

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

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

FY27/2 H1 Earnings

October 14, 2026

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

Representative: Takuma Hasegawa, President

Inquiries: Takanori Sakamatsu, Executive Managing Director

Telephone: +81-3-4485-5221 www.ichigo.gr.jp/en

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

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

1. FY27/2 H1 Consolidated Financial Results (March 1, 2026 to August 31, 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	
FY27/2 H1	39,817	-22.0%	10,621	-5.7%	15,514	+2.6%	8,952	-1.0%
FY26/2 H1	51,024	+40.6%	11,261	+64.3%	15,128	+60.2%	9,047	+62.9%

Note: Comprehensive Income FY27/2 H1: JPY 8,145 million (-26.6% YOY)

FY26/2 H1: JPY 11,101 million (+61.3% 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	
FY27/2 H1	8,462	-1.9%	12,119	+9.8%	21.47	+4.4%	21.39	+4.2%	30.75	+16.9%
FY26/2 H1	8,624	+60.7%	11,034	+45.5%	20.56	+68.0%	20.52	+68.0%	26.31	+52.1%

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

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY27/2 H1	445,648	115,393	25.7%	292.64
FY26/2	435,820	116,754	26.6%	288.76

Note: Shareholders' Equity FY27/2 H1: JPY 114,709 million FY26/2: JPY 116,097 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)
FY27/2 H1	-16,938	8,323	5,936	39,223
FY26/2 H1	-3,666	3,978	4,175	47,065

Note: Economic Operating Cash Flow FY27/2 H1: JPY 10,527 million
FY26/2 H1: JPY 8,897 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			
FY26/2	—	—	—	11.5	11.5	4,623	28.7%	4.2%
FY27/2 (Forecast)	—	—	—	15.5	15.5		34.3%	

Note: Changes from the previous dividend forecast: No

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%	JPY 45.13	+12.5%	JPY 60.17	+35.3%

Note: Changes from the previous earnings forecast: No

(1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation):

Yes

New subsidiary: GK HELIX TK

Subsidiaries removed from consolidation (2):

Centro Co., Ltd.

GK Carpe Diem TK

(2) Application of accounting treatment specific to the compilation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to 2. Consolidated Financial Statements, Notes to the FY27/2 H1 Consolidated Financial Statements, Notes on Accounting Treatment Specific to H1 Consolidated Financial Statements on page 24.

(3) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements

- | | |
|---|------|
| (i) Changes in accounting standards/principles: | None |
| (ii) Changes in accounting principles other than the above: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Revisions of previous financial statements: | None |

(4) Number of common shares outstanding

(i) Number of shares outstanding (including treasury shares) at period-end

FY27/2 H1: 416,608,592

FY26/2 : 415,993,612

(ii) Number of treasury shares at period-end

FY27/2 H1: 24,622,426

FY26/2: 13,943,725

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

FY27/2 H1: 394,090,828

FY26/2 H1: 419,419,836

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 (3) Explanation of Consolidated Earnings Forecasts on page 12.

Table of Contents

1. Operating Results	5
(1) FY27/2 H1 Operating Results	5
(2) Financial Condition	12
(3) Explanation of Consolidated Earnings Forecasts	12
2. Consolidated Financial Statements	13
Consolidated Balance Sheet (FY27/2 H1)	13
Consolidated Income Statement (FY27/2 H1)	15
Consolidated Statement of Comprehensive Income (FY27/2 H1)	17
Consolidated Cash Flow Statement (FY27/2 H1)	18
Notes to the FY27/2 H1 Consolidated Financial Statements	24
Notes on Accounting Treatment Specific to H1 Consolidated Financial Statements	24
Notes to the Consolidated Balance Sheet	24
Notes to the Consolidated Income Statement	24
Notes to the Consolidated Statement of Comprehensive Income	25
Notes on Segment Information	21
Notes to the Significant Changes in Shareholders' Equity	29
Going Concern	29

1. Operating Results

(1) FY27/2 H1 Operating Results

A. FY27/2 H1 Overview

During FY27/2 H1 the Japanese economy maintained a gradual recovery, supported by improvements in the employment and income environment and corporate earnings. Nonetheless, the forward outlook continues to warrant close attention due to uncertainties such as rising prices, the geopolitical situation in the Middle East, natural disasters, and interest rate trends in Japan and overseas.

Tenant demand for office, retail, and residential assets in Tokyo and other major cities remains solid, and investment appetite for Japanese real estate is robust. In the hotel market, although growth in inbound tourist numbers shows some signs of slowing, with numbers falling below prior-year levels in some months, inbound tourism remains at high levels. Lodging demand also remains solid overall, albeit with variations across regions and markets.

Against this backdrop, Ichigo has reduced its interest rate risk by lengthening loan terms, conducting fixed-rate borrowing, and hedging via interest rate swaps and caps. Furthermore, Ichigo is strengthening its earnings base to mitigate the impact of rising interest costs by increasing asset profitability via value-add initiatives, pro-active leasing, and rent increases.

FY27/2 H1 business profit increased 3% year-on-year. While stock earnings fell 2% year-on-year due to asset sales in FY26/2, earnings contributions from newly acquired assets and NOI growth at existing assets largely offset the decrease, with H1 results exceeding forecast. Meanwhile, flow earnings increased 8% year-on-year, reflecting asset sales in Sustainable Real Estate, Ichigo Owners, and Asset Management.

As a result, cash earnings increased 2% year-on-year. Ichigo's stock earnings to fixed expenses coverage ratio was 196% in FY27/2 H1. Ichigo has a highly stable earnings base that is resilient to changes in the operating environment, including rising interest rates.

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.

Core Business Growth

Asset Management

Although NOI grew at Ichigo Office (TSE REIT 8975) assets due to value-add initiatives and rent increases, stock earnings decreased 5 % year-on-year due to hotels owned by Ichigo Hotel (TSE REIT 3463) temporarily closing for renovations in FY27/2 H1.

Flow earnings increased 148% year-on-year due to performance fees from an asset sale by Ichigo Office. As a result, Asset Management business profit increased 66% year-on-year.

Ichigo Office and Ichigo Hotel have completed transitioning all of their assets to renewable energy. Ichigo supports these initiatives as their sponsor.

Sustainable Real Estate (SRE)

SRE is focused on providing offices designed for tenant comfort and convenience to accommodate increasingly diverse working styles. For example, SRE offers Ready-To-Move-In offices, with layouts and office furniture tailored to tenant needs. SRE also actively pursues branding initiatives that reflect the distinctive characteristics of each office's location.

Given their superior quality and mapping to tenant needs, Ichigo has thus leased its Ready To Move In offices at above-market rents, increasing asset value while providing tenants with benefits such as lower upfront costs and a reduced burden associated with relocation. These offices cater to a broad range of demand, including from small and mid-size businesses and startups, as well as large companies seeking satellite offices. As of FY27/2 H1 Ichigo has introduced Ready To Move In offices in 54 units across 11 buildings (including assets already sold). Rental income following conversion to Ready To Move In offices is averaging 1.8X the pre-conversion level. Ichigo will continue to grow earnings through value-add initiatives that address tenant needs.

Stock earnings for the FY27/2 H1 decreased 4% year-on-year due to lower rental income resulting from asset sales in FY26/2. However, Ichigo is steadily offsetting this decrease through higher office occupancy, earnings contributions from newly-acquired assets, and rent increases, and remains on track to achieve the full-year SRE forecast.

During FY27/2 H1 SRE acquisitions totaled JPY 15.6 billion, while asset sales totaled JPY 15.9 billion.

Hotel

Ichigo generates higher value in hotels through a multifaceted approach spanning the development of its own hotel brands, hotel operations, and DX services. Under THE KNOT brand, Ichigo is increasing the value of its boutique hotels by improving their interiors, food and beverage offerings, services, and operations to reflect the characteristics and lodging demand of each area, creating boutique hotels that offer more than just a place to stay. By integrating ownership, renovation, operations, and branding, Ichigo increases the earnings potential of existing hotels.

In FY27/2 H1 hotel rental income increased 7% year-on-year, driven by contributions from newly acquired and newly opened hotels. However, overall stock earnings decreased 7% year-on-year on a decrease in dividends from Ichigo Hotel and lower hotel earnings resulting from temporary upfront increases in operating costs associated with an increase in the number of hotels under management.

Ichigo Owners

Ichigo Owners leverages strong partnerships with developers to design and develop its highly competitive GRAN PASEO residential series, reflecting the diverse needs of tenants and real estate investors. Under this fabless model, Ichigo outsources construction to external developers to reduce development risks and costs, while achieving high capital efficiency, rigorous quality control by its value-add engineering team, and an integrated business approach spanning leasing, product structuring, and sales.

In FY27/2 H1 flow earnings and business profit increased 19% and 39% year-on-year, respectively, driven by asset sales to domestic institutional investors and operating companies. Ichigo Owners is on track to achieve its full-year forecast and expects to generate a record full-year profit via accelerated asset sales in H2.

During FY27/2 H1 Ichigo Owners acquired JPY 30.0 billion of newly built, high-quality residences primarily in central Tokyo. Including assets for which contracts have been executed, acquisitions total JPY 43.9 billion, putting Ichigo Owners on track to achieve its full-year acquisition forecast of JPY 58.0 billion.

Clean Energy

In FY27/2 H1 clean energy power generation revenue (stock earnings) decreased 9% year-on-year and business profit decreased 17% year-on-year, primarily due to temporary shutdowns at some power plants caused by lightning strikes.

In addition to continuing to invest in solar power plants, Ichigo is growing its battery storage business, which provides essential infrastructure for expanding the adoption of renewable energy. Ichigo's first battery storage facility, Ichigo Onjuku Iwawada ECO Battery Storage Plant, began operation in June 2026. Ichigo will continue to diversify its power sources while addressing important issues faced by local communities.

The social significance of the clean energy business is expected to grow in response to global environmental challenges. Ichigo will continue to contribute to realizing a decarbonized society while supporting local communities through its clean energy business.

Ichigo owns and operates a total of 64 power plants with a total generation capacity of 188.2MW.

Strengthening Financial Base to Support Growth

Ichigo continues to strengthen 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.

Ichigo has fixed the interest rates on 51% of its borrowings as of FY27/2 H1-end, thus limiting the impact of higher interest rates.

Ichigo has also increased funding via ESG-linked loans, newly financing JPY 4.2 billion in FY27/2 H1. Ichigo will continue implementing these measures to support its growth as a sustainable infrastructure company.

Shareholder Returns

Flexible Share Buybacks (10 Consecutive Years)

In line with its Ichigo 2030 long-term vision, Ichigo conducts flexible share buybacks to drive shareholder value. During FY27/2 H1 Ichigo conducted a share buyback amounting to JPY 5.1 billion in line with the resolution made in FY26/2.

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

Dividends (FY27/2 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. Ichigo has established a Dividend on Equity (DOE) payout ratio policy paying dividends based upon more stable shareholder equity. Through these measures, Ichigo is working to drive long-term shareholder value with a shareholder return policy that focuses on dividend stability, transparency, and growth, demonstrating its commitment to long-term value growth for its shareholders.

In light of steady progress in building a sustainable earnings base, as well as continued growth in stock earnings, Ichigo has raised its DOE target from 4% to 5% from FY27/2.

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

Ichigo will continue to work to drive long-term shareholder value.

Shareholder Program

In 2019 Ichigo became a J.League Top Partner and launched an Ichigo Shareholder Program that offers free tickets to J.League games to Ichigo, Ichigo Office, Ichigo Hotel, its listed solar power producer Ichigo Green (TSE Infrastructure 9282) shareholders.

With the conclusion of the J.League Top Partner agreement on June 30, 2026, the Ichigo J.League Shareholder Program was discontinued.

Following its conclusion, Ichigo has launched a new Ichigo THANKS! Monthly Present program which offers shareholders every month an opportunity to win special gifts produced by Ichigo's agricultural business via lottery from June 2026. For details of the program, please see the Ichigo THANKS! Monthly Present program page (Japanese only) on Ichigo's website.

Ichigo THANKS! Monthly Present Program Website

www.ichigo.gr.jp/ir/stocks/shareholder_program.html

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, striving to contribute to the formation of a sustainable society.

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 continuing to be Climate Positive and being included in the CDP Climate Change and Water Security A Lists.¹

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 KPIs.

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 social value, addressing important social problems, and protecting the environment through leveraging its value-add expertise.

¹ Carbon Disclosure Project (CDP): A global non-profit that runs the world's only independent environmental disclosure system for companies, capital markets, cities, states, and regions to manage their environmental impacts.

Details of Operating Results

Ichigo recorded FY27/2 H1 revenue of JPY 39.8 billion (-22.0% year-on-year), operating profit of JPY 10.6 billion (-5.7% year-on-year), business profit of JPY 15.5 billion (+2.6% year-on-year), recurring profit of JPY 9.0 billion (-1.0% year-on-year), net income of JPY 8.5 billion (-1.9% year-on-year), and cash net income of JPY 12.1 billion (+9.8% year-on-year).

Definitions

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

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

Segment Earnings Details

(i) Asset Management

Revenue and business profit increased to JPY 2.8 billion (+36.5% year-on-year) and JPY 1.7 billion (+66.4% year-on-year), respectively, on Ichigo Office gains on sale performance fees, while AM base fees from Ichigo Hotel decreased due to lower NOI from the temporary closure of two hotels for renovations.

(ii) Sustainable Real Estate

Due to a drop off of gains from the sale of equity investments recorded in FY26/2 H1, revenue decreased to JPY 9.5 billion (-21.7% year-on-year). However, business profit increased to JPY 7.1 billion (+38.2% year-on-year) driven by gains on the sale of shares of a real estate holding subsidiary and gains on SRE real estate sales.

(iii) Hotel

Revenue increased to JPY 7.8 billion (+4.0% year-on-year), primarily due to contributions from hotels acquired in FY26/2, while business profit decreased to JPY 2.3 billion (-57.5% year-on-year), primarily due to the drop off of gains on hotel sales recorded in FY26/2 H1.

(iv) Ichigo Owners

In contrast to FY26/2 H1, which had a number of bulk asset sales, FY27/2 H1 sales consisted primarily of higher-profitability individual asset sales. As a result, revenue decreased to JPY 16.8 billion (-35.7% year-on-year), while business profit increased to JPY 3.5 billion (+38.7% year-on-year).

(v) Clean Energy

Due to temporary shutdowns at some power plants caused by lightning strikes, revenue and business profit decreased to JPY 3.3 billion (-5.7% year-on-year) and JPY 1.0 billion (-17.0% year-on-year), respectively.

B. Consolidated Income Statement Details

Revenue

Revenue decreased to JPY 39.8 billion (-22.0% year-on-year). While AM performance fees associated with asset sales increased, real estate sales decreased due to a drop off of the Ichigo Owners bulk asset sales in FY26/2 H1.

The revenue breakdown was as follows: real estate sales of JPY 18.2 billion (SRE JPY 2.7 billion, Ichigo Owners JPY 15.4 billion), real estate rental income of JPY 14.9 billion (SRE JPY 5.9 billion, Hotel JPY 7.6 billion, Ichigo Owners JPY 1.4 billion), real estate management fee income of JPY 2.4 billion, and clean energy power production revenue of JPY 3.2 billion.

Operating Profit

Operating profit decreased to JPY 10.6 billion (-5.7% year-on-year), despite higher AM performance fees, due to the dropping out of sales of SRE equity investments recorded in FY26/2 H1 and the expenses associated with hotel renovation work.

Business profit increased to JPY 15.5 billion (+2.6% year-on-year), supported by gains on the sales of SRE real estate fixed assets and equity investments recorded as extraordinary gains.

Non-Operating Income & Expenses

Non-operating income was JPY 1.5 billion (+147.5% year-on-year) due to a year-on-year increase in interest-rate hedging derivative valuation gains (JPY 1.4 billion). Ichigo has executed interest rate swaps and caps to hedge against increased interest rates.

Non-operating expenses totaled JPY 3.1 billion (+11.6% year-on-year) due to an increase in interest expenses resulting from new loans for asset acquisitions.

Interest expenses were JPY 2.7 billion.

Extraordinary Gains & Losses

Extraordinary gains totaled JPY 4.9 billion (+25.0% year-on-year), including a JPY 3.0 billion gain on sale of affiliate shares associated with the sale of shares of a real estate holding subsidiary and JPY 1.9 billion gains on sales of SRE fixed assets.

Extraordinary losses totaled JPY 71 million (-36.7% year-on-year) primarily due to a JPY 57 million loss recorded in allowance for doubtful accounts.

Net Income

Income taxes totaled JPY 5.3 billion and net income attributable to minority interests totaled JPY 4 million. As a result, net income decreased to JPY 8.5 billion (-1.9% year-on-year). Cash net income increased to JPY 12.1 billion (+9.8% year-on-year).

C. Cash Flows

FY27/2 H1-end cash and cash equivalents amounted to JPY 39.2 billion, a JPY 2.8 billion decrease from FY26/2-end JPY 42.0 billion.

Cash Flows from Operations

Net cash from operations was -JPY 16.9 billion (vs. -JPY 3.7 billion in FY26/2 H1), primarily attributable to a FY27/2 H1 pre-tax profit of JPY 13.8 billion, offset by an increase in real estate for sale of JPY 22.9 billion resulting from asset acquisitions, interest payments of JPY 2.6 billion, and income taxes paid of JPY 7.7 billion.

Cash Flows from Investments

Net cash from investments was JPY 8.3 billion (vs. JPY 4.0 billion in FY26/2 H1), primarily attributable to proceeds from sale of property, plant, and equipment of JPY 3.7 billion, proceeds from sale of securities investments of JPY 2.2 billion, payments received for loans receivable of JPY 1.8 billion, and proceeds from the sale of shares in a subsidiary accompanying a change in the scope of consolidation of JPY 8.1 billion, offset by acquisitions of property, plant, and equipment of JPY 6.1 billion and payments of loans receivable of JPY 995 million.

Cash Flows from Financing

Net cash from financing was JPY 5.9 billion (vs. JPY 4.2 billion in FY26/2 H1), primarily attributable to an increase in short-term loans of JPY 3.5 billion and proceeds from long-term loans of JPY 40.7 billion, offset by long-term loan repayments of JPY 30.8 billion, a share buyback of JPY 5.2 billion, and dividend payments of JPY 4.5 billion.

(2) Financial Condition

Assets

Total assets amounted to JPY 445.6 billion, an increase of JPY 9.8 billion (+2.3% vs. FY26/2-end).

This was primarily due to a JPY 21.6 billion increase in real estate for sale as a result of asset acquisitions, primarily residential assets, while property, plant, and equipment decreased by JPY 3.9 billion, operational securities investments by JPY 3.0 billion, and securities investments by JPY 2.8 billion, primarily due to sales.

Liabilities

Total liabilities amounted to JPY 330.3 billion, an increase of JPY 11.2 billion (+3.5% vs. FY26/2-end).

This was primarily due to a JPY 12.7 billion increase in loans used for asset acquisitions and growth investments.

Net Assets

Total net assets amounted to JPY 115.4 billion, a decrease of JPY 1.4 billion (-1.2% vs. FY26/2-end).

This was primarily due to dividend payments of JPY 4.6 billion and a JPY 5.2 billion share buyback, which exceeded JPY 8.5 billion in net income. Ichigo's shareholders' equity ratio was 25.7% (-0.9pt vs. FY26/2-end).

(3) Explanation of Consolidated Earnings Forecasts

No change from the FY27/2 consolidated earnings forecast presented in the April 14, 2026 release "FY26/2 Earnings."

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

2. Consolidated Financial Statements

Consolidated Balance Sheet (FY27/2 H1)

(JPY million)

	FY26/2 (Feb 28, 2026)	FY27/2 H1 (Aug 31, 2026)
Assets		
Current Assets		
Cash and deposits	42,059	39,223
Accounts receivable	4,079	4,731
Operational loan investments	1,324	1,324
Operational securities investments	3,180	219
Real estate for sale	176,904	198,537
Other	8,303	8,171
Less: allowance for doubtful accounts	-59	-49
Total Current Assets	235,792	252,158
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	59,558	65,427
Accumulated depreciation	-15,728	-16,046
Buildings and structures (net)	43,829	49,380
Solar and wind power plants	39,463	39,851
Accumulated depreciation	-13,851	-14,855
Solar and wind power plants (net)	25,611	24,996
Land	88,432	84,245
Buildings and structures under construction	6,327	1,591
Solar and wind power plants under construction	748	743
Other	3,179	3,417
Accumulated depreciation	-2,093	-2,263
Other (net)	1,086	1,153
Total Property, Plant, and Equipment	166,035	162,111
Intangible Assets		
Goodwill	460	417
Leasehold rights	827	428
Other	83	109
Total Intangible Assets	1,371	955
Investments and Other Assets		
Securities investments	22,149	19,337
Long-term loans receivable	267	340
Deferred tax assets	2,220	481
Other	9,068	11,420
Less: allowance for doubtful accounts	-1,084	-1,157
Total Investments and Other Assets	32,621	30,422
Total Fixed Assets	200,028	193,489
Total Assets	435,820	445,648

(JPY million)

	FY26/2 (Feb 28, 2026)	FY27/2 H1 (Aug 31, 2026)
Liabilities		
Current Liabilities		
Short-term loans	6,421	9,907
Bonds (due within one year)	2,162	162
Long-term loans (due within one year)	24,082	14,534
Long-term non-recourse loans (due within one year)	18,062	15,209
Income taxes payable	6,040	3,205
Current year employee bonus accrual	300	671
Provision for loss on debt guarantees	36	38
Other current liabilities	5,740	4,218
Total Current Liabilities	62,848	47,947
Long-Term Liabilities		
Bonds	7,812	12,430
Long-term loans	213,596	232,914
Long-term non-recourse loans	25,090	27,405
Deferred tax liabilities	1,479	1,219
Provision for loss on debt guarantees	345	332
Long-term security deposits received	7,587	7,692
Other long-term liabilities	305	311
Total Long-Term Liabilities	256,218	282,308
Total Liabilities	319,066	330,255
Net Assets		
Shareholders' Equity		
Capital	27,012	27,126
Capital reserve	10,429	10,548
Retained earnings	81,909	85,748
Treasury shares	-5,467	-10,605
Total Shareholders' Equity	113,884	112,818
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	1,664	1,182
Deferred gains (losses) on long-term interest rate hedges	547	709
Total Accumulated Other Comprehensive Income	2,212	1,891
Stock Options	559	585
Minority Interests	97	97
Total Net Assets	116,754	115,393
Total Liabilities and Net Assets	435,820	445,648

Consolidated Income Statement (FY27/2 H1)

(JPY million)

	FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)	FY27/2 H1 (Mar 1, 2026 to Aug 31, 2026)
Revenue	51,024	39,817
Cost of Goods Sold	35,017	24,564
(Depreciation amount included in COGS)	2,245	2,459
Gross Profit	16,006	15,252
SG&A	4,745	4,630
Operating Profit	11,261	10,621
Non-Operating Income		
Interest income	30	40
Dividend income	12	2
Mark-to-market gains on long-term interest rate hedges	517	1,382
Other	28	31
Total Non-Operating Income	588	1,456
Non-Operating Expenses		
Interest expense	2,050	2,676
Foreign exchange loss	199	1
Equity-method loss	215	—
Mark-to-market losses on long-term interest rate hedges	159	153
Debt financing-related fees	15	117
Other	161	176
Total Non-Operating Expenses	2,802	3,125
Recurring Profit	9,047	8,952
Extraordinary Gains		
Gains on sale of fixed assets	3,422	1,887
Gains on sale of securities investments	407	0
Gains on sale of shares in affiliates	—	3,017
Other	119	29
Total Extraordinary Gains	3,949	4,934
Extraordinary Loss		
Loss on removal of fixed assets	1	—
Loss on sale of fixed assets	—	14
Loss on sale of securities investments	74	—
Allowance for doubtful accounts	—	57
Impairment loss	35	—
Other	1	—
Total Extraordinary Loss	113	71
Pre-Tax Income	12,883	13,815
Total Income Taxes	4,144	5,348
Pre-Minority Interest Net Income	8,739	8,466
Net Income Attributable to Minority Interests	114	4
Net Income	8,624	8,462

Consolidated Income Statement (FY27/2 Q2 Stand-Alone)

(JPY million)

	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)	FY27/2 Q2 (Jun 1, 2026 to Aug 31, 2026)
Revenue	38,537	29,319
Cost of Goods Sold	28,365	19,011
(Depreciation amount included in COGS)	1,114	1,242
Gross Profit	10,172	10,308
SG&A	2,379	2,273
Operating Profit	7,792	8,034
Non-Operating Income		
Interest income	29	35
Dividend income	11	2
Mark-to-market gains on long-term interest rate hedges	273	903
Other	16	20
Total Non-Operating Income	331	961
Non-Operating Expenses		
Interest expense	1,056	1,400
Foreign exchange loss	93	—
Equity-method loss	116	—
Mark-to-market losses on long-term interest rate hedges	46	—
Debt financing-related fees	11	8
Other	80	82
Total Non-Operating Expenses	1,405	1,491
Recurring Profit	6,719	7,504
Extraordinary Gains		
Gains on sale of fixed assets	2,640	658
Gains on sale of securities investments	—	—
Other	1	11
Total Extraordinary Gains	2,641	669
Extraordinary Loss		
Allowance for doubtful accounts	—	—
Other	—	—
Total Extraordinary Loss	—	—
Pre-Tax Income	9,361	8,173
Total Income Taxes	3,010	2,593
Pre-Minority Interest Net Income	6,350	5,580
Net Income Attributable to Minority Interests	57	2
Net Income	6,292	5,578

Consolidated Statement of Comprehensive Income (FY27/2 H1)

(JPY million)

	FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)	FY27/2 H1 (Mar 1, 2026 to Aug 31, 2026)
Pre-Minority Interest Net Income	8,739	8,466
Other Comprehensive Income		
Valuation gains (losses) on other securities	2,138	-482
Deferred gains (losses) on long-term interest rate hedges	113	161
Share of other comprehensive income of equity method affiliates	110	—
Total Other Comprehensive Income	2,362	-321
Comprehensive Income	11,101	8,145
Comprehensive income attributable to common shareholders	10,986	8,140
Comprehensive income attributable to minority interests	114	4

Consolidated Cash Flow Statement (FY27/2 H1)

(JPY million)

	FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)	FY27/2 H1 (Mar 1, 2026 to Aug 31, 2026)
Cash Flows from Operations:		
Pre-tax income	12,883	13,815
Depreciation	2,319	2,535
Amortization of goodwill	65	42
Increase (decrease) in current year employee bonus accrual	354	399
Increase (decrease) in allowance for doubtful accounts	-292	62
Interest and dividend income	-42	-43
Interest expense	2,050	2,676
Forex losses (gains)	199	1
Losses (gains) on investment in equity-method affiliates	215	—
Losses (gains) on sale of shares in affiliates	—	-3,017
Losses (gains) on sale of securities investments	-332	—
Loss on removal of fixed assets	1	—
Losses (gains) on sales of fixed assets	-3,422	-1,873
Impairment loss	35	—
Decrease (increase) in trading notes and receivables	792	-663
Decrease (increase) in operational securities investments	-204	3,083
Decrease (increase) in real estate for sale	-9,014	-22,873
Decrease (increase) in advances paid	254	—
Decrease (increase) in prepaid expenses	-372	-955
Decrease (increase) in accounts receivable	14	7
Decrease (increase) in consumption taxes receivable	-8	941
Increase (decrease) in accounts payable	-1,183	-1,573
Increase (decrease) in accrued expenses	-269	-35
Increase (decrease) in advances received	-6	21
Increase (decrease) in deposits received	191	-80
Increase (decrease) in security deposits received	63	300
Increase (decrease) in accrued consumption taxes	-710	176
Other	-235	369
Sub-Total	3,347	-6,679
Interest and dividends received	42	43
Interest expense paid	-1,990	-2,630
Income taxes paid	-5,066	-7,691
Income taxes refunded	—	19
Net Cash from (Used for) Operations	-3,666	-16,938

(JPY million)

	FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)	FY27/2 H1 (Mar 1, 2026 to Aug 31, 2026)
Cash Flows from Investments:		
Payments into time deposits	-221	—
Redemptions of time deposits	80	—
Payments for securities investments	-40	-80
Proceeds from sale of securities investments	407	2,200
Proceeds from redemption of securities investments	40	—
Acquisition of property, plant, and equipment	-4,117	-6,141
Proceeds from sale of property, plant, and equipment	8,764	3,693
Acquisition of intangible assets	-66	-48
Payments of SPC capital contributions	—	-250
Payments of security deposits	—	-1
Proceeds from subsidiary sale associated with change in consolidated scope	—	8,098
Payments of loans receivable	-2,476	-995
Payments received for loans receivable	1,670	1,823
Other	-61	25
Net Cash from (Used for) Investments	3,978	8,323

(JPY million)

	FY26/2 H1 (Mar 1, 2025 to Aug 31, 2025)	FY27/2 H1 (Mar 1, 2026 to Aug 31, 2026)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	9,063	3,486
Proceeds from bond issuance	—	4,681
Repayment of maturing bond principal to bondholders	-151	-2,081
Proceeds from long-term loans	30,393	40,662
Repayment of long-term loans	-24,876	-30,766
Proceeds from long-term non-recourse loans	—	3,000
Repayment of long-term non-recourse loans	-864	-3,538
Proceeds from exercise of stock options	6	198
Share buyback	-4,999	-5,163
Dividends paid	-4,391	-4,538
Dividends paid to minority interests	-3	-4
Net Cash from (Used for) Financing	4,175	5,936
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	6
Increase (Decrease) in Cash and Cash Equivalents	4,488	-2,672
Cash and Cash Equivalents at Beginning of Period	42,576	42,019
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	—	-123
Cash and Cash Equivalents at End of Period	47,065	39,223

Consolidated Cash Flow Statement (FY27/2 Q2 Stand-Alone)

(JPY million)

	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)	FY27/2 Q2 (Jun 1, 2026 to Aug 31, 2026)
Cash Flows from Operations:		
Pre-tax income	9,361	8,173
Depreciation	1,143	1,280
Amortization of goodwill	32	21
Increase (decrease) in current year employee bonus accrual	180	239
Increase (decrease) in allowance for doubtful accounts	–	1
Interest and dividend income	-41	-37
Interest expense	1,056	1,400
Forex losses (gains)	93	–
Losses (gains) on investment in equity-method affiliates	116	–
Losses (gains) on sale of securities investments	–	–
Losses (gains) on sales of fixed assets	-2,640	-658
Decrease (increase) in trading notes and receivables	410	-619
Decrease (increase) in operational securities investments	-204	163
Decrease (increase) in real estate for sale	5,372	147
Decrease (increase) in advances paid	-145	-40
Decrease (increase) in prepaid expenses	108	-6
Decrease (increase) in accounts receivable	-14	73
Decrease (increase) in consumption taxes receivable	181	1,780
Increase (decrease) in accounts payable	313	-24
Increase (decrease) in accrued expenses	–	-75
Increase (decrease) in advances received	-6	-44
Increase (decrease) in deposits received	-572	-206
Increase (decrease) in security deposits received	11	95
Increase (decrease) in accrued consumption taxes	-262	171
Other	-129	-786
Sub-Total	14,365	11,051
Interest and dividends received	41	37
Interest expense paid	-1,124	-1,425
Income taxes paid	-188	-148
Income taxes refunded	–	19
Net Cash from (Used for) Operations	13,095	9,535

(JPY million)

	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)	FY27/2 Q2 (Jun 1, 2026 to Aug 31, 2026)
Cash Flows from Investments:		
Payments into time deposits	-221	—
Proceeds from sale of securities investments	—	2,200
Proceeds from redemption of securities investments	40	—
Acquisition of property, plant, and equipment	-2,043	-4,416
Proceeds from sale of property, plant, and equipment	6,750	1,650
Acquisition of intangible assets	-31	-21
Payments of SPC capital contributions	—	-250
Payments of security deposits	—	-1
Payments of loans receivable	-1,037	-651
Payments received for loans receivable	800	1,348
Other	-2	33
Net Cash from (Used for) Investments	4,253	-110

(JPY million)

	FY26/2 Q2 (Jun 1, 2025 to Aug 31, 2025)	FY27/2 Q2 (Jun 1, 2026 to Aug 31, 2026)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	5,695	-792
Proceeds from bond issuance	—	4,681
Repayment of maturing bond principal to bondholders	-40	-2,040
Proceeds from long-term loans	8,705	12,958
Repayment of long-term loans	-20,919	-18,184
Repayment of long-term non-recourse loans	-745	-735
Proceeds from exercise of stock options	4	3
Share buyback	-2,560	-306
Dividends paid	-52	-47
Dividends paid to minority interests	-2	-2
Net Cash from (Used for) Financing	-9,915	-4,465
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	7,433	4,959
Cash and Cash Equivalents at Beginning of Period	39,631	34,263
Cash and Cash Equivalents at End of Period	47,065	39,223

Notes to the FY27/2 H1 Consolidated Financial Statements

Notes on Accounting Treatment Specific to H1 Consolidated Financial Statements

Calculation of Tax Expenses

Ichigo uses a reasonable estimate of the effective tax rate based on Pre-Tax Income for the fiscal year, including the H1 of the fiscal year, after applying tax effect accounting. FY27/2 H1 tax expenses are then calculated by applying this effective tax rate to Pre-Tax Income.

Notes to the Consolidated Balance Sheet

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.

FY27/2 H1 (August 31, 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 the Consolidated Income Statement

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

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

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

FY27/2 H1 (Mar 1, 2026 to Aug 31, 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 the Consolidated Statement of Comprehensive Income

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

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

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

FY27/2 H1 (Mar 1, 2026 to Aug 31, 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

Overview of Reporting Segments

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

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

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

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

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

Revenue, P&L, and Assets by Segment (Current FY27/2 H1)

(Mar 1, 2026 to Aug 31, 2026)

(JPY million)

	Segment						Adjustment ³	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	2,474	9,493	7,785	16,807	3,256	39,817	—	39,817
Inter-Segment Activities or Reclassifications	285	50	10	—	—	346	-346	—
Total	2,760	9,544	7,795	16,807	3,256	40,163	-346	39,817
Operating Profit	1,713	2,222	2,250	3,463	1,006	10,656	-34	10,621
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains ²	—	4,893	—	—	—	4,893	—	4,893
Segment P&L (Business Profit) ¹	1,713	7,115	2,250	3,463	1,006	15,549	-34	15,514
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.) ⁴	954	2,742	2,250	652	1,006	7,605	—	—
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.) ⁴	759	4,373	—	2,810	—	7,943	—	—
Segment Assets	2,981	186,809	100,434	91,705	34,606	416,538	29,110	445,648
Other								
Depreciation	—	789	683	—	1,009	2,483	52	2,535
Increase in Property, Plant, and Equipment and Intangible Assets	—	4,705	160	—	463	5,329	18	5,348

¹ Segment P&L (Business 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 34 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 29,110 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 52 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 18 million) reflects corporate assets that were not allocated to the segments.
- ⁴ SG&A expenses are allocated between stock and flow earnings based on their respective revenues, and are reflected in the calculation of each earnings category.

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

N/A

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

(Mar 1, 2025 to Aug 31, 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	1,835	12,113	7,493	26,129	3,452	51,024	—	51,024
Inter-Segment Activities or Reclassifications	186	74	—	—	—	260	-260	—
Total	2,022	12,187	7,493	26,129	3,452	51,285	-260	51,024
Operating Profit	1,029	3,919	2,650	2,496	1,211	11,308	-47	11,261
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains ²	—	1,227	2,639	—	—	3,867	—	3,867
Segment P&L (Business Profit) ¹	1,029	5,147	5,290	2,496	1,211	15,176	-47	15,128
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.) ⁴	788	2,697	2,963	264	1,211	7,925	—	—
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.) ⁴	240	2,450	2,327	2,232	—	7,251	—	—
Segment Assets	1,767	202,618	87,902	56,598	39,043	387,929	32,260	420,190
Other								
Depreciation	—	711	562	—	1,001	2,276	43	2,319
Impairment loss	—	35	—	—	—	35	—	35
Increase in Property, Plant, and Equipment and Intangible Assets	—	576	3,204	—	140	3,921	124	4,046

- ¹ Segment P&L (Business Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains
- ² 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 47 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 32,260 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 43 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 124 million) reflects corporate assets that were not allocated to the segments.
- ⁴ SG&A expenses are allocated between stock and flow earnings based on their respective revenues, and are reflected in the calculation of each earnings category.

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

Omitted due to immateriality.

Notes to the Significant Changes in Shareholders' Equity

N/A

Going Concern

N/A