Independent Auditor as well as exchanges views on any material audit matters.

- (5) The Audit Committee holds meetings with Audit Committee Members and auditors of subsidiaries, attends important meetings at subsidiaries, and receives explanations and reports from subsidiaries in order to assess the appropriate execution of duties by Directors and Statutory Executive Officers of subsidiaries.
- (6) The Audit Committee, at its sole discretion, can appoint external specialists necessary for the execution of audits and can request that Ichigo bear associated costs.

Status

- (1) In accordance with internal rules pertaining to Directors and employees assisting in the duties of the Audit Committee, Ichigo has appointed several employees to assist the Audit Committee and has ensured their independence. Furthermore, the prior consent from the Audit Committee has been sought for any organizational or compensation matter with respect to these appointed individuals.
 - (2) In accordance with Audit Committee Rules, the Audit Committee attended important management meetings and received explanations as well as reviewed any relevant materials. In addition, officers and employees have made all required reporting to the Audit Committee, and no disadvantageous treatment has resulted from such reporting.
 - (3) The Audit Committee approved internal audit plans and received reports on the results of audits. Furthermore, the Audit Committee has received periodic reports from the external auditor and has engaged in discussions of material audit matters.
 - (4) The Audit Committee holds two liaison meetings a year with Audit Committee Members and auditors of subsidiaries, and receives explanations and reports from the officers and employees of subsidiaries.
 - (5) The Audit Committee has requested that Ichigo bear the costs associated with auditing of subsidiaries.
6. Systems to Ensure Fully Appropriate Business Activities by Ichigo and its Subsidiaries (Article 112, Clause 2, Item 5 of the Enforcement Regulation of the Company Law)

Overview

- (1) Ichigo and all subsidiaries share Ichigo's Management Philosophy, Code of Corporate Ethics, and Code of Conduct, and have executed a management agreement requiring that they work collaboratively in dealing with and providing guidance on corporate governance, compliance, risk management, and prevention of dealings with Anti-Social Forces, as well as the exercise of shareholder rights.
- (2) Ichigo has established a Corporate Operations Division responsible for monitoring business activities of subsidiaries and establishing group company management rules, and requires each subsidiary to provide business reports. Ichigo provides guidance to ensure sound management and achievement of business targets.

- (3) With respect to any transaction with Ichigo Trust Pte. Ltd., the major shareholder of Ichigo, Ichigo takes special care to protect the interests of minority shareholders by having the Board of Directors evaluate the purpose, process, and price of any such transactions and ensure that they contribute to increasing Ichigo's corporate value and protect all Ichigo shareholders. Ichigo and its subsidiaries established a conflict-of-interest control policy for intra-group transactions, and established and adopted a system to manage transactions that may cause adverse conflicts of interest.
- (4) Ichigo has established and operates a system for its subsidiaries to ensure their business activities are fully compliant with the Company Law.

Status

- (1) Ichigo and its subsidiaries adhere to Ichigo's mission, Code of Corporate Ethics, and Code of Conduct. Based on coordination with and advisory from Ichigo, Ichigo's subsidiaries have established or are establishing systems to handle matters regarding corporate governance and compliance.
- (2) The President receives a report every three months from the presidents of each subsidiary with respect to business operations and the execution of duties by Directors and officers. Pursuant to the group company management rules, the division in charge requests reports from subsidiaries regarding their management status and provides guidance to ensure sound management and the achievement of targets by each subsidiary.
- (3) There were no transactions between Ichigo and Ichigo Trust Pte. Ltd., the major shareholder of Ichigo, during FY26/2. Intragroup transactions between Ichigo and its subsidiaries are managed and executed in accordance with the Ichigo Group's conflict of interest management policy to ensure that they are appropriate.
- (4) Major subsidiaries establish and operate systems for corporate governance, compliance (including a whistleblower system), reliability of financial reporting, internal audit, prevention of Anti-Social Forces, prevention of insider trading, and rules to manage the risk of losses, to ensure that compliance with the Company Law. Other subsidiaries are also in the process of establishing such systems.

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

As part of its internal control systems, Ichigo has established an internal structure to prevent dealings with Anti-Social Forces:

- (1) Ichigo and its subsidiaries have clear policies on preventing dealings with Anti-Social Forces stipulated within its Code of Corporate Ethics.
- (2) Ichigo has appointed the Executive Vice President and the Corporate Operations Division as being responsible for dealing with all issues potentially related to Anti-Social Forces, and also receives advice on this issue from external legal counsel. Furthermore, Ichigo augments its efforts in this area by collaborating with external experts such as the Organized Crime Control Division of the Tokyo Metropolitan Police Department, the Marunouchi Police Station, and the National Center for Removal of Criminal Organizations.
- (3) Ichigo's Statutory Executive Officer (Corporate Operations) centrally manages group-wide information pertaining to Anti-Social Forces.

- (4) Under no circumstance will Ichigo heed to any request from an Anti-Social Force, and will work together with external experts to firmly and totally reject any such request. All contracts with external parties includes language that prevents dealings with Anti-Social Forces. Ichigo will terminate business relationships with any existing counterparty that is identified as being an Anti-Social Force.
- (5) All officers and employees of Ichigo and subsidiaries receive compliance training, and are made fully aware of their obligation to prevent dealings with Anti-Social Forces and escalate any and all concerns.

Notes to the Consolidated Financial Statements

I. Material Matters for Preparation of the Consolidated Financial Statements

A. Scope of Consolidation

1. Consolidated Subsidiaries

Number of consolidated subsidiaries: 45

Major Consolidated Subsidiaries

Ichigo Investment Advisors Co., Ltd.

Ichigo Estate Co., Ltd.

Ichigo ECO Energy Co., Ltd.

Ichigo Owners Co., Ltd.

Ichigo Marché Co., Ltd.

Miyako City Co., Ltd.

Centro Co., Ltd.

OneFive Hotels Inc.

Ichigo Si Co., Ltd.

Collinear Inc.

Ichigo Realty Management Co., Ltd.

Two investment partnerships have been excluded from the scope of consolidation because their materiality decreased during FY26/2.

2. Major Non-Consolidated Subsidiaries

Non-consolidated subsidiaries are excluded from the scope of consolidation because the aggregate amounts of total assets, revenue, net income and retained earnings attributable to Ichigo's equity interests are all immaterial and do not have a material impact on the consolidated financial statements as a whole.

3. Reason Why Some Companies Were Not Classified as Subsidiaries Despite the Possession of a Majority of their Voting Rights

N/A

4. Disclosure of Special Purpose Companies (SPC)

An overview of SPC, SPC transactions, and SPC transaction amounts are noted in X. Notes on Special Purpose Companies (SPC).

B. Equity-Method Accounting

1. Equity-Method Affiliates

Number of equity-method affiliates: None

GIGA.GREEN GmbH has been excluded from the scope of application of the equity method since all interests in GIGA.GREEN were sold during FY26/2.

2. Non-Consolidated Subsidiaries Accounted for Under the Equity-Method

N/A

3. Major Non-Consolidated Subsidiaries Not Accounted for Under the Equity-Method

Non-consolidated subsidiaries for which equity-method accounting is not applied are excluded from the scope of equity-method accounting because the aggregate amounts of their shares of net income (loss) and retained earnings are immaterial and do not have a material effect on the consolidated financial statements as a whole.

4. Non-Equity-Method Affiliates

There are no material non-equity-method affiliates.

Affiliates for which equity-method accounting is not applied are excluded from the scope of equity-method accounting because their aggregate amounts of their shares of net income (loss) and retained earnings are immaterial, and their exclusion does not have a material impact on the consolidated financial statements and do not have a material effect on the consolidated financial statements as a whole.

5. Reason Why Some Companies Were Not Classified as Affiliates despite Ichigo Possessing between 20% and 50% of Their Voting Rights

N/A

C. Fiscal Year of Consolidated Subsidiaries

The fiscal year-ends of consolidated subsidiaries are as follows:

January-end	24 companies
February-end	10 companies
March-end	1 companies
December-end	10 companies

For subsidiaries whose fiscal year-ends are in December or January, financial data as of that date have been used. For subsidiary whose fiscal year-end is in March, provisional financial data (created at a point in time within three-months from March-end) have been used. All necessary adjustments for consolidation have been made with respect to material transactions which occurred in FY26/2.

D. Accounting Standards

1. Valuation of Material Assets

a. Other Securities

Securities without market prices (excluding equities)	Mark-to-market (Any valuation difference is reported as a component of shareholders' equity; the cost is calculated using the moving average cost method.)
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Equities without market prices	Moving average cost method (The valuation method for investment partnerships is noted in 7. (c) Investment Partnerships.)
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b. Derivatives	Mark-to-market
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In addition, fees arising from the provision of ancillary services to lease contracts are recognized as revenue when the term of service ends or throughout the contract term depending on the details of the agreement.

Clean Energy

Power Production Revenue

Ichigo's consolidated subsidiary bears the performance obligation to supply electricity generated at its power plants based on its power supply contracts with its clients. The performance obligation is satisfied and revenue is recognized at the time electricity is supplied.

5. Material Hedge Accounting Method

a. Hedge Accounting Method

In general, Ichigo adopts the deferral hedge accounting method. However, interest rate swaps and interest rate caps that meet the criteria for special treatment are accounted for under the special treatment method.

b. Hedging Instruments and Hedging Targets

Hedging instruments	Interest rate swaps and interest rate caps
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Hedging targets	Loans and other borrowings
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c. Hedging Policy

Pursuant to its internal rules, Ichigo hedges against interest rate risks that arise from its business activities.

d. Evaluation Method of the Effectiveness of Hedges

Ichigo evaluates the effectiveness of hedging activities with reference to the accumulated gain or loss on the hedging instruments and related hedging targets for the period from the commencement of the hedges to the time of evaluation. Interest-rate swaps and interest rate caps accounted for under the special treatment method are omitted from this evaluation.

6. Goodwill Amortization Period and Method

Goodwill is amortized on a straight-line basis for a period of 10 to 20 years depending on the specific characteristics of each subsidiary.

7. Other Material Matters Related to the Preparation of the Financial Statements

a. Consumption Tax

For most items, consumption taxes are excluded from the relevant revenue, costs, or expenses.

Non-deductible consumption taxes are generally accounted for as costs in the current fiscal year; however, certain items paid in connection with the acquisition of assets are amortized over 5 years using the straight-line method or are included in acquisition costs.

b. Operational Investments

Operational investments are separated from non-operational investments and are accounted for as Operational Securities Investments and Operational Loan Investments within Current Assets. Profits and losses arising from operational investments are accounted for as Operating Profits and Losses.

Although Ichigo may control the decision-making body of investment vehicles or hold significant influence over them by holding shares, shares are held solely for operational investment purposes and Ichigo has no intention of holding them as subsidiaries or affiliates. Therefore, such investment vehicles are excluded from subsidiaries or affiliates.

c. Investment Partnerships

Ichigo accounts for investments in investment partnerships as Operational Securities Investments. Such investments are recorded at the time the investments are made. Gains and losses distributed from the investment partnerships are recorded as Revenue, and Operational Securities Investments increase or decrease by the same amount. Refunds received from the investment partnerships are credited to Operational Securities Investments.

d. Group Aggregate Tax Treatment

Ichigo qualifies for group aggregate tax treatment.

II. 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.

III. Notes on Accounting Estimates

Valuation of Real Estate

A. Amount Recorded in FY26/2 Financial Statements

Real Estate for Sale	JPY 176,904 million
Fixed Assets	JPY 136,768 million

B. Information on Material Accounting Estimates for Specific Line Items

Ichigo and its subsidiaries invest in real estate including offices, hotels, residential assets, and retail assets, and have recorded real estate expected to be sold as Real Estate for Sale as of FY26/2-end. Real estate expected to be held over the longer term is recorded as Fixed Assets.

If the estimated mark-to-market value of Real Estate for Sale is less than the book value, the estimated mark-to-market value is recorded on the balance sheet, and the difference is recorded as a Valuation Loss on Real Estate for Sale under Cost of Goods Sold. With respect to Fixed Assets, for assets and asset groups that show indications of impairment, if the total undiscounted future cash flow is less than the book value, Ichigo impairs the book value to the asset’s recoverable amount. When recording the impairment, the estimated mark-to-market value is recorded as the recoverable amount.

Ichigo uses the lower of the internally-calculated valuation amount based on the direct capitalization method (income approach) and the third-party real estate appraisal value as the estimated mark-to-market value.

Both the internal valuation amount and third-party real estate appraisal value are calculated using the income approach based on the net income or the future cash flows expected to be generated by the real estate assets and the cap rate.

Net income and future cash flow forecasts are impacted by rent levels in the area where the asset is located and by the asset’s occupancy. The cap rate is impacted by interest rate fluctuations, land prices per region and asset type, real estate market conditions, and the age, grade, rights, and regulatory compliance of the asset. Due to sustained high real estate transaction prices, cap rates trended downward in FY26/2. As a result, the impact on the valuation of real estate is limited.

Ichigo makes efforts to reduce the uncertainty of its internally-calculated valuations that are based on publicly available data via means such as obtaining third-party verifications of the cap rates per region and asset type. However, because there exists a large number of factors that impact the estimated mark-to-market value, any change in the preconditions and assumptions of the valuation caused by a change in business environment may result in the recording of a Valuation Loss on Real Estate for Sale or an Impairment Loss.

IV. Notes to the Consolidated Balance Sheet

A. Assets Provided as Collateral and Secured Obligations

Assets Provided as Collateral

Cash and deposits	JPY 2,564 million
Accounts receivable	JPY 193 million
Operational loan investments	JPY 1,324 million
Real estate for sale	JPY 130,918 million
Current assets – other	JPY 18 million
Buildings and structures	JPY 25,512 million
Solar and wind power plants	JPY 8,223 million
Land	JPY 52,140 million
Buildings and structures under construction	JPY 117 million
Buildings and structures under construction (reserved for collateral)	JPY 4,786 million
Property, plant, and equipment – other	JPY 716 million
Leasehold rights	JPY 715 million
Securities investments	JPY 11,401 million
Total	<u>JPY 238,632 million</u>

Figures shown in “Buildings and structures,” “Solar and wind power plants,” and “Property, plant, and equipment – other” are net amounts.

Secured Obligations

Short-term loans	JPY 150 million
Long-term loans (due within one year)	JPY 20,581 million
Long-term loans	JPY 166,607 million
Total	<u>JPY 187,338 million</u>

B. Non-Recourse Loans

Non-recourse loans are borrowings where funds for repayment are limited only to the value of the underlying real estate and profits from such real estate. The lender has no recourse to Ichigo in the event of a failure of payment.

Assets provided as collateral and the related non-recourse loans are as follows:

Assets Provided as Collateral

Cash and deposits	JPY 6,410 million
Accounts receivable	JPY 325 million
Current assets – other	JPY 20 million
Buildings and structures	JPY 13,911 million
Solar and wind power plants	JPY 14,927 million
Land	JPY 29,986 million
Buildings and structures under construction	JPY 85 million
Property, plant, and equipment – other	JPY 145 million
Investment and other assets – other	JPY 337 million
Total	<u>JPY 66,151 million</u>

Figures shown in “Buildings and structures,” “Solar and wind power plants,” and “Property, plant, and equipment – other” are net amounts.

Non-Recourse Loans

Long-term non-recourse loans (due within one year)	JPY 18,062 million
Long-term non-recourse loans	JPY 25,090 million
Total	<u>JPY 43,153 million</u>

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

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

D. Overdraft, Loan Commitment, and Term Loan Agreements

To secure funding flexibility and stability, Ichigo has overdraft, loan commitment, and term loan agreements with financial institutions.

Unused balance of the above agreements (as of the end of FY26/2)

Total amount of overdraft, loan commitment, and term loan agreements	JPY 66,542 million
Draw-down amount	JPY 48,370 million
Unused balance	<u>JPY 18,171 million</u>

V. Notes to the Consolidated Income Statement

A. Impairment Loss

Ichigo wrote down the below asset in FY26/2.

(1) Asset and Writedown Amount

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.

(3) Asset Grouping Method

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.

(4) Calculation for Recoverable Amount

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.

B. Valuation Gains (Losses) on Derivatives

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

VI. Notes to the Consolidated Statement of Changes in Shareholders' Equity

A. Type and Number of Shares Issued and Type and Number of Treasury Shares

	Number of shares at the beginning of FY26/2	Increase in shares during FY26/2 ¹	Decrease in shares during FY26/2 ²	Number of shares at the end of FY26/2
Shares issued				
Common shares	445,665,118	328,494	30,000,000	415,993,612
Total	445,665,118	328,494	30,000,000	415,993,612
Treasury shares				
Common shares	19,589,711	24,354,014	30,000,000	13,943,725
Total	19,589,711	24,354,014	30,000,000	13,943,725

¹ Details of increase/decrease in shares issued

Increase due to employee exercise of stock options: 328,494 shares

Decrease due to cancellation of treasury shares: 30,000,000 shares

² Details of increase/decrease in treasury shares

Increase due to share buybacks: 24,354,014 shares

Decrease due to cancellation of treasury shares: 30,000,000 shares

B. Employee Stock Options

Stock Options	Share Type	Underlying Number of Shares				Value ² (JPY million)
		Mar 1, 2025	Increase in FY26/2	Decrease in FY26/2	Feb 28, 2026	
16 th stock option issuance	Common shares	1,300,100	–	1,300,100	–	–
17 th stock option issuance	Common shares	1,336,000	–	21,400	1,314,600	97
18 th stock option issuance	Common shares	1,462,400	–	221,494	1,240,906	69
19 th stock option issuance	Common shares	1,685,400	–	61,100	1,624,300	95
20 th stock option issuance	Common shares	1,861,000	–	162,100	1,698,900	95
21 st stock option issuance ¹	Common shares	2,390,000	–	41,000	2,349,000	96
22 nd stock option issuance ¹	Common shares	2,745,000	–	80,000	2,665,000	99
23 rd stock option issuance ¹	Common shares	–	2,950,000	–	2,950,000	5
Total	–	12,779,900	2,950,000	1,887,194	13,842,706	559

¹ The 21st, 22nd, and 23rd stock option issuances are currently not exercisable, because their exercise dates are in the future.

² Value is as of FY26/2 period-end (February 28, 2026).

C. Dividends

1. Dividends Paid

The following dividend was approved at the Annual Shareholder Meeting held on May 25, 2025:

(a) Total Dividend	JPY 4,473 million
(b) Source	Retained earnings
(c) Dividend per Share	JPY 10.5
(d) Record Date	February 28, 2025
(e) Payment Date	May 26, 2025

2. Dividends where the Record Date is in FY26/2, but the Payment Date is in FY27/2

The following dividend is subject to approval at the Annual Shareholder Meeting to be held on May 24, 2026:

(a) Total Dividend	JPY 4,623 million
(b) Source	Retained earnings
(c) Dividend per Share	JPY 11.5
(d) Record Date	February 28, 2026
(e) Payment Date	May 25, 2026

VII. Notes on Financial Instruments

A. Matters Concerning Status of Financial Instruments

1. Policies on Financial Instruments

Ichigo funds itself primarily via bank loans and bonds, taking into account Ichigo's asset acquisition and disposition activity. Short-term excess funds are managed in liquid financial instruments such as bank deposits, and short-term working capital is financed via bank loans. Ichigo's policy is to use derivatives only for hedging purposes and not for speculative transactions.

2. Details and Risks of Financial Instruments

Accounts receivable is an operating receivable that is exposed to customer credit risks. Foreign currency-denominated financial instruments in overseas business operations are exposed to currency risks.

Operational securities investments are primarily investments in Japanese and foreign equities, and securities investments primarily take the form of equity and are typically investments in companies with which Ichigo has a business relationship. All of these investments are exposed to issuer credit risk, interest rate risk, and market price fluctuation risk.

Bank loans, bonds, and non-recourse loans are for the purpose of financing investments and capital expenditures, and are expected to be redeemed or repaid within twenty-four years after the fiscal year-end. Floating-rate loans are exposed to interest rate risk, a part of which is hedged using interest rate swaps and interest rate caps. Please refer to I. Material Matters for Preparation of the Consolidated Financial Statements (D) Accounting Standards, (5) Material Hedge Accounting Method.

3. Risk Management of Financial Instruments

(a) Management of Credit Risk

Operating receivables exist primarily at subsidiaries. Responsible departments monitor the collection status pursuant to the designated procedure for mitigation of collection risk. Other operating receivables arise irregularly, e.g., at the time of investment monetization, and the responsible department determines the execution of the transaction based on the time needed for collection and the credit worthiness of the counterparty and monitors the receivable until it is collected in accordance with the agreement. Ichigo monitors operational securities investments and securities investments with respect to the financial status of the issuers and reviews holding policies, as necessary and appropriate.

(b) Management of Market Risk

Ichigo uses interest rate swaps and interest rate caps for the purpose of reducing interest rate risk on corporate and non-recourse loans. Ichigo regularly monitors operational securities investments and securities investments which have market risks (e.g., real estate funds) or are denominated in foreign currencies for the impact from changes in market value and currency rates and reviews the holding policies as necessary. Derivative transactions are executed and controlled in the Finance Department in accordance with the designated procedures.

(c) Management of Liquidity Risk

Ichigo establishes and updates its funding plan as necessary based on new investment and disposition plans set by the responsible departments, and manages liquidity risk by maintaining short-term liquidity.

4. Supplement to Matters Concerning Market Values of Financial Instruments

Market values of financial instruments include prices based on market prices as well as prices calculated based on rational assumptions where market prices are not available. Such prices may fluctuate, because their calculations include variables that can vary based on assumptions.

B. Adjustments to Market Values of Financial Instruments

Amounts recorded on the consolidated balance sheet, corresponding market values, and their differences as of February 28, 2026 are shown below.

(JPY million)

	Amount Recorded on Consolidated Balance Sheet	Market Value	Difference
Assets			
(1) Securities investments ¹	21,860	21,860	–
Total Assets	21,860	21,860	–
Liabilities			
(1) Bonds ²	9,974	9,743	-230
(2) Long-term loans ³	237,679	237,646	-33
(3) Long-term non-recourse loans ⁴	43,153	42,448	-704
Total Liabilities	290,807	289,838	-968
Derivative Transactions ⁵	5,383	5,383	–

Note: “Cash and deposits,” “Accounts receivable,” “Short-term loans,” and “Income taxes payable” are omitted because they are cash or items to be settled in the short term with market values generally equal to book value.

¹ The amounts of equities without market values and investment partnerships recorded on the consolidated balance sheet are shown below. Such figures are not included in (1) Securities investments. Equities without market values are not subject to disclosure as prescribed in Clause 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Implementation Guidance No. 19, March 31, 2020). The market value of investment partnerships is not subject to disclosure as prescribed in the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Implementation Guidance No. 31, June 17, 2021) Clause 24-16.

(JPY million)

	Amount Recorded on Consolidated Balance Sheet
Operational securities investments	3,180
Securities investments	289
Total	3,469

² “Bonds (due within one year)” are included in “(1) Bonds.”

³ “Long-term loans (due within one year)” are included in “(2) Long-term loans.”

⁴ “Long-term non-recourse loans (due within one year)” are included in “(3) Long-term non-recourse loans.”

⁵ Claims and obligations associated with derivative transactions are shown in net amounts. For figures whose net amounts are net obligations, the figure is shown in parentheses.

C. Breakdown of Financial Instruments by Market Value

Ichigo has classified the market values of financial instruments into three levels based on the observability and importance of the inputs used to calculate market value.

Level 1: Market value calculated based on observable inputs that reflect market prices for identical assets and liabilities in active markets

Level 2: Market value calculated based on observable inputs other than those included in Level 1

Level 3: Market value calculated based on unobservable inputs

If multiple significant inputs are used to calculate market value, the financial instrument is classified under the lowest level of the multiple inputs.

1. Financial Instruments Recorded at Market Value in Consolidated Balance Sheet

	Market Value (JPY million)			
	Level 1	Level 2	Level 3	Total
Securities investments ¹	18,922	421	–	19,344
Derivative transactions	–	5,383	–	5,383
Total Assets	18,922	5,804	–	24,727

2. Loans and Bonds Recorded at Market Value in Consolidated Balance Sheet

	Market Value (JPY million)			
	Level 1	Level 2	Level 3	Total
Corporate bonds	–	9,743	–	9,743
Long-term loans	–	237,646	–	237,646
Long-term non-recourse loans	–	42,448	–	42,448
Total Liabilities	–	289,838	–	289,838

¹ The securities investments above do not include REITs that are accounted for in accordance with the Implementation Guidance on Market Value Calculations Clause 24-9. The amount of REITs recorded on the Consolidated Balance Sheet is JPY 2,516 million.

(Note) Valuation Methods Applied to Market Value Calculations and Explanation of Inputs Used in Market Value Calculations

Securities Investments

Listed shares are valued using market price and classified as Level 1 because they are traded on an active market. Because Ichigo's bonds are not traded on an active market and market prices are thus not available, the value of the bonds is calculated using the present value of future cash flows discounted by a discount rate, and the bonds are classified as Level 2.

Derivative Transactions

The market value of interest rate swaps and interest rate caps is calculated using information obtained from the lender banks, and the derivatives are classified as Level 2. The market value of interest rate swaps and interest rate caps under special treatment is included in long-term loans and long-term non-recourse loans because it is accounted for with the instrument it hedges.

Bonds (Including Due Within One Year)

The market value of bonds issued by Ichigo is calculated based on the present value of the total amount of principal and interest using a discount rate that accounts for the remaining period and credit risk of the bonds, and the bonds are classified as Level 2.

Long-Term Loans and Long-Term Non-Recourse Loans

The market value of long-term loans and long-term non-recourse loans is calculated based on the present value of the total amount of principal and interest using a discount rate that accounts for the remaining period and credit risk of the loans, and the loans are classified as Level 2.

VIII. Notes on Leased Real Estate Not Currently Held for Sale

A. Income From Leased Real Estate Not Currently Held for Sale

Ichigo and certain consolidated subsidiaries own leased real estate mainly in the Tokyo Metropolitan area that are not currently held for sale. Income on this leased real estate in FY26/2 was JPY 5,253 million (rental revenue is recorded in Revenue and leasing costs are recorded in Costs of Goods Sold). Gains and losses on sales of real estate not currently held for sale were JPY 7,756 million and were recorded as extraordinary gains and losses.

B. Market Value of Leased Real Estate Not Currently Held for Sale

(JPY million)

Book Value on Consolidated Balance Sheet ¹			Market Value as of Feb 28, 2026 ³
Mar 1, 2025	Increase/Decrease ²	Feb 28, 2026	
144,911	-7,395	137,516	201,626

¹ Book Value on Consolidated Balance Sheet = Acquisition Cost – Cumulative Depreciation – Cumulative Impairments

² The main components of the increase for the fiscal year are JPY 8,772 million from Capital Expenditures and JPY 905 million due to the acquisition of real estate. The main components of the decrease for the fiscal year are JPY 13,501 million resulting from asset sales and JPY 2,531 million of Depreciation.

³ Market value as of FY26/2 period-end (February 28, 2026) is calculated by Ichigo based upon third-party real estate appraisals and market prices.

IX. Notes to Revenue Recognition

A. Breakdown of Revenue from Contracts with Customers

(JPY million)

	Revenue from External Customers			Inter-Segment Activities or Reclassifications	Total
	Revenue from Client Contract	Revenue from Other Sources ¹	Total		
Asset Management	4,041	–	4,041	423	4,464
Asset-Related Fee Revenue	3,970	–	3,970	423	4,394
Other	70	–	70	–	70
Sustainable Real Estate	10,285	17,212	27,497	149	27,647
Revenue from Asset Sales	8,405	–	8,405	–	8,405
Real Estate Rental Revenue	1,281	10,899	12,180	1	12,182
Other	598	6,313	6,911	148	7,059
Hotel	11,540	3,698	15,238	16	15,255
Revenue from Asset Sales	–	–	–	–	–
Real Estate Rental Revenue	11,488	3,276	14,765	–	14,765
Other	52	421	473	16	490
Ichigo Owners	8,502	31,232	39,735	–	39,735
Revenue from Asset Sales	8,502	29,375	37,878	–	37,878
Real Estate Rental Revenue	–	1,856	1,857	–	1,857
Other	–	–	–	–	–
Clean Energy	6,160	32	6,192	–	6,192
Power Production Revenue	6,160	–	6,160	–	6,160
Other	–	32	32	–	32
Total	40,530	52,175	92,705	589	93,295
Adjustment	–	–	–	-589	-589
Amount Recorded in Financial Statements	40,530	52,175	92,705	–	92,705

¹ Revenue from other sources includes gains on sale of real estate based on the Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies (ASBJ Transferred Guidance No.10, July 1, 2024), rental income based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), and gains on sale of securities based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019).

B. Information on Understanding Revenue from Contracts with Customers

Please refer to I. Material Matters for Preparation of the Consolidated Financial Statements (D) Accounting Standards, (4) Standards for Recognition of Material Revenues and Costs.

C. Information on Understanding FY26/2 and FY27/2 Revenue

1. Balance of Contract Assets and Contract Liabilities

(JPY million)

	FY26/2
Receivables from Contracts with Customers (as of Mar 1, 2025)	4,009
Receivables from Contracts with Customers (as of Feb 28, 2026)	3,535
Contract Assets (as of Mar 1, 2025)	—
Contract Assets (as of Feb 28, 2026)	—
Contract Liabilities (as of Mar 1, 2025)	34
Contract Liabilities (as of Feb 28, 2026)	104

Contract liabilities are advances received as deposits from clients within the Sustainable Real Estate business. Contract liabilities decrease in line with revenue recognition. In FY26/2, the amount of revenue recognized for the satisfaction of performance obligations from prior periods is not material.

2. Transaction Price Allocated to Remaining Performance Obligations

Ichigo did not have any contracts with an expected contract term over one year.

X. Notes on Special Purpose Companies (SPC)

A. Overview of SPC and SPC Transactions

Ichigo Owners, an Ichigo consolidated subsidiary providing real estate investment services to individual investors, has a business that allows investors to make diversified, small-scale investments in a broad array of real estate assets pursuant to the Act on Specified Joint Real Estate Ventures. This new business employs voluntary partnerships as part of its structure.

Under this business, investors invest in a voluntary partnership pursuant to a specified real estate venture agreement. The voluntary partnership receives distributions of the income generated from the real estate asset it acquires using the invested funds and dividends on the gains from the real estate purchased via the investments. Rental income and gains on sales associated with the real estate asset are allocated to the investors.

Pursuant to the voluntary partnership agreement, Ichigo Owners receives a fee for serving as managing partner. Ichigo Owners also engages in real estate transactions with the voluntary partnership.

	FY26/2
Number of Voluntary Partnerships	4
Total Assets as of Fiscal Period-end	JPY 2,766 million
Total Liabilities	JPY 4 million

B. SPC Transaction Amounts

(JPY million)

	Transaction Amount	Category	Amount
Real Estate Transactions ¹	382	Revenue	382
Managing Partner Fee ²	12	Revenue	12

¹ The Real Estate Transaction Amount is the sale price of the asset at the time of sale and recorded under Revenue in the Consolidated Income Statement.

² The Managing Partner Fee is calculated as a percentage of the sale price and recorded under Revenue in the Consolidated Income Statement.

XI. Per Share Data

Net Assets per Share	JPY 288.76
Net Income per Share	JPY 40.11
Net Income per Share (fully diluted)	JPY 40.01

XII. Material Subsequent Events

N/A

Notes to the Parent Financial Statements

I. Material Accounting Policies

A. Valuation Method for Material Assets

- | | |
|--|--|
| 1. Shares in subsidiaries and affiliates | Moving average cost method |
| 2. Other securities | |
| Securities without market prices
(excluding equities) | Mark-to-market (Valuation difference is reported as a component of shareholders' equity; the cost is calculated using the moving average cost method.) |
| Equities without market prices | Moving average cost method (Valuation method for investment partnerships is noted in (G) Other Material Matters Related to the Preparation of the Financial Statements (3) Investment Partnerships.) |
| 3. Derivatives | Mark-to-market |
| 4. Real estate for sale | Cost (however, impair assets whose profitability declines) |

B. Depreciation Method for Fixed Assets

- | | |
|-----------------------------------|--------------------------------------|
| 1. Property, Plant, and Equipment | Primarily straight-line method |
| Useful life | Buildings and Structures: 8~39 years |
| 2. Intangible Assets | Straight-line method |
| Useful life | Software: 5 years |

C. Amortization of Deferred Assets

Issuance cost of shares: Full amount is recorded as cost.

D. Accounting Standards for Allowances

Allowance for doubtful accounts

Reserved based on the record of bad debts with respect to ordinary receivables and loans, plus an estimate of uncollectible amounts determined with reference to specific doubtful receivables from customers experiencing financial difficulties.

E. Accounting Standard for Recognition of Material Revenue and Costs

Details of the performance obligations and the fulfillment of performance obligation (i.e., time of revenue recognition) accounted for by its core businesses that arise from contracts with Ichigo's clients are as follows:

Management Advisory Fee

Ichigo receives a management advisory fee from some of its subsidiaries and its performance obligation is to provide management advice and guidance. The performance obligation is satisfied over a period of time, and revenue is recognized at the time it is satisfied.

Dividend Income

Dividend income consists of dividend income from Ichigo subsidiaries and gains and losses distributed from the investment partnerships. Dividend income from Ichigo subsidiaries is recognized as revenue on the payment date. For details of gains and losses distributed from the investment partnerships, please refer to I. Material Accounting Policies (G) Other Material Matters Related to the Preparation of the Financial Statements (3) Investment Partnerships.

As revenue from dividend income is a financial instruments transaction within the scope of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), it is not accounted for as revenue arising from contracts with clients.

Real Estate Rental Revenue

Real estate rental revenue is recognized as revenue when the term of the provision of ancillary services to the lease contract ends or throughout the contract term depending on the details of the agreement.

As real estate rental revenue is recognized in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), it is not accounted for as revenue arising from contracts with clients.

F. Hedge Accounting Method

1. Hedge Accounting Method

In general, Ichigo adopts the deferral hedge accounting method. However, interest rate swaps that meet the criteria for special treatment are accounted for under the special treatment method.

2. Hedging Instruments and Hedging Targets

Hedging instruments	Interest rate swaps
Hedging targets	Loans and other borrowings

3. Hedging Policy

Pursuant to its internal rules, Ichigo hedges against interest rate risks that arise from its financial activities.

4. Evaluation of Hedge Effectiveness

Ichigo evaluates the effectiveness of hedging activities with reference to the accumulated gain or loss on the hedging instruments and related hedging targets for the period from the commencement of the hedges to the time of evaluation. Interest-rate swaps accounted for under the special treatment method are omitted from this evaluation.

G. Other Material Matters Related to the Preparation of the Financial Statements

1. Non-Deductible Consumption Tax

Non-deductible consumption taxes are generally accounted for as costs in the current fiscal year; however, certain items paid in connection with the acquisition of assets are amortized over 5 years using the straight-line method.

2. Operational Investments

Operational investments are separated from non-operational investments and are accounted for as Operational Securities Investments within Current Assets. Profits and losses arising from operational investments are accounted for as Operating Profits and Losses.

Although Ichigo may control the decision-making body of investment vehicles or hold significant influence over them by holding shares, shares are held solely for operational investment purposes and Ichigo has no intention of holding them as subsidiaries or affiliates. Therefore, such investment vehicles are excluded from subsidiaries or affiliates.

3. Investment Partnerships

Ichigo accounts for investments in investment partnerships as Operational Securities Investments or Investment Securities in Other Affiliates. Such investments are recorded at the time the investments are made. Gains and losses distributed from the investment partnerships are recorded as Revenue, and the corresponding balance sheet item increases or decreases by the same amount. Refunds received from the investment partnerships are credited to the corresponding balance sheet item.

4. Group Aggregate Tax Treatment

Ichigo qualifies for group aggregate tax treatment.

II. Notes to 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 on the FY26/2 earnings results from this change.

III. Notes to the Parent Income Statement

FY25/2 Foreign Exchange Gains of JPY 235 million, included in Other under Non-Operating Income, have been reclassified under Non-Operating Expenses as Foreign Exchange Losses in FY26/2 due to increased materiality.

IV. Notes on Accounting Estimates

Valuation of Real Estate

A. Amount Recorded in FY26/2 Financial Statements

Fixed Assets	JPY 6,918 million
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B. Information on Material Accounting Estimates for Specific Line Items

Please see the Valuation of Real Estate section under III. Notes on Accounting Estimates for the Consolidated Financial Statements.

V. Notes to the Balance Sheet

A. Assets Provided as Collateral and Secured Obligations

Assets provided as collateral

Cash and deposits	JPY 44 million
Buildings and structures	JPY 180 million
Land	JPY 2,099 million
Property, plant, and equipment – other	–
Securities investments	JPY 11,401 million
Leasehold rights	JPY 162 million
Investment Securities in Other Affiliates	JPY 2,347 million
Total	<u>JPY 16,235 million</u>

Figures in “Buildings and structures” and “Property, plant, and equipment – other” are net amounts.

Secured obligations

Long-term loans (due within one year)	JPY 851 million
Long-term loans	JPY 11,911 million
Total	<u>JPY 12,763 million</u>

B. Guarantees of Subsidiary Liabilities

Ichigo guarantees the following subsidiaries' loans from financial institutions:

Ichigo Estate Co., Ltd.	JPY 38,390	million
Ichigo ECO Energy Co., Ltd.	JPY 7,879	million
Ichigo Owners Co., Ltd.	JPY 35,170	million
Miyako City Co., Ltd.	JPY 854	million
Centro Co., Ltd.	JPY 381	million
GK Daiba Jisho	JPY 8,000	million
GK Kawabata Holdings	JPY 2,583	million
GK Nakasu Holdings	JPY 3,250	million
Ichigo Yubetsu Barou ECO Power Plant GK	JPY 97	million
Ichigo Toyokoro Sasadamachi ECO Power Plant GK	JPY 44	million
Ichigo Betsukai Kawakamicho ECO Power Plant GK	JPY 63	million
Ichigo Akkeshi Shirahama ECO Power Plant GK	JPY 63	million
Ichigo Yonago Izumi ECO Power Plant GK	JPY 249	million
Sera Aomizu Ushinoro ECO Power Plant GK	JPY 220	million
Ichigo Hamanaka Bokujo ECO Power Plant GK	JPY 513	million
Ichigo Toki Oroshicho ECO Power Plant GK	JPY 143	million
Ichigo Toride Shimotakai ECO Power Plant GK	JPY 149	million
Ichigo Kijo Takajo ECO Power Plant Co., Ltd.	JPY 112	million
Total	JPY 98,166	million

C. Affiliate Receivables and Payables (excluding items separately indicated)

Short-term receivables from affiliates	JPY 3,354	million
Short-term payables to affiliates	JPY 176	million
Long-term payables to affiliates	JPY 8	million

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

Using interest rate swaps and caps, Ichigo has reduced its interest rate risk should Japanese interest rates rise. Any unrealized gains (losses) on these hedges are recorded as deferred gains (losses) on long-term interest rate hedges.

VI. Income Statement

A. Transactions with Affiliates

Operational Transactions

Revenue	JPY 11,663 million
Operating expenses	JPY 645 million
Non-Operational Transactions	JPY 1,543 million

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

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 is recorded as a mark-to-market gain (loss) on long-term interest rate hedges.

VII. Statement of Changes in Shareholders' Equity

Type and Number of Treasury Shares

Common shares	13,943,725 shares
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VIII. Taxes

A. Breakdown of Deferred Tax Assets and Liabilities

Deferred Tax Assets

Accrued business taxes	JPY 180 million
Surplus for provision of allowance for doubtful accounts	JPY 325 million
Valuation loss on securities investments	JPY 77 million
Valuation loss on securities of affiliates	JPY 184 million
Valuation loss on investments in real estate	JPY 1,600 million
Valuation loss on shares in affiliates	JPY 1,482 million
Gains distributed from TK investment partnership	JPY 1,934 million
Other	JPY 229 million
Sub-total	JPY 6,015 million
Allowance for valuation	-JPY 3,470 million
Deferred Tax Assets Total	JPY 2,544 million

Deferred Tax Liabilities

Valuation gains (losses) on other securities	-JPY 739 million
Deferred gains (losses) on long-term interest rate hedges	-JPY 252 million
Other liabilities	-JPY 3 million
Deferred Tax Liabilities Total	-JPY 994 million

Net Deferred Tax Assets	JPY 1,549 million
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B. Accounting Treatment of Income Taxes and Tax Effect Accounting

Ichigo has adopted the group tax aggregate system, and the accounting treatment of income taxes and tax effect accounting are based on the "Practical Solution on the Accounting and Disclosure Under the Group Tax Aggregate System" (Practical Solution No.42, August 12, 2021.)

IX. Related Party Transactions

(JPY million)

Affiliation	Name	Voting Rights Held by Ichigo	Nature of Relationship	Transaction	Transaction Amount	Accounting Treatment	Balance Outstanding
Subsidiary	Ichigo Estate Co., Ltd.	100%	Service contract	Lending ¹	30,929	Long-term loans to affiliates	78,183
				Interest received	779	Current assets – other	39
				Borrowing ¹	2,500	Short-term borrowing from affiliates	2,500
				Interest paid	–	Accrued expenses	–
				Provision of credit guarantee ²	38,390	–	–
				Receipt of credit guarantee ^{6,7}	1,279	–	–
				Receipt of credit guarantee and collateral ⁴	42,059	–	–
				Management advisory fee ⁹	2,106	Accounts receivable	650
Subsidiary	Ichigo ECO Energy Co., Ltd.	100%	Service contract	Provision of credit guarantee ²	7,879	–	–

(JPY million)

Affiliation	Name	Voting Rights Held by Ichigo	Nature of Relationship	Transaction	Transaction Amount	Accounting Treatment	Balance Outstanding
Subsidiary	Ichigo Owners Co., Ltd.	100%	Service contract	Lending ¹	33,610	Short-term loans to affiliates	7,200
						Long-term loans to affiliates	18,959
				Interest received	296	Current assets – other	31
				Provision of credit guarantee ²	35,170	–	–
				Receipt of credit guarantee and collateral ⁴	15,872	–	–
				Receipt of collateral ³	2,450	–	–
Subsidiary	Satsuki Holdings Ltd.	100%	Financial support	Lending ¹	3,814	Long-term loans to affiliates	6,203
				Interest received	69	Current assets – other	10
				Receipt of credit guarantee and collateral ⁴	5,000	–	–
Subsidiary	Centro Co., Ltd.	Indirect Ownership 100%	Service contract	Borrowing ¹	2,700	Short-term Borrowing from affiliates	2,700
				Interest paid	27	Accrued expenses	11
Subsidiary	GK Daiba Jisho	None ⁸	TK Equity	Provision of credit guarantee ²	8,000	–	–
				Receipt of credit guarantee fee	2	Advances received	1

(JPY million)

Affiliation	Name	Voting Rights Held by Ichigo	Nature of Relationship	Transaction	Transaction Amount	Accounting Treatment	Balance Outstanding
Subsidiary	GK Kawabata Holdings	None ⁸	TK Equity	Provision of credit guarantee ²	2,583	—	—
				Receipt of credit guarantee fee	1	Advances received	—
Subsidiary	GK Nakasu Holdings	None ⁸	TK Equity	Provision of credit guarantee ²	3,250	—	—
				Receipt of credit guarantee fee	1	Advances received	—
Subsidiary	Hakata GK	None ⁸	TK Equity	Share issuance underwriting	550	—	—
				Payment of credit guarantee fee to guarantor	—	Prepaid expenses	—
				Receipt of collateral ³	2,050	Investment and other assets – other	3
Subsidiary	GK LIFT2	100%	Borrowing & Payment of Interest	Interest paid	320	—	—
				Receipt of refunds from investment partnerships	11,061	—	—
Subsidiary	GK Kichijoji Holdings	None ⁸	TK Equity	Payment of credit guarantee fee to guarantor	1	Prepaid expenses	1
				Receipt of collateral ^{3,5}	2,606	Investment and other assets – other	1
Subsidiary	GK Akihabara Jisho	None ⁸	TK Equity	Payment of credit guarantee fee to guarantor	—	Prepaid expenses	—
				Receipt of collateral ^{3,5}	1,935	Investment and other assets – other	—
Major Shareholder	Ichigo Asset Management International, Pte. Ltd.	None ¹⁰	—	Sale of shares in affiliate ¹¹	4,580	—	—

- ¹ The interest rate on loans and bonds from Ichigo to affiliates (and in certain cases, from affiliates to Ichigo) is based upon Ichigo's actual borrowing costs, with due consideration to the particular circumstances of the affiliates.
- ² Ichigo has provided credit guarantees to banks on loans to the subsidiary.
- ³ The subsidiary has received collateral from Ichigo for loans from banks.
- ⁴ The subsidiary has received both guarantees and collateral from Ichigo for bank loans.
- ⁵ Ichigo has received collateral from its subsidiaries for a loan of JPY 4,541 million from banks.
- ⁶ Ichigo has received credit guarantees from its subsidiaries for bank loans.
- ⁷ Ichigo has received credit guarantees and collateral from its subsidiaries for a loan of JPY 1,279 million from banks.
- ⁸ Although Ichigo holds 0% of the voting rights, its wholly-owned subsidiary holds 100% of managerial authority over the investment partnership (aka TK or Tokumei Kumiai). However, the entity is considered to be Ichigo's subsidiary, because Ichigo has adopted the accounting standard under the Practical Solutions on Application of Control Criteria and Influence Criteria to Investment Partnerships (ASBJ Practical Solution No. 20, March 25, 2011).
- ⁹ Ichigo receives fees for managing certain wholly-owned subsidiaries.
- ¹⁰ Although Ichigo Asset Management International holds 0% of Ichigo's voting rights, it is the investment manager for Ichigo's controlling shareholder, Ichigo Trust Pte. Ltd., and is in a position to influence the trading of Ichigo's shares and exercise of voting rights by Ichigo Trust Pte. Ltd.
- ¹¹ Shares were sold via a private transaction. The transaction price was determined via negotiations based on a share valuation report obtained from an independent third party.
- ¹² The above amounts do not include consumption tax and other taxes. However, the amounts recorded on the balance sheet do include consumption tax and other taxes.

X. Notes on Revenue Recognition

Information for understanding revenue recognition is provided in I. Material Accounting Policies, E. Accounting Standards for Recognition of Material Revenue and Costs.

XI. Per Share Data

Net Assets per Share	JPY 145.30
Net Income per Share	JPY 11.70
Net Income per Share (fully diluted)	JPY 11.67

XII. Material Subsequent Events

N/A