FY20/2 Q1 Corporate Presentation

July 11, 2019

Ichigo (2337)

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Make The World More Sustainable

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FY20/2 Q1 Earnings

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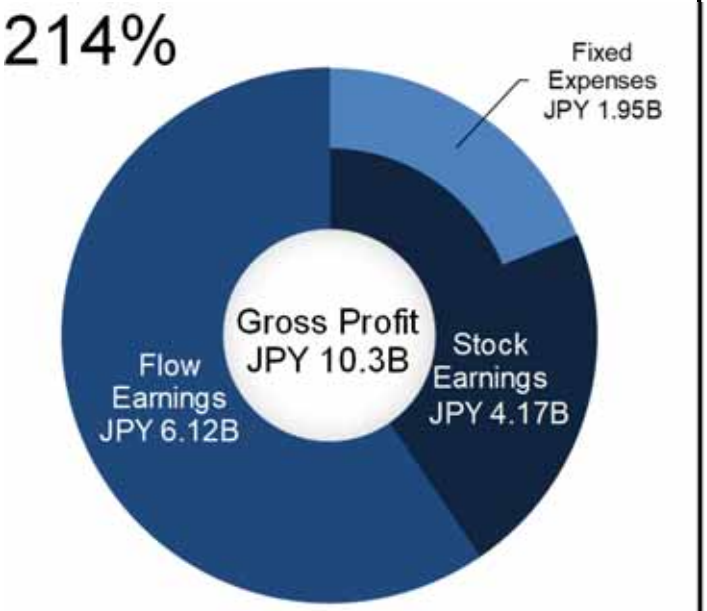
FY20/2 Q1 Summary

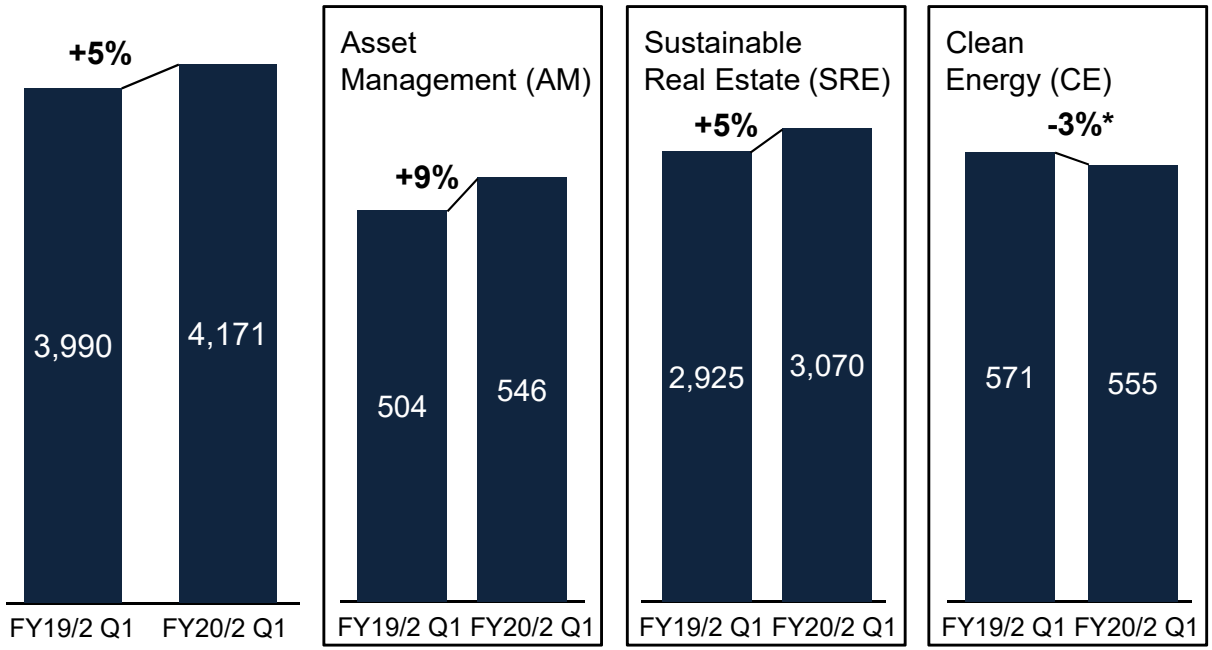
Durable Earnings Model

Stock Earnings/Fixed Expenses



Stock Earnings Growth

(Gross Profit: JPY M)



* Due to increased tax burden from full-year operation of Showamura plant

Strong SRE Flow Earnings

- Q1 Asset Sales: JPY 19.6B
- Gains on Sales: +66% YOY; 2.9X Unrealized Gains
- GPM: 29%

Note: The Sustainable Real Estate segment was formerly called Value-Add.

Share Buyback

- Amount: JPY 3B (maximum)
- Number of Shares: 10,000,000 (maximum)
- Buyback Period: July 12, 2019 – October 11, 2019

Anime + Real Estate

- New anime series written and directed by Mamoru Oshii (Ghost in the Shell) and co-directed by Junji Nishimura
- Increase value of AKIBA CULTURES ZONE, Ichigo's major retail asset in Akihabara, by embedding it in new anime series
- New non-asset earnings stream via sales of anime-related goods

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Operating Profit +43%, Net Income +34%, EPS +37% (YOY)

Significant Increases YOY – On Track to Achieve Full-Year Forecast

(JPY million)

	FY19/2 Q1	FY20/2 Q1	YOY	Full-Year Forecast
Operating Profit	**5,992**	**8,537**	**+42.5%**	**26,500**
Recurring Profit	**5,217**	**7,607**	**+45.8%**	**22,800**
Net Income	**3,547**	**4,768**	**+34.4%**	**15,000**
EPS	**JPY 7.15**	**JPY 9.76**	**+36.5%**	**JPY 30.39**

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Segment Earnings Details

- Asset Management: Base AM Fees +9% YOY
- Sustainable Real Estate: Rental Income +5% YOY
  Gains on Sale +66% YOY
- Clean Energy: Power Generation Gross Profit -3% on Increased Tax Burden from Full-Year Operation of Showamura Power Plant

(JPY million)

Segment	Operating Profit				Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY19/2 Q1 (Actual)	FY20/2 Q1 (Actual)	YOY	Full-Year Forecast	
Asset Management (AM)	**454**	**519**	**+14.4%**	**1,821**	Base AM Fees 522 (+41) Acquisition/Disposition Fees 11 (-31) Ichigo Office Cash Flow Performance Fees 67 (+67) Ichigo Green Operator Fees 13 (-1)
Sustainable Real Estate (SRE)	**5,105**	**7,644**	**+49.7%**	**23,312**	Rental Income 3,070 (+145) Gains on Sales 5,678 (+2,267) Gains on Overseas Sales 373 (+373)
Clean Energy (CE)	**421**	**377**	**-10.3%**	**1,367**	Power Generation Revenue 555 (-16)
Adjustment (including offsets of cross-segment transactions)	**11**	**-5**	**–**	**–**	
Total	**5,992**	**8,537**	**+42.5%**	**26,500**	

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Powerful Value-Add Business Model Underpins Growth

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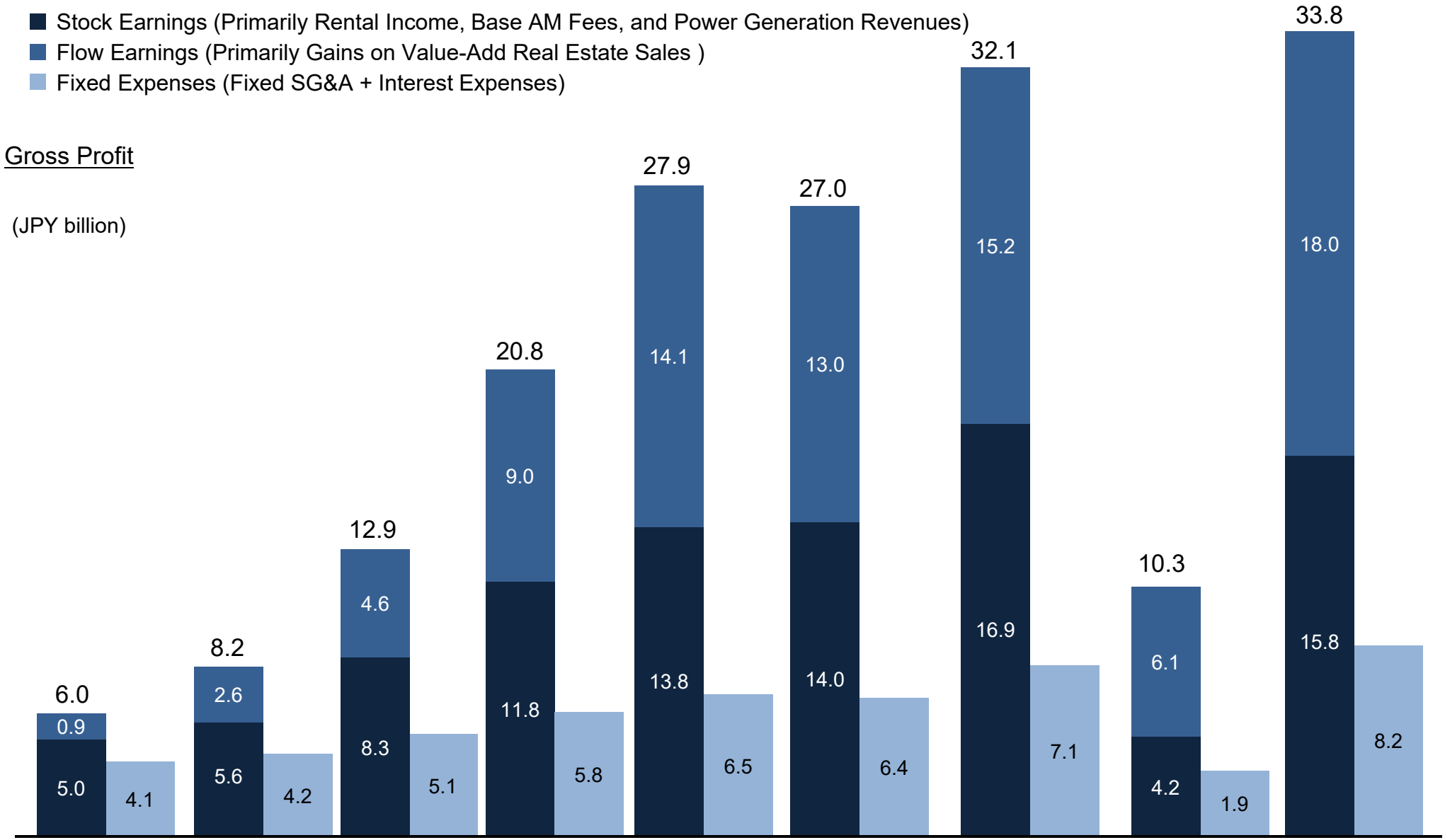
Business Model (1) Stock + Flow Earnings



Note: From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. Data from FY13/2 to FY18/2 has been restated using this new accounting treatment to facilitate accurate YOY comparisons.

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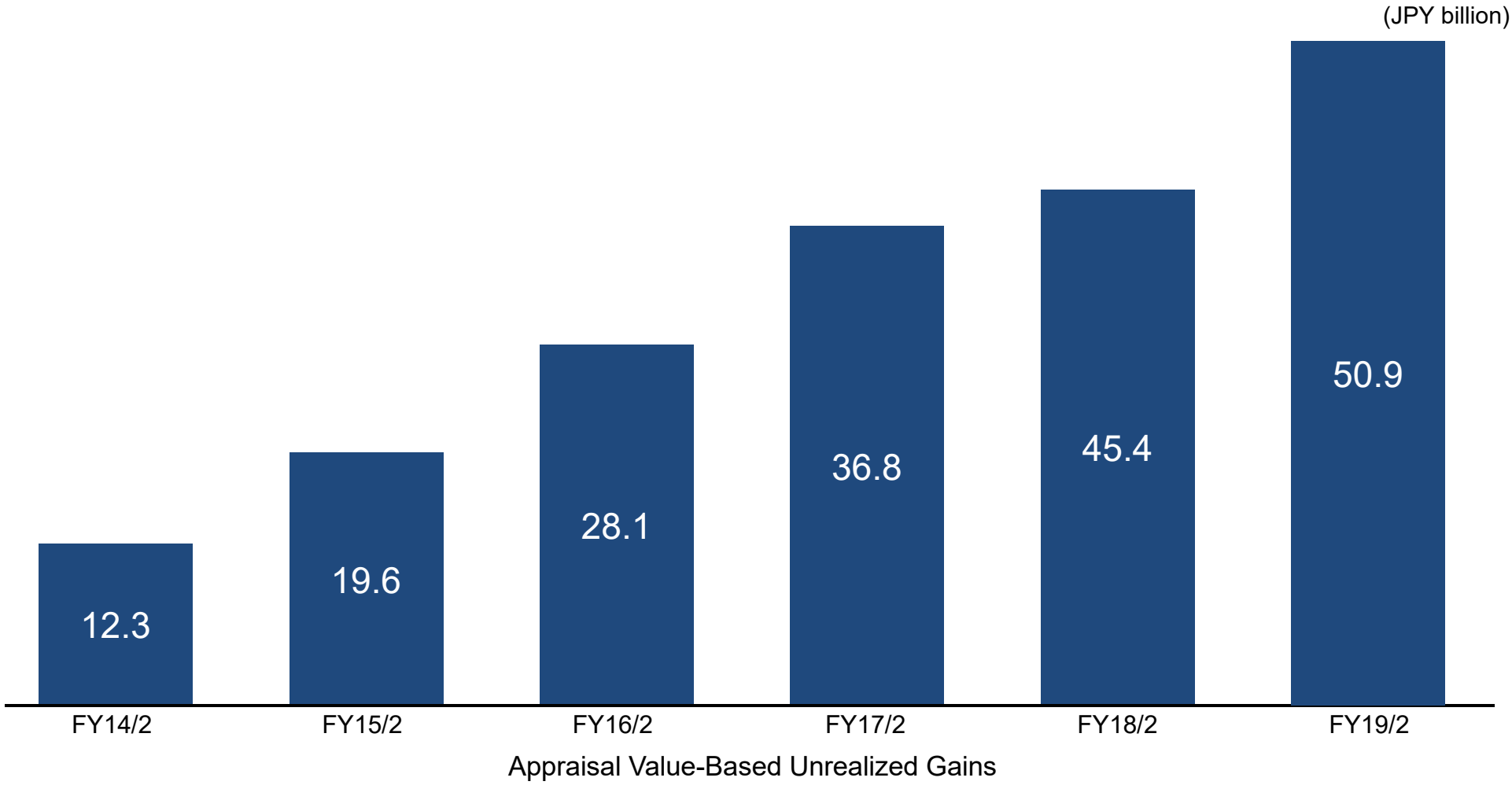
Business Model (2) Embedded Forward Earnings

Full Economic Earnings From Value-Add Exceed Accounting Earnings Value-Add Thus Generates Significant Unrealized Gains that are an “Earnings Bank” for Future Periods



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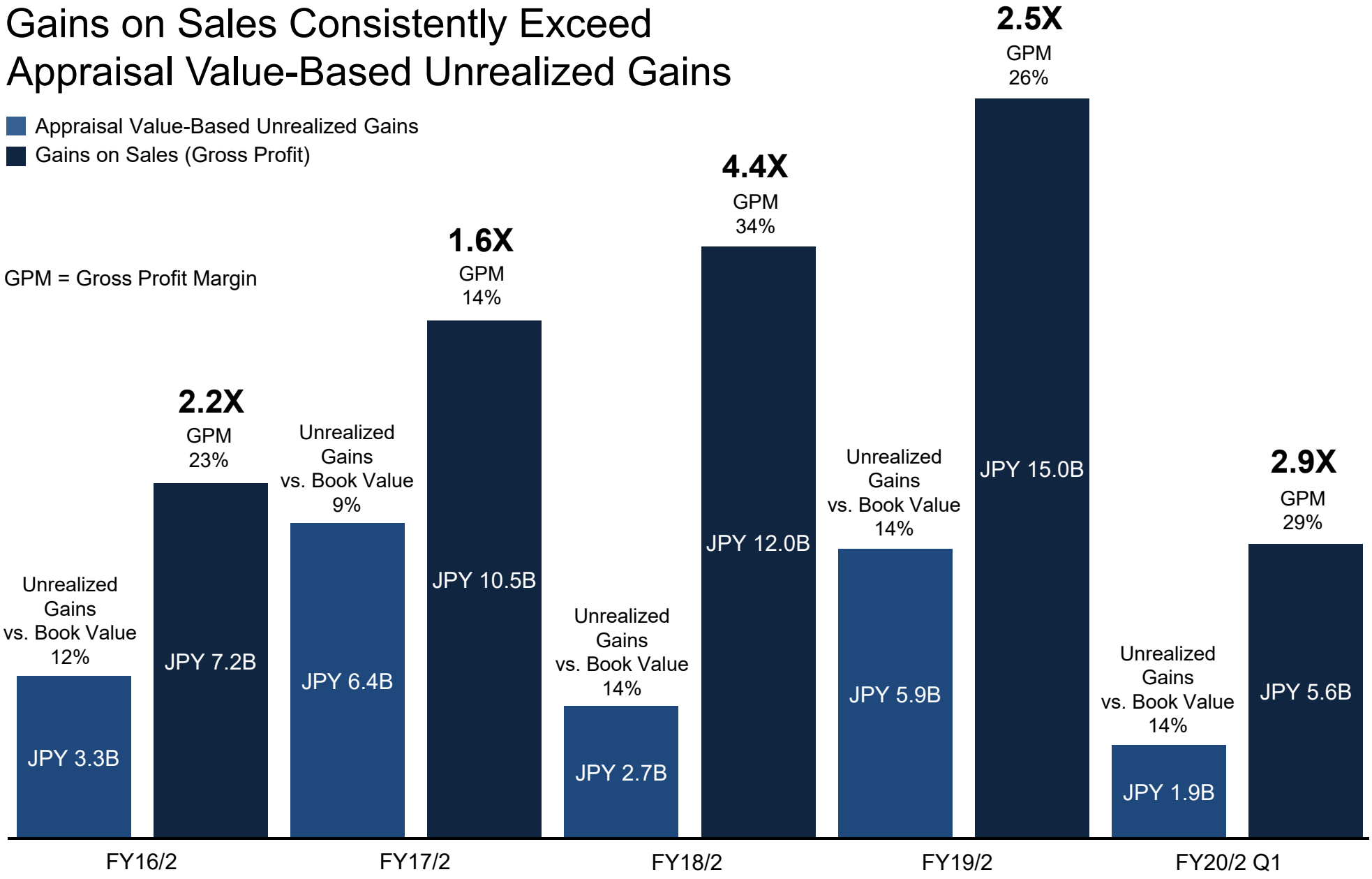
Business Model (3) Value-Add Drives Durable Value Growth

Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains



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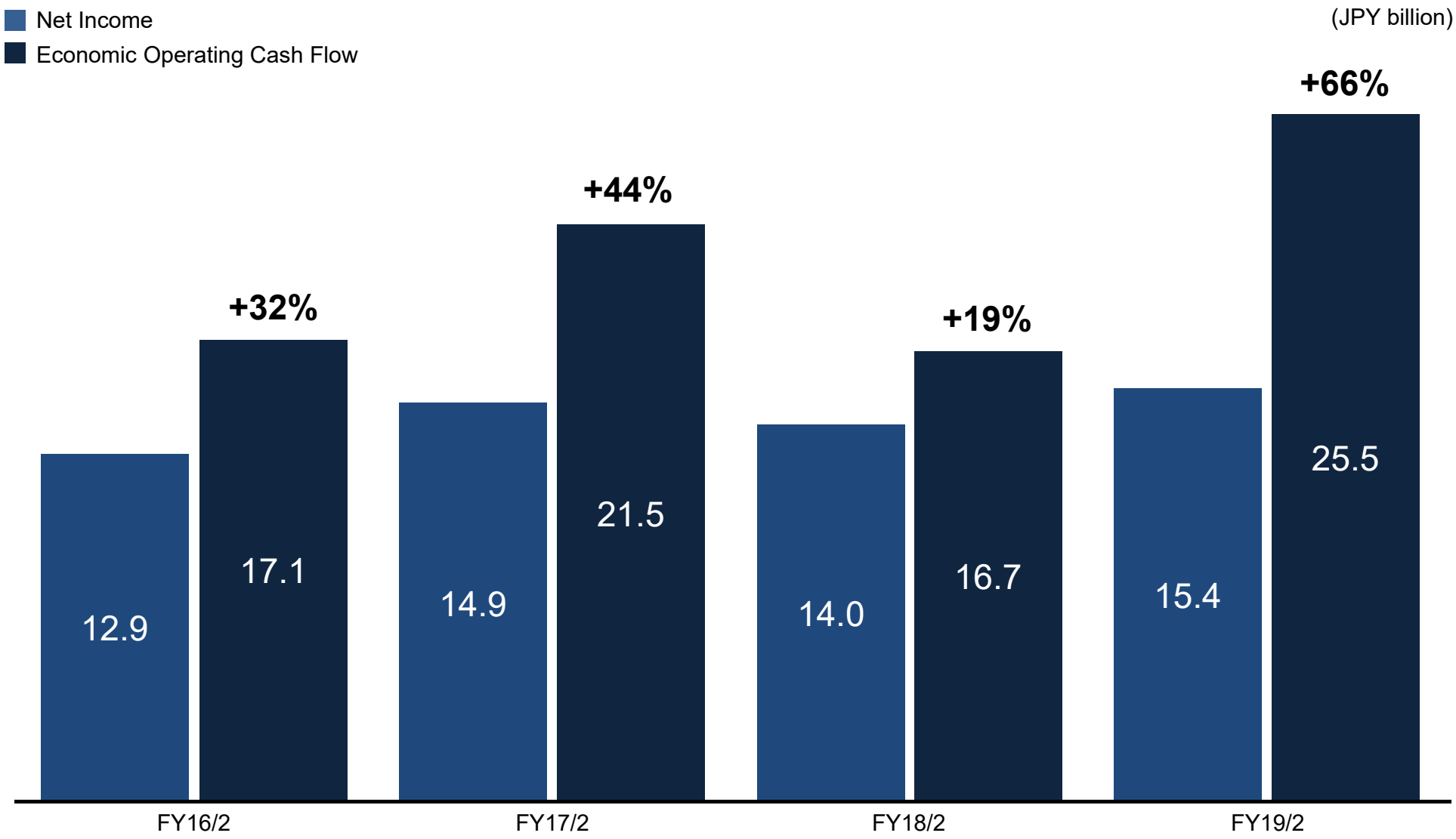
Business Model (4) Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income



Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net investment in Real Estate and Power Plants for Sale

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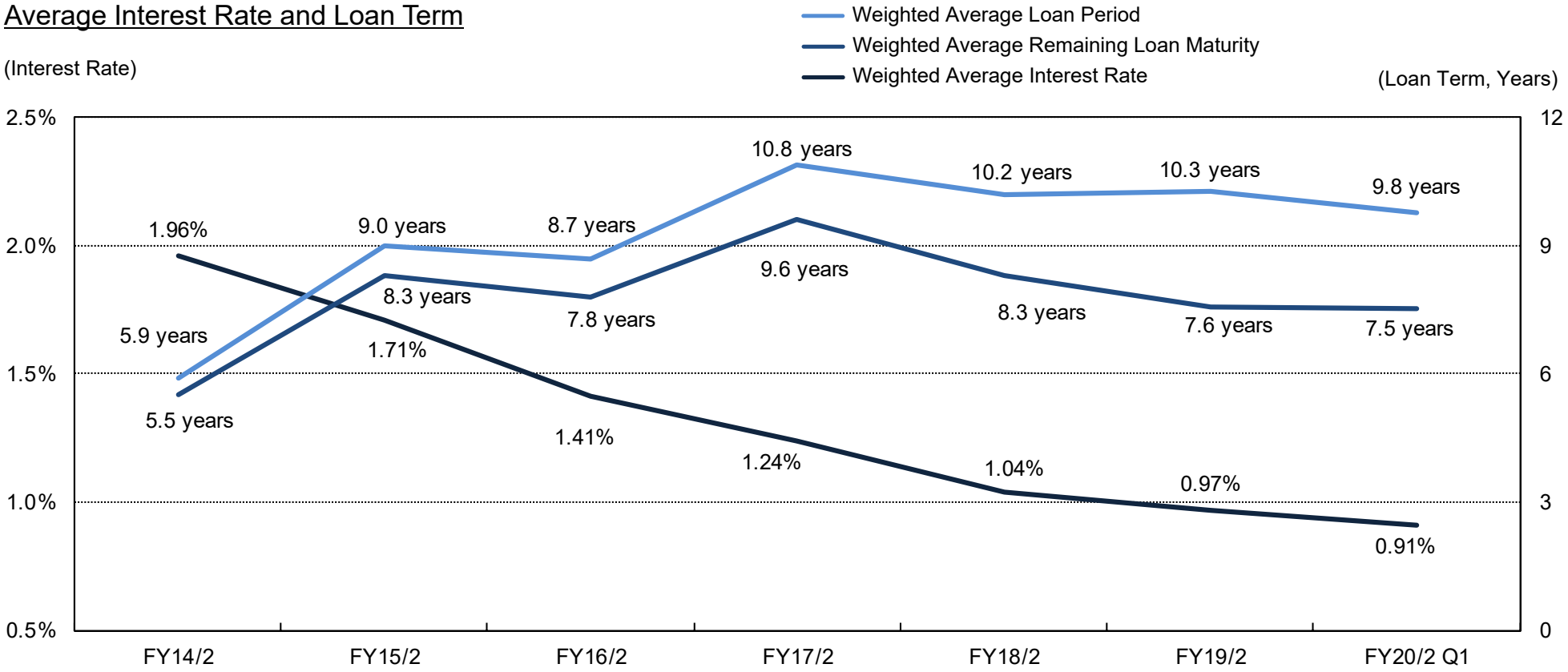
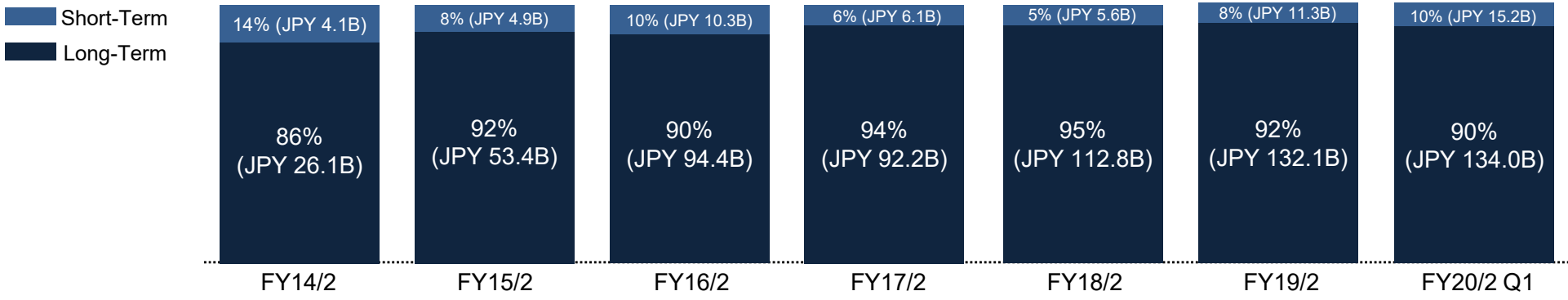
Strong Financial Base

Average Interest Rate and Loan Term



Term Structure of Loans



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New Uncollateralized 10 Year Commitment Line

New JPY 10B Mizuho Bank-Led 10 Year Commitment Line

- Total JPY 20B, including JPY 10B Mizuho Bank line initiated last September
- Ongoing, revolving credit line
- Enables Ichigo to flexibly and repeatedly borrow within the commitment line amount

Lenders	Mizuho Bank-led syndicate
Commitment Line Amount	JPY 10B
Use of Proceeds	Real estate acquisitions
Drawdown Period	June 28, 2019 to June 30, 2022 (3 years)
Loan Final Repayment Date	June 29, 2029 (10 years)

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Sustainable Growth as a Sustainable Infrastructure Company

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Growth Support for TSE REITs & YieldCo

Office

Ichigo Office (8975)

IPO
October 12, 2005

Portfolio
85 Assets JPY 203.2B

Dividend Yield (as of 2019/7/5)
4.1%

Characteristics

- Specialized Office REIT focused on mid-size offices driving stable earnings growth and tenant satisfaction
- 18 consecutive periods of dividend growth, No. 1 among all J-REITs



Growth Support

Provided a high-quality Hakata office asset

Hotel

Ichigo Hotel (3463)

IPO
November 30, 2015

Portfolio
22 Hotels JPY 52.9B

Dividend Yield (as of 2019/7/5)
4.8%

Characteristics

- Specialized Hotel REIT focused on stay-only hotels, a hotel type that is in high demand and has earnings potential, to drive income stability and earnings growth
- First (and only) J-REIT to adopt a no fixed-fee, performance fee-only structure



Growth Support

Provided a hotel to support increased NOI and diversify portfolio

Green Infrastructure

Ichigo Green (9282)

IPO
December 1, 2016

Portfolio
15 Plants JPY 11.4B

Dividend Yield (as of 2019/7/5)
5.7%

Characteristics

- Solar YieldCo focused on driving shareholder value via income stability and earnings growth and contributing to Japan's self-sufficiency in clean energy
- Japan's first 10-year earnings forecast



Growth Support

Operating all plants and providing ongoing performance guarantee

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Selective on Acquisitions and Sales

- Continuing Sellers' Market – FY20/2 Q1 Gross Profit Margin: 29%
- Ichigo Owners

  Acquisitions: JPY 8.91B (43% of total); Sales: JPY 377M (2%)

  (Sales Seasonality due to Client Acquisition Activity Concentrated in H2)

FY20/2 Q1 Net Acquisitions of JPY 1B

(JPY million)

	Acquisitions		Sales		Difference (A) - (B)
	No. of Assets	Book Value (A)	No. of Assets	Sale Price (B)	
Office	3	6,131	4	6,040	+91
Hotel	–	–	3	4,994	-4,994
Retail	–	–	2	7,182	-7,182
Residence	14	10,704	4	1,178	+9,526
Logistics	1	2,374	–	–	+2,374
Ground Lease	1	69	1	159	-90
Other	3	1,274	–	–	+1,274
Total	**22**	**20,553**	**14**	**19,553**	**+1,000**

Note: Book value of sold assets is JPY 13,892 million.

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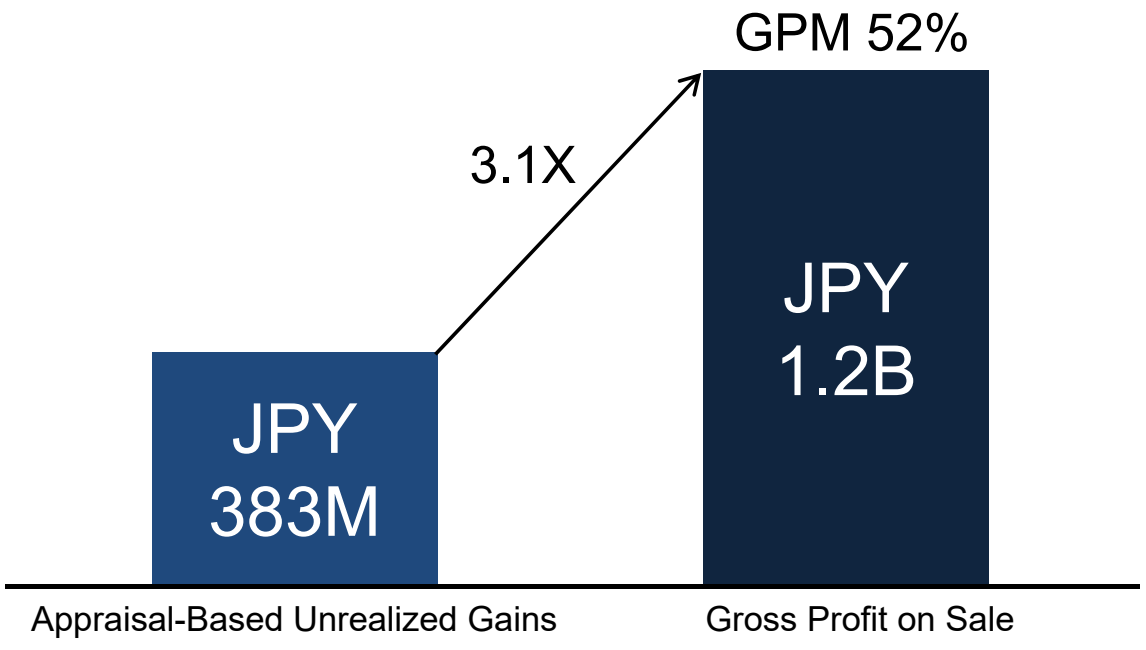
Retail Asset Sold in Q1

Holding Period	5 years
Location	Retail district near Harajuku Station
	Located along side street, resulting in lack of visibility
Value-Add	Acquired & fully leased up vacant building following departure of its sole tenant
	Executed fixed-term leases with new tenants to create flexibility to re-tenant

Gain on Sale > Unrealized Gains



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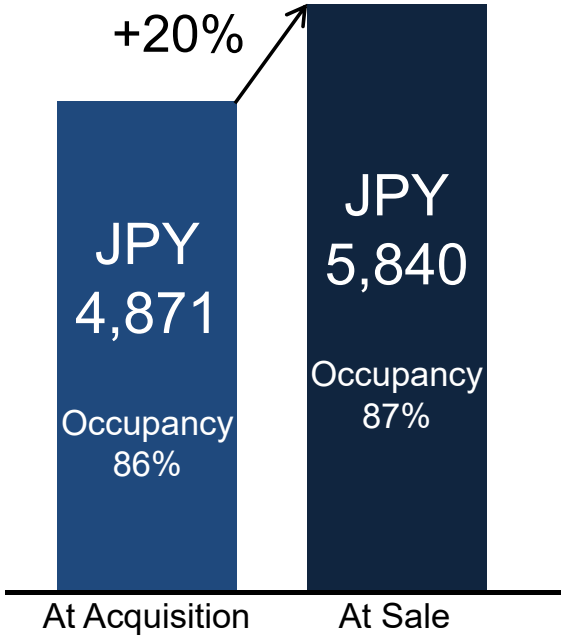
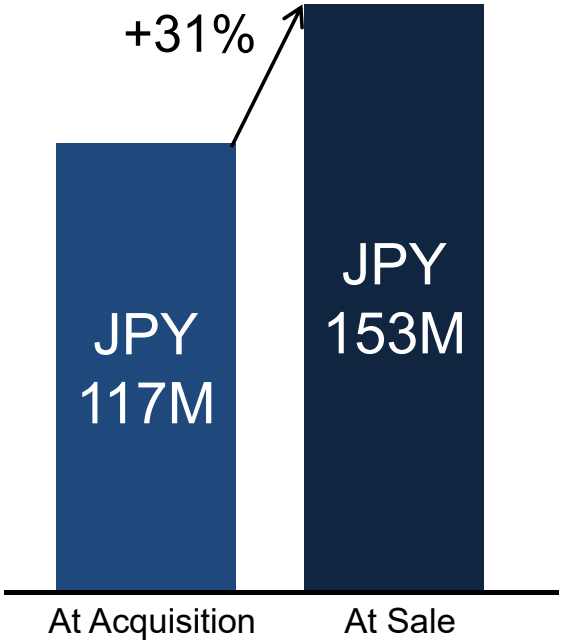
Hotel Asset Sold in Q1

Holding Period	c. 3.5 years
Location	Kumamoto CBD with both business & tourist demand
Value-Add	Improvements to increase quality of guest experience & drive higher ADR (higher quality & higher efficiency HVAC & water systems) Installed LED lighting to reduce electricity consumption & costs

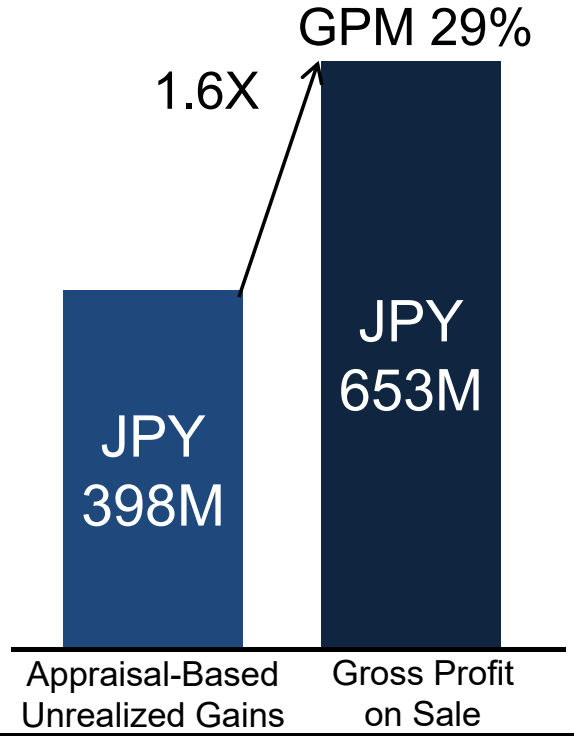
ADR (Average Daily Rate) Growth



NOI Growth



Gain on Sale > Unrealized Gains



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Incorporating Global Value-Add Best Practices

US Hotel Investment (April 2018 – May 2019)

Mezzanine finance to IPO bridge fund used to research US hotel value-add

- Investment: JPY 529M
- Return: JPY 373M (IRR 67.5%)

Global Expansion of Self-Storage Business

Acquired equity stake in Easy Storage Taiwan, a Taiwanese self-storage operator

- 49% of outstanding shares
- 7 assets, c. 1,300 units
- Objectives:

✓ Establish presence in East Asia amidst growing demand

✓ Provide cross-border services to growing number of tourists and business travelers

✓ Investigate opening multi-purpose facilities in Taiwan, similar to Baluko Laundry Place Enoshima





Ocean View from Baluko Laundry Place Enoshima

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FY18/2 – FY20/2 New Plant Development

Minimal FY20/2 Power Generation Growth due to FY20/2 Plants Primarily Coming Online in H2 – New Plants Will Drive FY21/2 Growth

	Solar Power Plant	FIT	Panel Output (MW)	Panel Output (MW)	Operation Start Date
FY18/2	Ichigo Sera Aomizu	JPY 32	2.87	47.54	Aug 11, 2017
	Ichigo Showamura Ogose	JPY 36	43.34		Sep 2, 2017
	Ichigo Memuro Nishi-Shikari	JPY 40	1.32		Feb 5, 2018
FY19/2	Ichigo Kure Yasuuracho Nakahata	JPY 36	2.90	11.28	Mar 2, 2018
	Ichigo Tsu	JPY 24	2.94		Mar 6, 2018
	Ichigo Kasaoka Iwanoike	JPY 24	2.64		Mar 20, 2018
	Ichigo Toki Tsurusatocho Kakino	JPY 24	1.31		Apr 12, 2018
	Ichigo Itoshima Iwara	JPY 36	1.48		Jan 7, 2019
FY20/2	Ichigo Sakahogi Fukagaya	JPY 21	2.89	26.18	May 17, 2019
	Ichigo Sennan Kitsuneike	JPY 21	2.86		Jul 4, 2019
	Ichigo Takashima Kutsuki	JPY 32	3.74		Nov 2019*
	Ichigo Minakami Aramaki	JPY 36	12.02		Jan 2020*
	Ichigo Hitachi Omiya	JPY 24	2.96		Feb 2020*
	Ichigo Toki Tsurusatocho Kakino Higashi	JPY 21	1.68		Feb 2020*

* Expected

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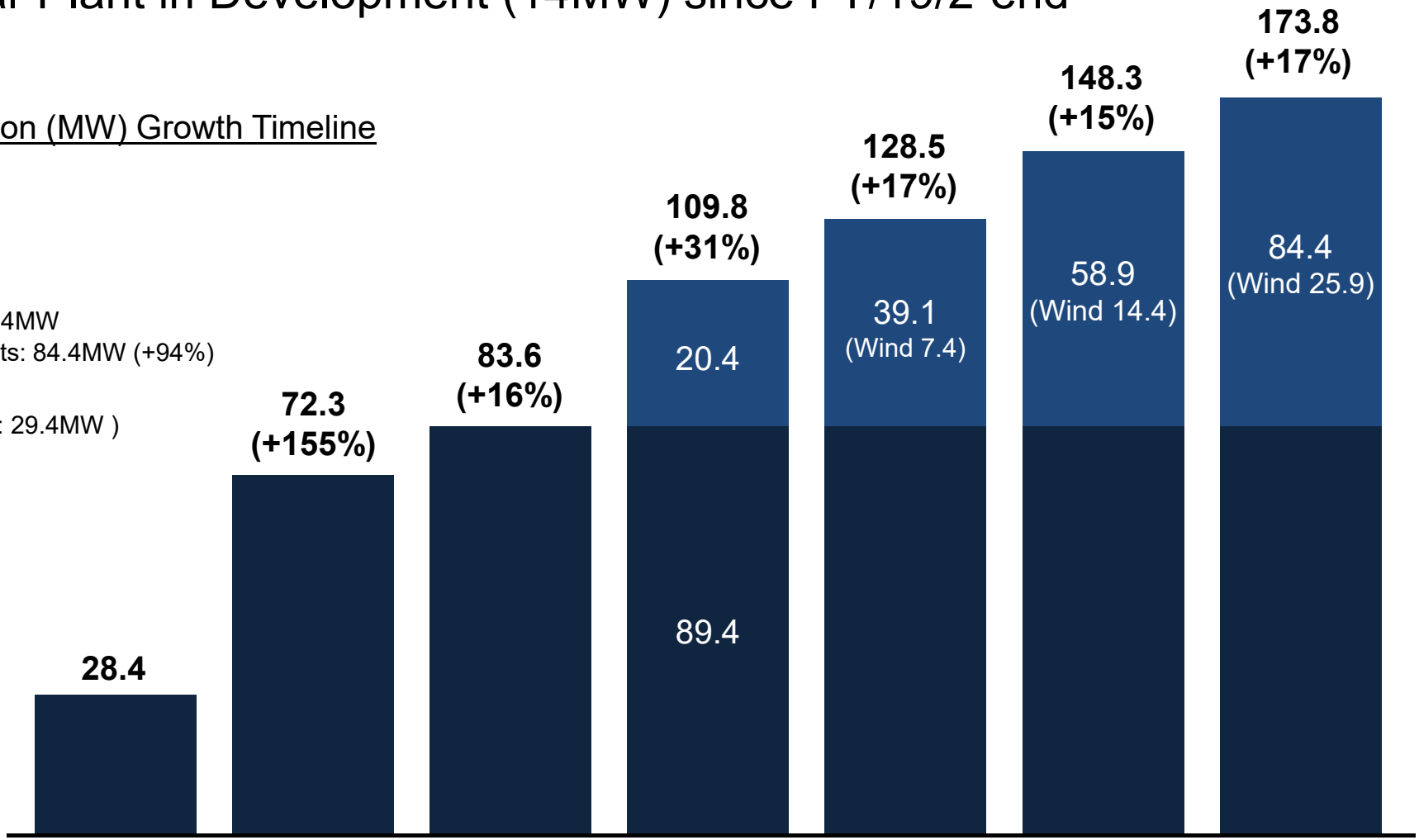
Scaling Rapidly (In-Development Plants +94%)

2 New Solar Plants Online (5.8MW) &
1 New Solar Plant in Development (14MW) since FY/19/2-end

Power Generation (MW) Growth Timeline

- Operating
- In-Development

Ichigo
Operating Plants: 89.4MW
In-Development Plants: 84.4MW (+94%)
Total: 173.8MW
(Ichigo Green (9282): 29.4MW)



	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2
Average FIT	JPY 37.3	JPY 36.4	JPY 35.3	JPY 34.0	JPY 32.1	JPY 30.6	JPY 30.8
Investment	JPY 8.4B	JPY 21.1B	JPY 23.6B	JPY 30.6B	JPY 36.3B	JPY 41.9B	JPY 51.5B

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Hotel Operator Market Entry: Hakata Hotels

Hotel Operator in Kyushu/Yamaguchi Region Seeing Inbound Tourism Growth

– Started operations at 3 hotels on June 1; expect to be operating 7 hotels by August-end

Deploying Propera, Ichigo's AI-based Hotel Revenue Management System

– Increasing employee productivity via IT systems to automate administrative tasks so employees can focus on hospitality & service

– Sales of Propera to non-Ichigo hotel operators expected to drive Ichigo non-asset revenue stream

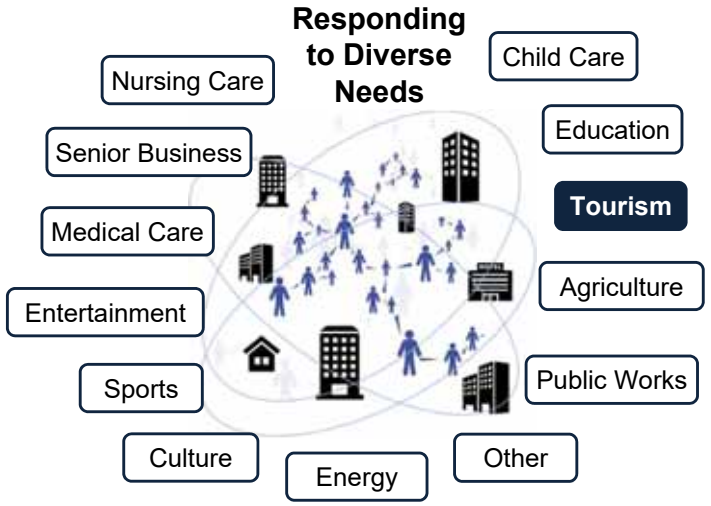




Ichigo's Hotel II Palazzo in Fukuoka was the first building outside the U.S. to win an American Institute of Architects Honor Award in 1991

HAKATA HOTELS

The Hakata Hotels logo features *hakata-ori* woven silk textiles that are a local Fukuoka craft, including the *koukou shima* weaving pattern in which a thick vertical line is surrounded by thin vertical lines. The thin lines represent children, and the thick lines parents, expressing the sense of care shown within families. The multiple colors reflect Ichigo's values of respect for diversity. The values represented in the logo are also resonant with Ichigo's philosophy of *Ichigo Ichie*, literally meaning "One lifetime, one encounter."



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Ichigo Animation – Anime + Retail Synergies

Production of New Anime Series VLADLOVE Written & Directed by Mamoru Oshii, with Co-Director Junji Nishimura

- Established Ichigo Animation in April
- Introducing tenant collaboration initiatives that go beyond typical owner/tenant, hands-off leasing relationships
- Collaborating across multiple industries to drive new synergies with Ichigo's existing businesses

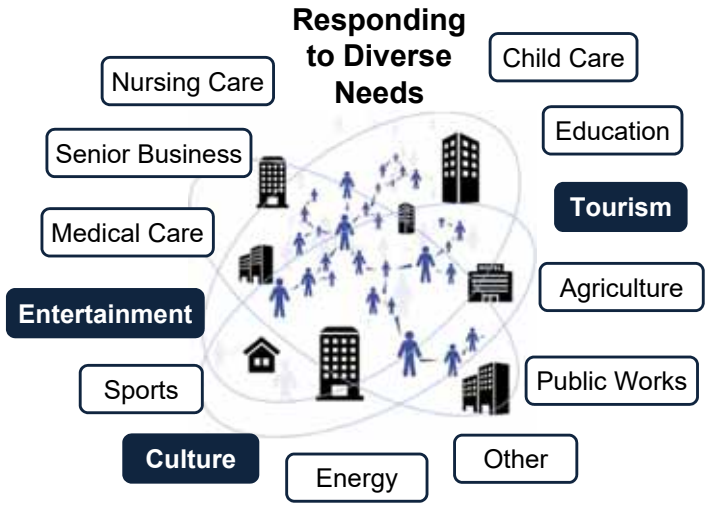
New Earnings via Anime Content Streaming & Sales of DVDs, CDs, and Goods

Promote Ichigo's AKIBA CULTURES ZONE as a Global Anime Landmark

- Increase AKIBA CULTURES ZONES' value by integrating anime content & events (anime, dance, music, entertainment, retail, tourism, etc.)
  - ✓ Anime-related & fan events with the VLADLOVE Series Ambassador idol group at AKIBA CULTURES ZONE will drive both customer traffic & higher earnings



AKIBA CULTURES ZONE



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Real-World Augmented Reality (AR) Game TSUBASA+

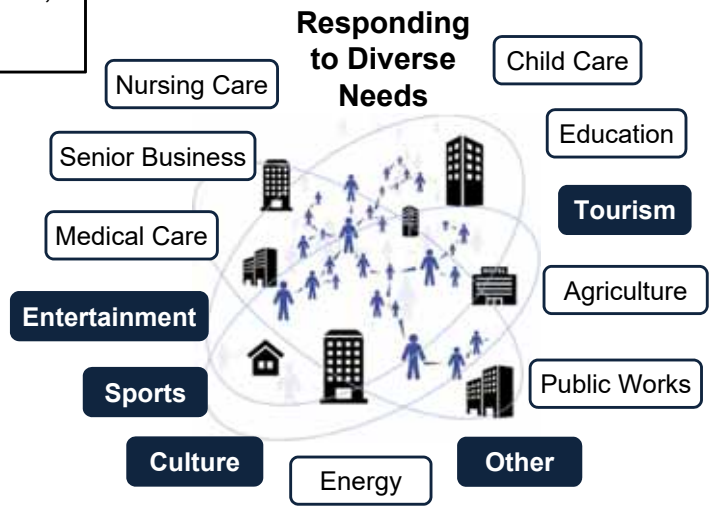
Investing in TSUBASA+, an AR Game that Uses Smartphone GPS

Game Features	Japanese soccer manga, Captain Tsubasa ×avatars of world-class soccer players
	Integrates real-world stadiums around the world
	Users can play with professional soccer players
	Scheduled for global release in 2020, starting in Europe, Asia, & South America
Business Opportunity	Sales royalties
	Build virtual stadiums at Ichigo assets to drive customer traffic & activity
	Increase value of Ichigo assets, collaborate with hotels and retailers, promote community development, & support sports



Development by MIRAIRE Inc.





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Share Buyback

Purpose: Grow Value for Ichigo's Shareholders

Share Type	Common shares
Buyback Method	In-market purchases via trust bank
Maximum Amount	JPY 3B
Maximum No. of Shares	10,000,000 (2.05% of shares outstanding, excluding treasury shares)
Buyback Period	July 12, 2019 to October 11, 2019

Reference: 2017 & 2018 Share Buybacks

2017

Number of Shares	8,436,500 (1.7%)
Average Share Price	JPY 355
Amount	JPY 3B

2018

Number of Shares	7,869,700 (1.6%)
Average Share Price	JPY 381
Amount	JPY 3B

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Ichigo's Commitment to ESG



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Ichigo Sustainability Policy

Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently-established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

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Ichigo ESG – Environmental

Sustainable Real Estate

Preserve & Enhance Existing Buildings to End Wasteful Demolish & Rebuild

– Lengthen useful life of existing real estate

– Shrink footprint by reducing demolition waste and use of raw materials, energy, and human effort for construction

Demolish

Lowest Impact

Highest Efficiency

Solar and Wind Energy: Safe and Clean

Annual Power Generation
140,167,036 kWh

Equivalent to annual energy consumption of 38,900 households

The Federation of Electric Power Companies of Japan
Annual energy consumption per household 3,600kWh

Annual CO2 Reduction
92,510,242 kg

Equivalent to annual CO2 emission of 40,200 cars

Ministry of Environment
Annual CO2 emission per car c. 2,300kg

(FY19/2 Actuals – Includes Ichigo Green)

Ichigo ESG Environmental

Environmental Certifications

No injuries or damages at any Ichigo asset or power plant from 2018 natural disasters

Robust Assets
- Real estate: continuous improvements to safety & functionality via value-add capex
- Power plants: site selection and construction based on detailed specifications customized to local geography

Robust BCP & Realtime Response
- Pre-typhoon preventative measures (water shielding, sandbags, etc.) & on-site checks
- Overwhelming priority is safety of tenants: on-the-ground confirmation & on-the-ground response
- Ichigo engineering team immediate response: same day on-site safety and engineering inspections to prevent secondary damage and losses

Environmental Certifications



Ichigo Kakyoin Plaza

CASBEE Rank

S



Ichigo Hakata Ekimae Square

CASBEE Rank

A



Ichigo Hakata Meiji Dori Building

CASBEE Rank

A

Ichigo Office (8975)

GRESB 2018

Green Star (Highest Ranking) 2 years in a row

Other Certifications:
CASBEE, BELS, DBJ Green Building Certification

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Ichigo ESG – Social

Sports & Arts

Support Outstanding, World-Class Athletes

– Weightlifting
– Riflery
– Track & Field

Paralym Art Sponsor

– Support artists with disabilities



Weightlifting Athlete Hiromi Miyake

Children's Cancer Treatment

Support University of Miyazaki Faculty of Medicine's Program for Children with Cancer

– Issued CSR bond & donated a portion of underwriter commission to the Cancer Program
– Sponsor volunteer activities in support of children with cancer

Ichigo ESG

Social

Local Communities

Promote Community Development via Sponsorship of J.League (Only Top Partner with Real Estate Expertise)

– Renovate and upgrade stadiums and help local governments reduce steep operating and maintenance costs
– Use real estate expertise to help build stronger and healthier local communities

J.LEAGUE | 一期一会 ICHIGO Ichigo
TOP PARTNER

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Strengthen Local Communities, Create Jobs, and Boost Rural Economies via Smart Agriculture

– Collaborate with local farmers to increase agricultural output, improve quality, and raise rural incomes
– Increase Japan's food self-sufficiency







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Ichigo ESG – Governance

Early Adopter of Independent Three Committee (Nominating, Audit, & Compensation) Corporate Governance Structure

- Adopted in 2006 to incorporate global best practice
- Exceeded legal requirements by establishing Compliance Committee in addition to Nominating, Audit, and Compensation Committees

✓ Nominating Committee: 5 members (3 Independent Directors)
✓ Audit Committee: 3 members (All Independent Directors)
✓ Compensation Committee: 5 members (3 Independent Directors)
✓ Compliance Committee: 4 members (2 Independent Directors)

Ichigo ESG Governance

Majority Independent Director Board Underpins Strong Governance

- Of 9 members of Ichigo's Board of Directors, 5 are Independent Directors
- Includes former CEOs of TSE First Section companies

FY17/2
✓ Takashi Kawamura (former CEO of Hitachi; stepped down from Ichigo's board in May 2017 upon appointment as Chairman of TEPCO)
✓ Masatoshi Matsuzaki (former CEO of Konica Minolta)
✓ Kosuke Nishimoto (former CEO of Meitec)

FY18/2 onward
✓ Masatoshi Matsuzaki (former CEO of Konica Minolta)
✓ Nobuhide Nakaido (former CEO of SCSK)
✓ Kosuke Nishimoto (former CEO of Meitec; stepped down from Ichigo's board in May 2019 upon appointment as EVP of Misumi Group)

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Appendix: Financial & Real Estate Data

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Significant Unrealized Gains on Balance Sheet

JPY 52B (Appraisal Value Basis), +2.2% vs. FY19/2-end

Real Estate Directly Held by Ichigo

(JPY million)

Location	Book Value as of May 31, 2019	Expected NOI	Cap Rate NOI/Book Value after Write-Down	Appraisal Value as of May 31, 2019	Unrealized Gains
Tokyo	136,772	7,630	5.5%	165,907	+29,135
Outside Tokyo	101,881	6,836	6.7%	124,824	+22,943
Total	238,653	14,466	6.0%	290,731	+52,078

* Excludes assets under development (c. JPY 172 million) not generating NOI

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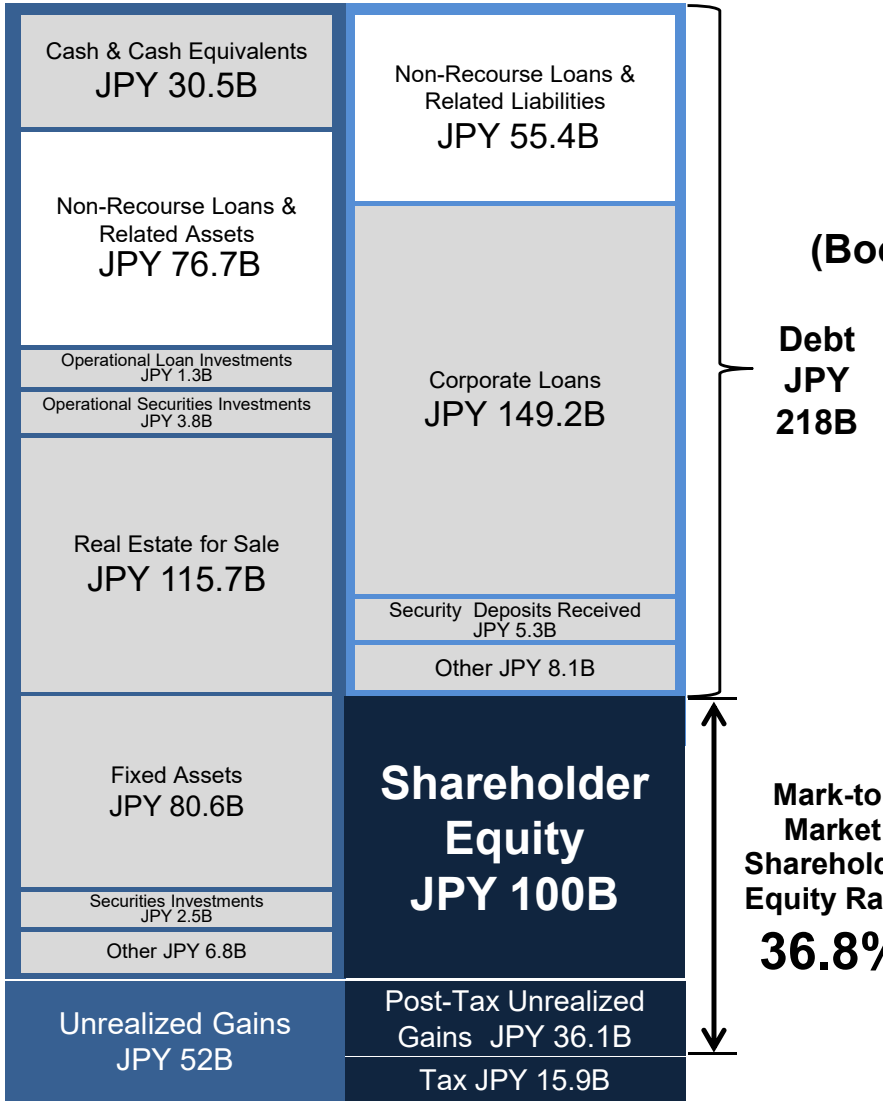
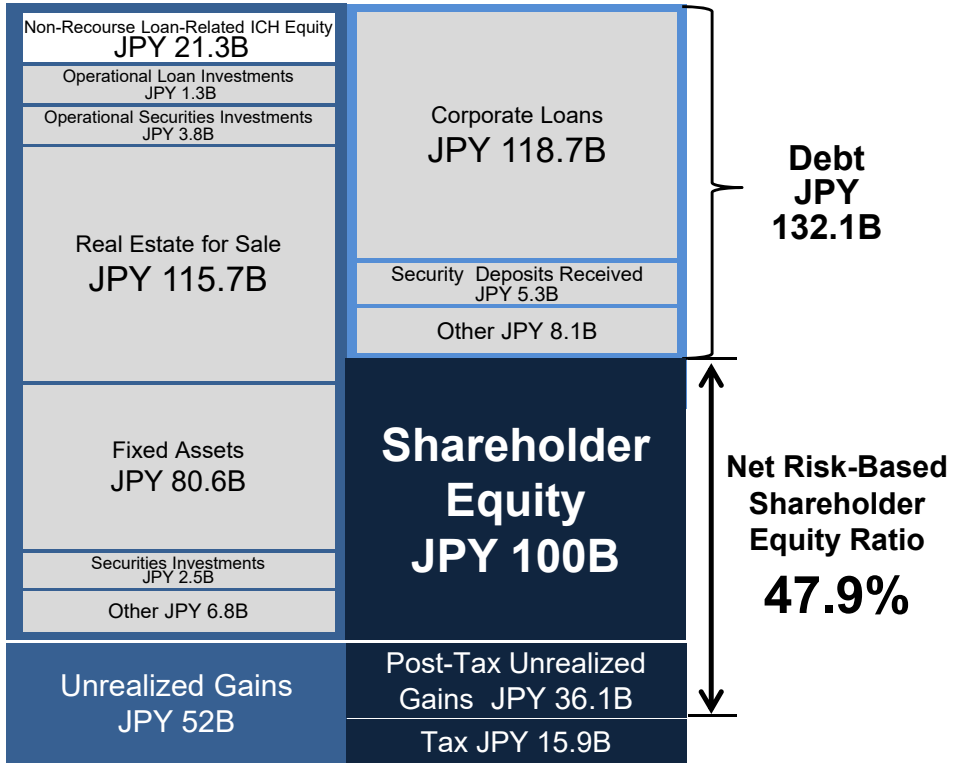
Net Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 370.2B
(Book Value JPY 318.2B + Unrealized Gains JPY 52B)



Net Consolidated Risk-Based Balance Sheet:
JPY 284.3B
(Book Value JPY 232.2B + Unrealized Gains JPY 52B)



Note: Net Risk-Based Balance Sheet excludes client and non-recourse assets and liabilities and nets out Cash & Cash Equivalents.

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Business Segments

Asset Management	Asset Management (AM) generates fee income via management of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282), and real estate services related to real estate acquisition, operations, and disposition.
Sustainable Real Estate	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 sale that reflect the real estate's higher value after the value-add is complete.
Clean Energy	Clean Energy (CE) is utility-scale solar and wind power production that produces clean energy and brings productive use to idle land.

Note: The Sustainable Real Estate segment was formerly called Value-Add. In keeping with its recently announced Ichigo 2030 vision, Ichigo is changing the segment name to Sustainable Real Estate from FY20/2 in order to put full focus on Ichigo's commitment to preserving and improving real estate as a sustainable infrastructure company.

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Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loan Investments	Operational Securities Investments	Real Estate for Sale	Power Plants for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management	–	–	–	–	–	–	824	141	974	**1,941**
Sustainable Real Estate	17,103	1,324	3,839	164,703	–	74,334	927	1,089	2,971	**266,295**
Clean Energy	2,401	–	–	–	–	24,540	215	–	1,187	**28,344**
Company-Wide Assets	19,206	–	–	–	–	66	137	1,327	902	**21,640**
Total	**38,711**	**1,324**	**3,839**	**164,703**	**–**	**98,941**	**2,104**	**2,559**	**6,035**	**318,220**

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Consolidated P&L: Segment Breakdown

(JPY million)

Segment	Gross Profit			Operating Profit			
	FY19/2 Q1	FY20/2 Q1	YOY Change	FY19/2 Q1	FY20/2 Q1	YOY Change	FY20/2 Full-Year Forecast
Asset Management	**548**	**626**	**+14.2%**	**454**	**519**	**+14.4%**	**1,821**
Stock Earnings (Asset Management Fees)	504	546	+8.3%	–	–	–	–
Flow Earnings (Acquisition/Disposition Fees)	44	79	+79.5%	–	–	–	–
Sustainable Real Estate	**6,336**	**9,114**	**+43.8%**	**5,105**	**7,644**	**+49.7%**	**23,312**
Rental Income	2,925	3,070	+5.0%	–	–	–	–
Asset Sales	3,411	5,678	+66.5%	–	–	–	–
Other Flow Earnings	–	366	–	–	–	–	–
Clean Energy	**571**	**555**	**-2.8%**	**421**	**377**	**-10.3%**	**1,367**
Adjustment (including offsets of cross-segment transactions)	**–**	**–**	**–**	**11**	**-5**	**–**	**–**
Total	**7,454**	**10,295**	**+38.1%**	**5,992**	**8,537**	**+42.5%**	**26,500**

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Asset Management AUM Detail

		FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 Q1 (3M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 123.8B	JPY 165.1B	JPY 194.5B	JPY 196.9B	JPY 203.0B	JPY 203.2B
	Base AM Fee Gross Profit (Actual)	JPY 759M	JPY 1,016M	JPY 1,291M	JPY 1,373M	JPY 1,426M	JPY 372M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	–	JPY 20.4B	JPY 47.6B	JPY 50.9B	JPY 50.7B	JPY 52.9B
	Base AM Fee Gross Profit (Actual)	–	JPY 30M	JPY 287M	JPY 450M	JPY 547M	JPY 119M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	JPY 10.0B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	–	–	JPY 11M	JPY 77M	JPY 85M	JPY 22M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 21.5B	JPY 15.4B	JPY 6.4B	JPY 12.3B	JPY 20.6B	JPY 20.6B
	Base AM Fee Gross Profit (Actual)	JPY 114M	JPY 60M	JPY 27M	JPY 12M	JPY 41M	JPY 20M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 145.3B	JPY 200.9B	JPY 258.6B	JPY 271.7B	JPY 285.8B	JPY 288.3B
	Base AM Fee Gross Profit (Actual)	JPY 872M	JPY 1,106M	JPY 1,617M	JPY 1,914M	JPY 2,100M	JPY 535M

Ichigo Green Base AM Fee Gross Profit (Actual) includes operator fees.

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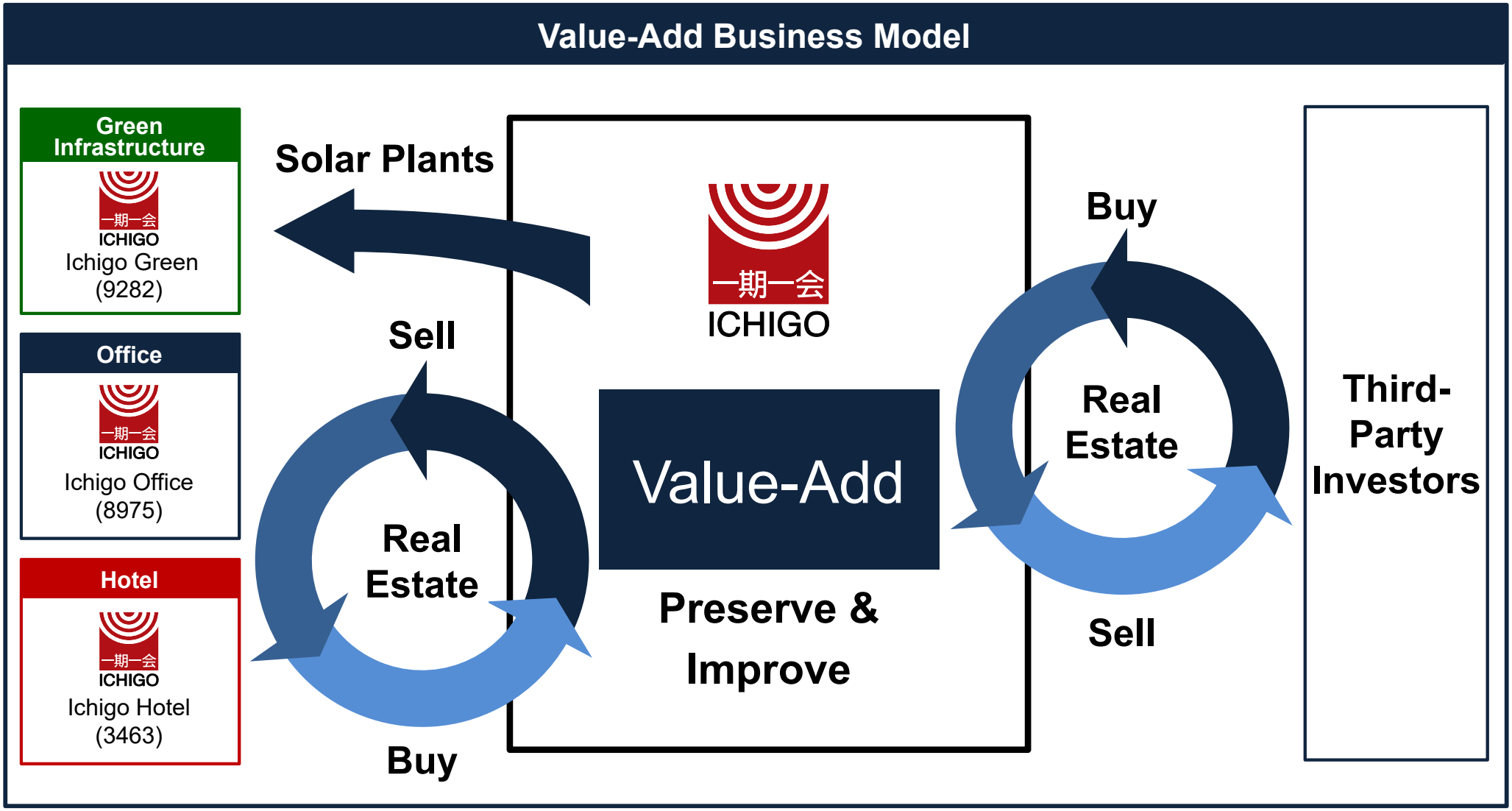
Powerful Value-Add Business Model

Significant Synergies Between Ichigo's Value-Add and Asset Management Businesses



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Sustainable Real Estate Serving a Sustainable Society

End Demolish and Rebuild and Embrace Value-Add

- Preserve and enhance high-function real estate
- Lengthen useful life and improve quality of existing assets via Value-Add

~~Demolish and Rebuild~~

Value-Add

Preserve & Improve
- Higher-Quality Tenant Services
- Higher Functionality (Security, A/C)
- Upgrade Exteriors/Interior Spaces
- Seismic Reinforcements

Effective Re-Use of Key Social Infrastructure

Highest Efficiency

Lowest Impact

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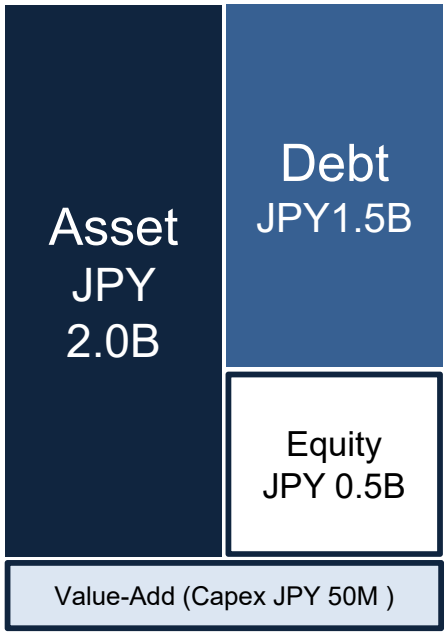
Ichigo Value-Add Earnings Model Example

5.5% NOI Yield, JPY 2B Purchase, LTV 75%, 1.5% Interest Rate, JPY 50M Capex, 15% Increase in NOI, 3-Year Value-Add Period

Value-Add Steps: Improved exterior, interior, & tenant services; seismic strengthening; increased energy efficiency; new tenant leasing; etc.



NOI at Acquisition
(JPY 110M NOI/year) − (JPY 22.5M interest/year) = JPY 87.5M NOI/year
NOI÷ Initial Investment =17.5% NOI return during investment period

NOI after Value-Add
(JPY 126.5M NOI/year) − (JPY 22.5M interest/year) = JPY 104M NOI/year
NOI ÷ Total Investment (JPY 500M + JPY 50M) =18.9% NOI return during investment period

Value-Add for Capital Gain
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: JPY 2B * 115% = JPY 2.3B
JPY 2.3B – (JPY 2B + JPY 50M) = JPY 250M capital gain

Result
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

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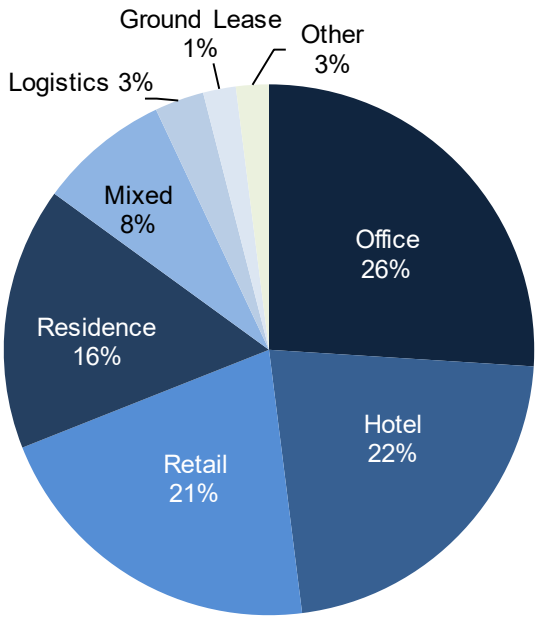
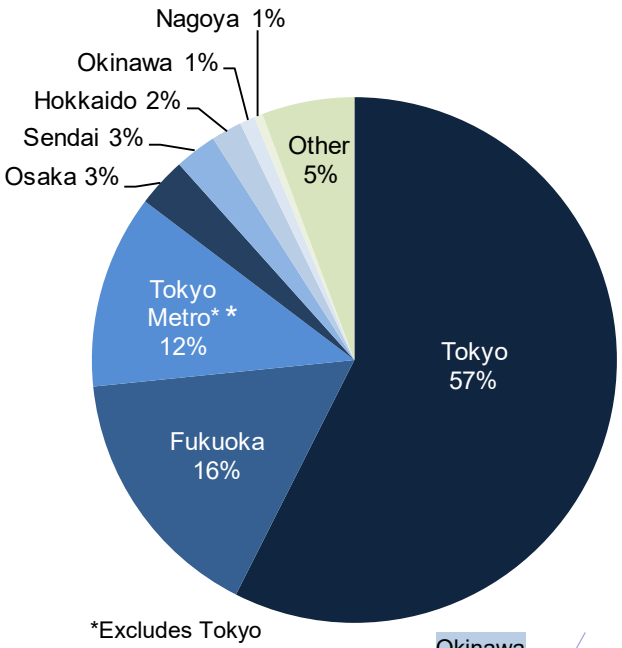
Ichigo-Owned Real Estate Portfolio

By Asset Type

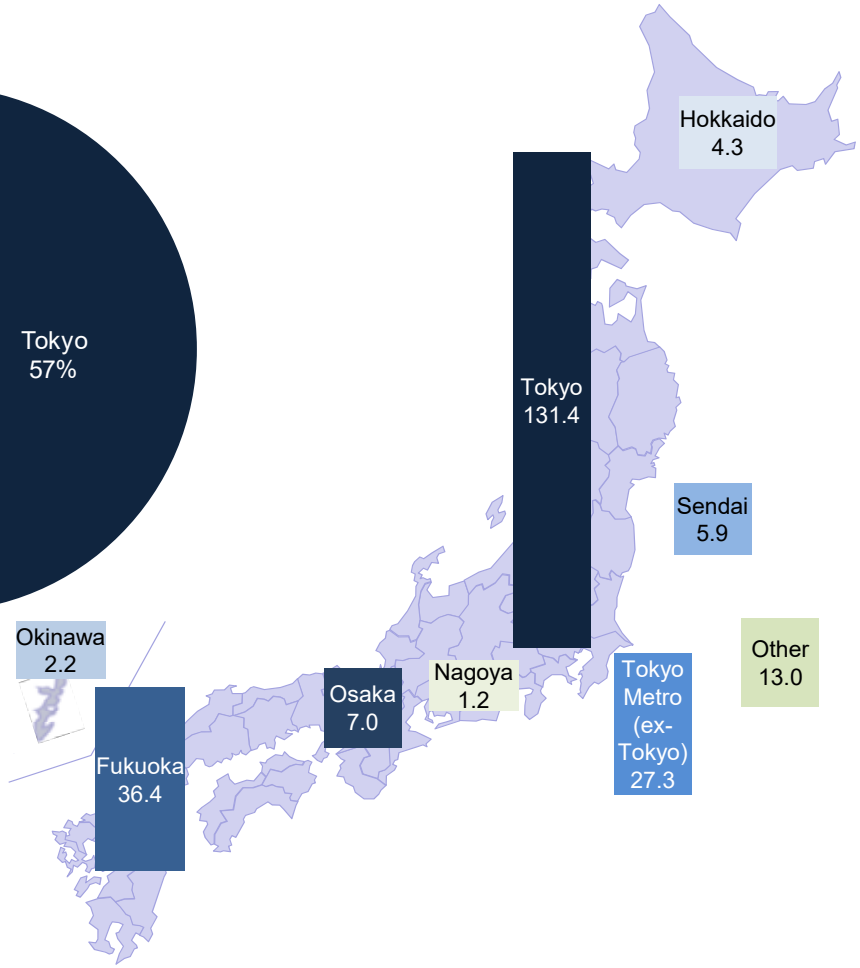


By Location

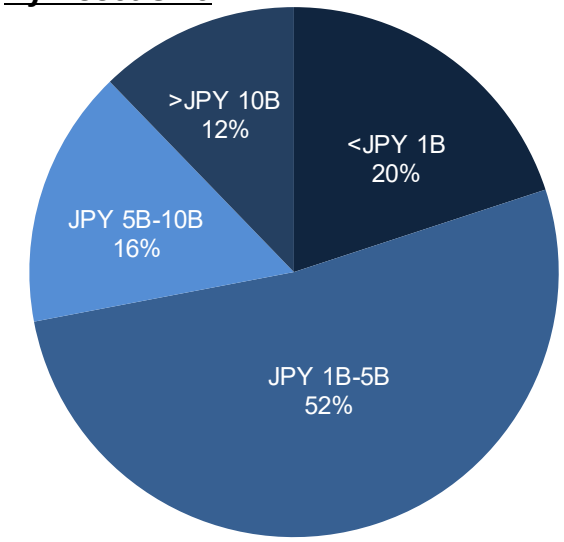


*Excludes Tokyo

(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 228.7B

Including Ichigo-Managed AUM: JPY 517.1B

* Acquisition price basis.
Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
Total Ichigo-Owned Assets Book Value: JPY 237.2B

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Sustainable Real Estate Asset Breakdown (1)

174 Assets, JPY 229B, Forecast NOI JPY 14.3B (6.0% Book Value Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
1	Wholesale Market	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	47 years	JPY 73M	JPY 1,900M	–	–
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	JPY 2B-3B	2005/10	50 years	JPY 144M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	≧JPY 3B	2006/03	33 years	JPY 192M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	14 years	JPY 78M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	≧JPY 3B	2006/10	11 years	JPY 317M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	≧JPY 3B	2006/12	10 years	JPY 414M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	39 years	JPY 83M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	38 years	JPY 126M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 1B-2B	2011/06	–	JPY 175M	JPY 147M	–	–
15	Mixed (Office/Retail)	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	23 years	JPY 85M	JPY 172M	–	–
16	Retail	Real Estate for Sale	Yokohama	<JPY 1B	2012/10	5 years	JPY 30M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	≧JPY 3B	2013/03	8 years	JPY 235M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	32 years	JPY 47M	JPY 154M	–	–
19	Mixed (Office/Retail)	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	34 years	JPY 127M	JPY 310M	–	–
21	Residence	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2013/06	3 years	JPY 47M	JPY 203M	–	–

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (2)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	11 years	JPY 63M	JPY 92M	–	–
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	–	JPY 115M	JPY 273M	–	–
30	Mixed (Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2014/03	35 years	JPY 44M	JPY 108M	6.95X	26.0%
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	13 years	JPY 60M	JPY 279M	–	–
35	Mixed (Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	JPY 2B-3B	2014/05	10 years	JPY 168M	JPY 434M	3.08X	15.2%
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	46 years	JPY 43M	JPY 77M	–	–
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	15 years	JPY 48M	JPY 213M	–	–
40	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/09	34 years	JPY 51M	JPY 252M	1.88X	14.7%
41	Hotel	Real Estate for Sale	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	32 years	JPY 190M	JPY 400M	1.97X	28.3%
42	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/09	18 years	JPY 53M	JPY 177M	5.54X	26.2%
43	Retail	Real Estate for Sale	Osaka	JPY 1B-2B	2014/09	17 years	JPY 105M	JPY 301M	4.64X	24.3%
45	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2014/11	16 years	JPY 74M	JPY 135M	10.70X	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 2B-3B	2014/12	16 years	JPY 117M	JPY 332M	2.18X	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 93M	JPY 270M	1.56X	14.6%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	JPY 1B-2B	2014/12	13 years	JPY 60M	JPY 163M	1.55X	15.2%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (3)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	<JPY 1B	2014/12	17 years	JPY 54M	JPY 150M	2.21X	35.7%
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	<JPY 1B	2014/12	16 years	JPY 38M	JPY 99M	2.96X	44.4%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	<JPY 1B	2014/12	14 years	JPY 26M	JPY 82M	2.05X	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	JPY 1B-2B	2014/12	13 years	JPY 88M	JPY 270M	2.00X	23.2%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	JPY 1B-2B	2014/12	15 years	JPY 54M	JPY 186M	1.90X	21.0%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	<JPY 1B	2014/12	14 years	JPY 40M	JPY 117M	2.11X	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	<JPY 1B	2014/12	12 years	JPY 19M	JPY 55M	1.80X	21.1%
61	Mixed (Office/Retail)	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	56 years	JPY 128M	JPY 57M	15.26X	51.7%
62	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/12	15 years	JPY 46M	JPY 212M	1.81X	14.4%
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 84M	JPY 129M	–	–
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	65 years	JPY 23M	–	–	–
66	Retail	Real Estate for Sale	Sendai	<JPY 1B	2015/02	15 years	JPY 48M	JPY 8M	42.58X	198.9%
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	17 years	JPY 47M	JPY 79M	–	–
69	Hotel	Real Estate for Sale	Osaka	JPY 2B-3B	2015/05	16 years	JPY 195M	JPY 633M	1.56X	58.3%
71	Retail	Real Estate for Sale	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	4 years	JPY 95M	JPY 126M	6.80X	37.3%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (4)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
89	Office	Real Estate for Sale	Musashino, Tokyo	≧JPY 3B	2015/07	30 years	JPY 147M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2015/07	11 years	JPY 100M	JPY 353M	1.82X	17.7%
110	Hotel	Real Estate for Sale	Fukuoka	≧JPY 3B	2016/03	33 years	JPY 288M	JPY 905M	2.05X	104.5%
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	35 years	JPY 184M	JPY 228M	–	–
112	Hotel	Real Estate for Sale	Yokohama	≧JPY 3B	2016/03	31 years	JPY 260M	JPY 354M	10.64X	36.2%
113	Hotel	Real Estate for Sale	Yokohama	≧JPY 3B	2016/03	31 years	JPY 213M	JPY 344M	5.84X	25.5%
114	Hotel	Real Estate for Sale	Fukuoka	≧JPY 3B	2016/04	29 years	JPY 223M	JPY 550M	1.73X	72.6%
115	Hotel	Real Estate for Sale	Osaka	JPY 2B-3B	2016/04	12 years	JPY 111M	JPY 274M	2.96X	30.7%
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	30 years	JPY 47M	JPY 86M	–	–
118	Retail	Real Estate for Sale	Nagoya	JPY 1B-2B	2016/06	22 years	JPY 86M	JPY 102M	7.71X	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2016/06	32 years	JPY 37M	JPY 136M	3.91X	17.4%
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	≧JPY 3B	2016/09	39 years	JPY 845M	JPY 349M	–	–
121	Office	Real Estate for Sale	Minato-ku, Tokyo	≧JPY 3B	2016/10	18 years	JPY 1,600M	JPY 3,450M	2.87X	43.5%
122	Hotel	Real Estate for Sale	Shima, Mie	<JPY 1B	2017/01	21 years	JPY 54M	JPY 73M	5.49X	43.1%
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	≧JPY 3B	2016/12	24 years	JPY 202M	JPY 1,123M	1.25X	25.4%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (5)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
124	Hotel	Real Estate for Sale	Asahikawa, Hokkaido	<JPY 1B	2016/12	29 years	JPY 78M	JPY 593M	1.48X	48.5%
126	Hotel	Real Estate for Sale	Fukuoka	JPY 1B-2B	2016/12	28 years	JPY 91M	JPY 505M	1.25X	25.4%
127	Hotel	Real Estate for Sale	Ishigaki, Okinawa	JPY 2B-3B	2017/02	16 years	JPY 168M	JPY 544M	1.80X	80.2%
128	Hotel	Real Estate for Sale	Mito, Ibaraki	JPY 1B-2B	2017/02	26 years	JPY 150M	JPY 602M	1.47X	47.0%
130	Retail	Real Estate for Sale	Taito-ku, Tokyo	JPY 1B-2B	2017/04	26 years	JPY 94M	JPY 297M	4.42X	21.1%
132	Residence	Real Estate for Sale	Minato-ku, Tokyo	<JPY 1B	2017/04	15 years	JPY 51M	JPY 190M	2.66X	38.3%
133	Hotel	Real Estate for Sale	Minato-ku, Tokyo	<JPY 1B	2017/04	17 years	JPY 32M	JPY 152M	3.85X	32.7%
134	Residence	Real Estate for Sale	Chuo-ku, Tokyo	JPY 1B-2B	2017/04	16 years	JPY 48M	JPY 197M	2.88X	26.2%
135	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	27 years	JPY 98M	JPY 188M	6.18X	25.8%
136	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	27 years	JPY 160M	JPY 203M	8.75X	32.8%
138	Hotel	Real Estate for Sale	Ogaki, Gifu	JPY 1B-2B	2017/05	29 years	JPY 84M	–	–	–
139	Office	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2017/05	2 years	JPY 28M	JPY 600M	1.15X	15.1%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	34 years	JPY 97M	JPY 223M	3.78X	19.9%
144	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2018/02	31 years	JPY 97M	JPY 268M	8.00X	34.7%
145	Hotel	Real Estate for Sale	Fukuoka	JPY 2B-3B	2018/03	1 year	JPY 194M	JPY 301M	3.37X	102.4%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (6)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	28 years	JPY 31M	–	–	–
147	Hotel	Real Estate for Sale	Kyoto	≧JPY 3B	2018/08	1 year	JPY 328M	JPY 1,666M	1.59X	27.2%
148	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	<JPY 1B	2018/08	51 years	JPY 54M	JPY 166M	3.93X	104.4%
149	Retail	Fixed Asset	Chiyoda-ku, Tokyo	≧JPY 3B	2018/09	29 years	JPY 308M	JPY 2,269M	–	–
150	Mixed (Office/Retail)	Real Estate for Sale	Chuo-ku, Tokyo	≧JPY 3B	2018/10	31 years	JPY 354M	JPY 1,161M	6.17X	24.7%
151	Mixed (Office/Retail)	Real Estate for Sale	Fukuoka	<JPY 1B	2018/10	20 years	JPY 37M	JPY 38M	5.08X	43.1%
152	Office	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/02	31 years	JPY 174M	JPY 382M	5.07X	19.6%
153	Hotel	Real Estate for Sale	Fukuoka	<JPY 1B	2019/02	26 years	JPY 110M	–	–	–
154	Residence	Fixed Asset	Kita Kyushu, Fukuoka	JPY 1B-2B	2019/03	5 years	JPY 83M	JPY 181M	–	–
155	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	JPY 2B-3B	2019/03	34 years	JPY 156M	JPY 616M	3.44X	14.8%
156	Logistics	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/03	31 years	JPY 151M	JPY 651M	3.60X	30.0%
157	Office	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2019/04	36 years	JPY 52M	–	–	–
158	Other	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2019/05	–	JPY 12M	–	–	–
159	Mixed (Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	39 years	JPY 126M	JPY 210M	13.11X	44.3%
			Sub-Total 89 Assets	**JPY 194,646M** **JPY 202,037M (Book Value)**			**JPY 12,280M**	**JPY 36,707M**	**3.18X**	**37.6%**

[1] Forecast Equity Multiple is based on the business plan of each asset and is the forecast sum of rental income and gains on sale divided by Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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Sustainable Real Estate Asset Breakdown (7)

No.	Asset Type		Acquisition Price	vs. FY19/2 Q4	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR
A	Ichigo Owners (Office & Residence)	41 Assets	JPY 25,033M	+JPY 7,903M	JPY 1,221M	JPY 9,300M	–	–
B	Centro (Primarily Office & Residence)	19 Assets	JPY 6,998M	-JPY 62M	JPY 479M	JPY 2,336M	–	–
C	Self-Storage	25 Assets	JPY 2,035M	+JPY 40M	JPY 287M	JPY 500M	–	–
		Total 174 Assets	**JPY 228,711M** **JPY 237,208M (Book Value)**		**JPY 14,267M**	**JPY 48,843M**	**–**	**–**
	Assets acquired in FY20/2 Q1 (3M)	**Total 22 Assets**	**JPY 20,000M**		**JPY 964M**	**JPY 5,715M**	**–**	**–**

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Ichigo Solar Power Plant Portfolio

Ichigo (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	Oct 2014
Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	Mar 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	Mar 2016
Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	May 2016
Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	Feb 2017
Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	Aug 2017
Ichigo Showamura Ogose	Kanto	43.34	JPY 36	Sep 2017
Ichigo Memuro Nishi-Shikari	Hokkaido	1.32	JPY 40	Feb 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	JPY 36	Mar 2018
Ichigo Tsu	Chubu	2.94	JPY 24	Mar 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.64	JPY 24	Mar 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.31	JPY 24	Apr 2018
Ichigo Itoshima Iwara	Kyushu	1.48	JPY 36	Jan 2019
Ichigo Sakahogi Fukagaya	Chubu	2.89	JPY 21	May 2019
Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	Jul 2019
Total (Operating)		27 Plants 89.38MW		

Total

184.7MW

Ichigo (In-Development)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Takashima Kutsuki	Kansai	3.74	JPY 32	Nov 2019
Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	Jan 2020
Ichigo Hitachi Omiya	Kanto	2.96	JPY 24	Feb 2020
Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.68	JPY 21	Feb 2020
Ichigo Kasaoka Osakaike	Chugoku	2.39	JPY 21	Mar 2020
Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.30	JPY 18	Mar 2020
Ichigo Hokota Aoyagi	Kanto	2.48	JPY 24	Apr 2020
Ichigo Seto Jokojicho	Chubu	1.50	JPY 18	Aug 2020
Ichigo Obu Yoshidamachi	Chubu	0.98	JPY 18	Sep 2020
(Wind) Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	Sep 2020
Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	Oct 2020
Ichigo Toride Shimotakai Nishi	Kanto	2.99	JPY 18	Apr 2021
Ichigo Kobe Pompuike	Kansai	2.95	JPY 18	Jul 2021
Ichigo Sera Shimotsuda	Chugoku	2.81	JPY 18	Aug 2021
Ichigo Ueda Yoshidaike	Chubu	1.01	JPY 18	Oct 2021
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	Feb 2022
Ichigo Ebino Suenaga	Kyushu	14.00	JPY 40	Feb 2023
Total (In-Development)		17 Plants 65.89MW		
Total (Operating & In-Development)		44 Plants 155.28MW		

Ichigo Green (9282)

Area (Number of Power Plants)	Panel Output (MW)	FIT (Pre-tax)
Hokkaido (7)	9.14	JPY 40
Kanto (1)	1.33	JPY 40
Chubu (1)	1.80	JPY 32
Chugoku (2)	3.60	JPY 36, JPY40
Shikoku (2)	3.67	JPY 36, JPY40
Kyushu (1)	1.44	JPY 36
Okinawa (1)	8.44	JPY 40
Total	15 Plants 29.43MW	

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Ichigo Solar & Wind Power Plant Portfolio

Serving Local Communities and the Environment

Total Operating and In-Development Ichigo Power Plants

59 Plants (184MW)

Currently Operating

42 Plants (118MW)

Okinawa

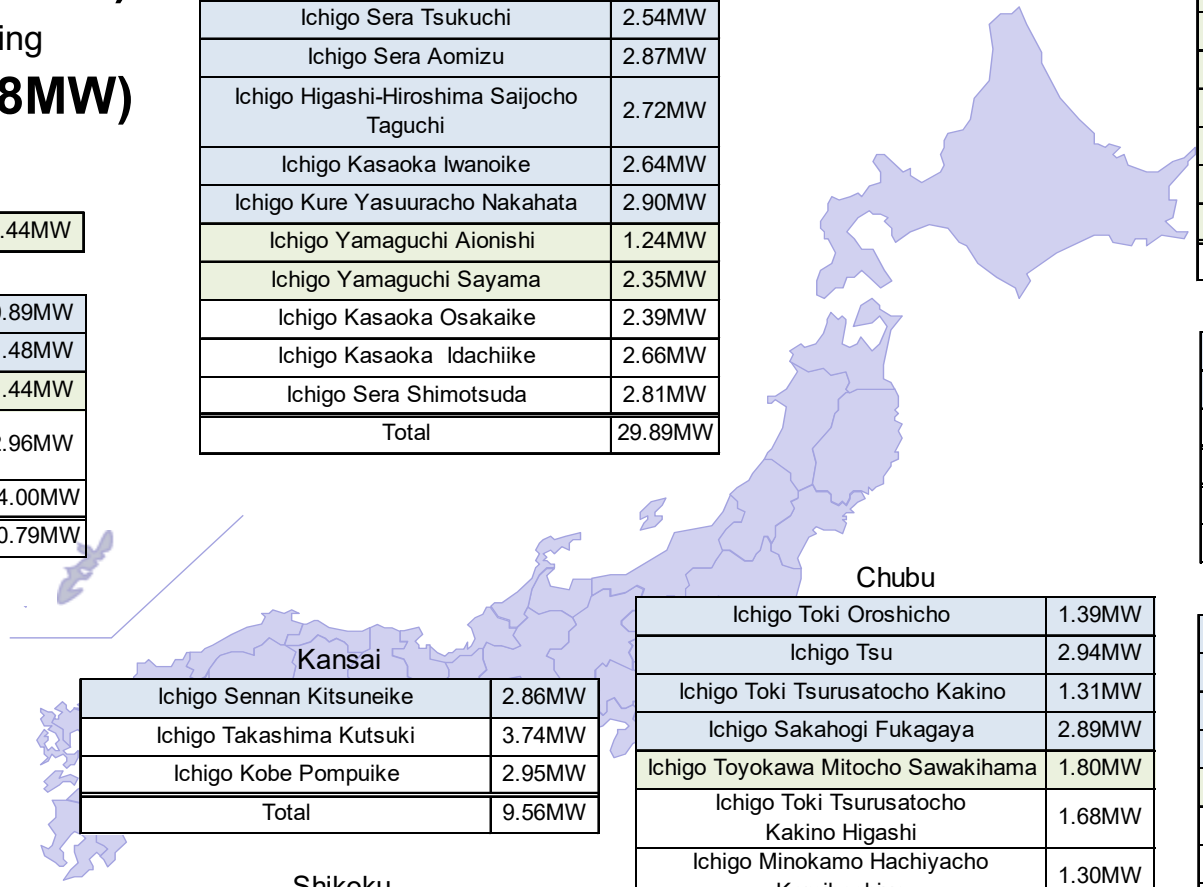
Ichigo Nago Futami	8.44MW

Kyushu

Ichigo Kijo Takajo	0.89MW
Ichigo Itoshima Iwara	1.48MW
Ichigo Miyakonojo Yasuhisacho	1.44MW
Ichigo Miyakonojo Takazakicho Tsumagirishima	2.96MW
Ichigo Ebino Suenaga	14.00MW
Total	20.79MW

Chugoku

Ichigo Yonago Izumi	2.61MW
Ichigo Kasaoka Takumicho	1.11MW
Ichigo Fuchu Jogecho Yano	0.99MW
Ichigo Sera Tsukuchi	2.54MW
Ichigo Sera Aomizu	2.87MW
Ichigo Higashi-Hiroshima Saijocho Taguchi	2.72MW
Ichigo Kasaoka Iwanoike	2.64MW
Ichigo Kure Yasuuracho Nakahata	2.90MW
Ichigo Yamaguchi Aionishi	1.24MW
Ichigo Yamaguchi Sayama	2.35MW
Ichigo Kasaoka Osakaike	2.39MW
Ichigo Kasaoka Idachiike	2.66MW
Ichigo Sera Shimotsuda	2.81MW
Total	29.89MW



Ichigo

Ichigo Green (9282)

In-Development

Kansai

Ichigo Sennan Kitsuneike	2.86MW
Ichigo Takashima Kutsuki	3.74MW
Ichigo Kobe Pompuike	2.95MW
Total	9.56MW

Shikoku

Ichigo Tokushima Higashi-Okinosu	2.52MW
Ichigo Takamatsu Kokubunjicho Nii	2.43MW
Ichigo Iyo Nakayamacho Izubuchi	1.23MW
Total	6.19MW

Chubu

Ichigo Toki Oroshicho	1.39MW
Ichigo Tsu	2.94MW
Ichigo Toki Tsurusatocho Kakino	1.31MW
Ichigo Sakahogi Fukagaya	2.89MW
Ichigo Toyokawa Mitocho Sawakihama	1.80MW
Ichigo Toki Tsurusatocho Kakino Higashi	1.68MW
Ichigo Minokamo Hachiyacho Kamihachiya	1.30MW
Ichigo Seto Jokojicho	1.50MW
Ichigo Obu Yoshidamachi	0.98MW
Ichigo Ueda Yoshidaike	1.01MW
Total	16.84MW

Hokkaido

Ichigo Yubetsu Barou	0.80MW
Ichigo Betsukai Kawakamicho	0.88MW
Ichigo Akkeshi Shirahama	0.80MW
Ichigo Toyokoro Sasadamachi	0.60MW
Ichigo Memuro Nishi-Shikari	1.32MW
Ichigo Motomombetsu	1.40MW
Ichigo Engaru Higashimachi	1.24MW
Ichigo Engaru Kiyokawa	1.12MW
Ichigo Abira Toasa	1.16MW
Ichigo Muroran Hatchodaira	1.24MW
Ichigo Toyokoro	1.02MW
Ichigo Nakashibetsu Midorigaoka	1.93MW
Total	13.57MW

Tohoku

Ichigo Hamanaka Bokujo Tsurunokotai	2.31MW
Ichigo Hamanaka Bokujo Kajibayashi	2.31MW
(Wind) Ichigo Yonezawa Itaya	7.39MW
Total	12.01MW
(Wind – Pipeline) Iwate[1]	7.50MW
(Wind – Pipeline) Fukushima[2]	7.00MW

Kanto

Ichigo Maebashi Naegashima	0.67MW
Ichigo Showamura Ogose	43.34MW
Ichigo Toride Shimotakai Kita	1.03MW
Ichigo Toride Shimotakai Minami	0.54MW
Ichigo Kiryu Okuzawa	1.33MW
Ichigo Minakami Aramaki	12.02MW
Ichigo Hitachi Omiya	2.96MW
Ichigo Hokota Aoyagi	2.48MW
Ichigo Toride Shimotakai Nishi	2.99MW
Total	67.39MW
(Wind – Pipeline) Chiba[1]	4.00MW

[1] Wind survey completed [2] Wind survey in progress

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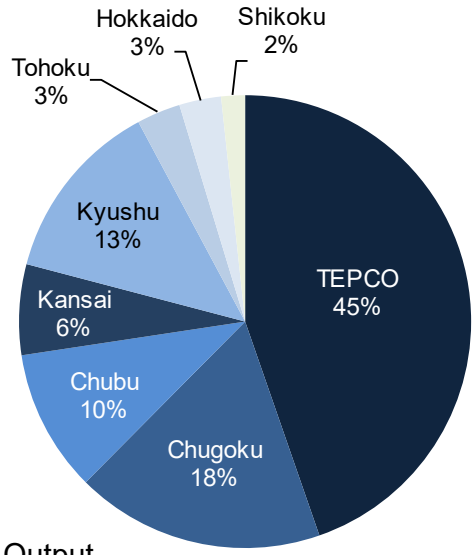
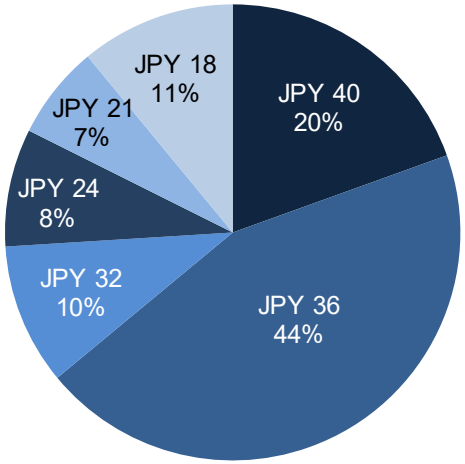
Ichigo-Owned Solar Power Plant Details

Total Operating and In-Development
Ichigo-Owned Solar Power Plants: 43 Plants (147.9MW)

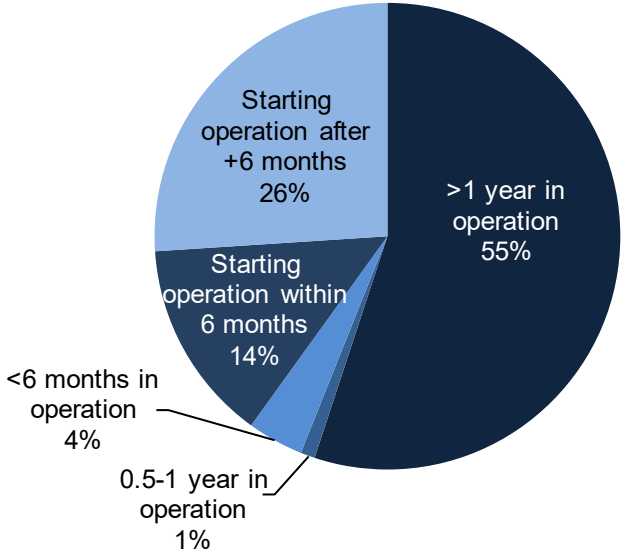
By Customer
(Electric Power Utility Co)



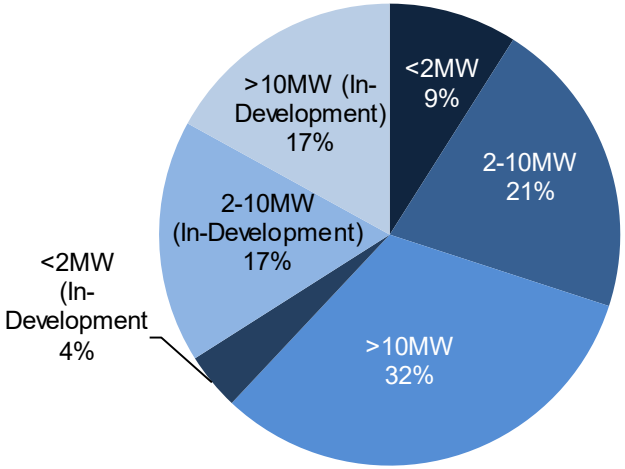
By Feed-In Tariff



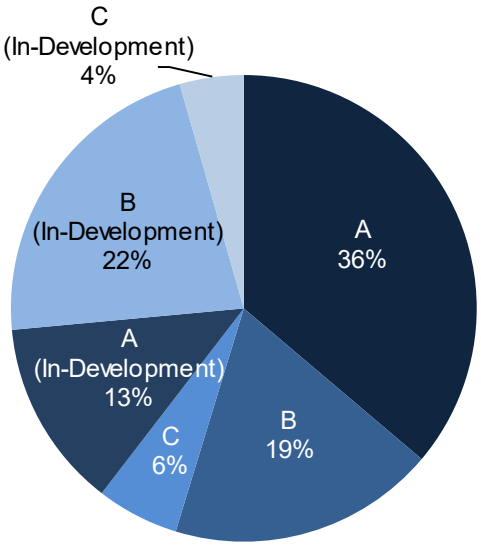
By Operating Timeline



By Output



By Solar Intensity



Rank	Solar Intensity
A	≧4.00
B	≧3.75, <4.00
C	≧3.50, <3.75
D	<3.50

Unit: kWh/m² per day

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Reference: Japan's Feed-In Tariff (FIT)

What is a FIT?

- A policy mechanism to encourage investment in renewable energies by guaranteeing a fixed price for electricity over a 20-year contract period
- The fixed price for new contracts is adjusted every year, but locked in for the duration of the contract period

Solar Power FIT

Contract Date	FIT	Guarantee Period
FY2012	JPY 40	20 years
FY2013	JPY 36	20 years
FY2014	JPY 32	20 years
FY2015 (4/1~6/30)	JPY 29	20 years
FY2015 (7/1~3/31)	JPY 27	20 years
FY2016	JPY 24	20 years
FY2017	JPY 21 [1]	20 years
FY2018	JPY 18 [1]	20 years
FY2019	JPY 14 [2]	20 years

Wind Power FIT

Contract Date	FIT	Guarantee Period
FY2017 (4/1~9/30)	JPY 22	20 years
FY2017 (10/1~3/31)	JPY 21	20 years
FY2018	JPY 20	20 years
FY2019	JPY 19	20 years
FY2020	JPY 18	20 years

Source: METI, Agency for Natural Resources and Energy

[1] FIT for >2MW non-residential solar power production determined via auction process

[2] Forecast FIT >0.5MW non-residential solar power production to be determined via auction process

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Consolidated Balance Sheet: Assets

(JPY million)

	FY16/2	FY17/2	FY18/2	FY19/2	FY20/2 Q1	vs. FY19/2
Assets						
Current Assets						
Cash and cash equivalents	28,779	47,678	45,510	50,225	38,711	-11,514
Trade notes and accounts receivable	691	913	1,097	1,344	1,671	+327
Operational loan investments	1,324	1,324	1,324	1,324	1,324	–
Operational securities investments	1,784	1,433	2	1,218	3,839	+2,621
Real estate for sale	172,833	167,805	180,789	161,322	164,703	+3,381
Deferred tax assets	1,766	516	342	–	–	–
Other	3,966	3,125	2,643	2,156	2,131	-25
Less: allowance for doubtful accounts	-458	-453	-28	-2	-3	-1
Total Current Assets	210,687	222,344	231,681	217,590	212,378	-5,212
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	3,830	7,375	10,600	20,338	22,051	+1,713
Solar power plant equipment (net)	12,256	7,246	19,773	19,058	19,197	+139
Land	12,192	18,627	26,993	49,924	52,025	+2,101
Other (net)	3,264	12,402	1,190	5,655	5,666	+11
Total Property, Plant, and Equipment	31,546	45,654	58,558	94,976	98,941	+3,965
Intangible Assets						
Goodwill	1,942	1,864	1,600	1,346	1,302	-44
Leasehold rights	392	62	135	316	316	–
Other	38	29	233	331	485	+154
Total Intangible Assets	2,373	1,956	1,968	1,993	2,104	+111
Investments and Other Assets						
Securities investments	5,486	1,426	2,184	2,455	2,559	+104
Long-term loans receivable	12	10	10	10	10	–
Deferred tax assets	39	339	68	177	186	+9
Other	1,736	1,820	2,132	2,231	2,131	-100
Less: allowance for doubtful accounts	-124	-92	-91	-91	-91	–
Total Investments and Other Assets	7,149	3,504	4,303	4,782	4,795	+13
Total Fixed Assets	41,069	51,115	64,831	101,752	105,842	+4,090
Total Assets	**251,757**	**273,459**	**296,512**	**319,343**	**318,220**	**-1,123**

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Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY16/2	FY17/2	FY18/2	FY19/2	FY20/2 Q1	vs. FY19/2
Liabilities						
Current Liabilities						
Trade notes and accounts payable	80	110	–	–	–	–
Short-term loans	2,188	805	1,042	3,275	6,467	+3,192
Short-term non-recourse loans	79	611	–	–	–	–
Bonds (due within one year)	–	112	112	112	112	–
Long-term loans (due within one year)	8,161	5,209	4,449	7,881	8,660	+779
Long-term non-recourse loans (due within one year)	2,975	6,825	3,921	1,666	1,666	–
Income taxes payable	631	1,655	1,609	3,760	1,326	-2,434
Deferred tax liabilities	53	62	494	–	–	–
Accrued bonuses	13	36	34	31	281	+250
Other current liabilities	3,979	4,119	4,652	5,178	4,065	-1,113
Total Current Liabilities	18,161	19,548	16,316	21,905	22,579	+674
Long-Term Liabilities						
Bonds	–	632	520	538	538	–
Non-recourse bonds	100	100	–	–	–	–
Long-term loans	94,409	91,604	112,366	131,569	133,508	+1,939
Long-term non-recourse loans	56,193	68,319	63,588	51,068	49,341	-1,727
Deferred tax liabilities	1,543	1,147	1,744	2,164	2,175	+11
Long-term security deposits received	8,707	8,038	8,492	8,292	7,995	-297
Other long-term liabilities	475	624	758	946	964	+18
Total Long-Term Liabilities	161,430	170,467	187,470	194,579	194,523	-56
Total Liabilities	**179,591**	**190,015**	**203,787**	**216,484**	**217,102**	**+618**
Net Assets						
Shareholders' Equity						
Capital	26,575	26,650	26,723	26,820	26,820	–
Capital reserve	10,968	11,056	11,113	11,207	11,207	–
Retained earnings	29,454	42,840	54,324	66,730	68,072	+1,342
Treasury shares	-41	-15	-2,995	-5,988	-5,988	–
Total Shareholders' Equity	66,956	80,532	89,165	98,769	100,111	+1,342
Accumulated Other Comprehensive Income						
Valuation gain (loss) on other securities	761	117	543	386	349	-37
Deferred gain (loss) on long-term interest rate hedges	-251	-365	-372	-408	-420	-12
Foreign currency translation adjustment	23	55	–	–	–	–
Total Accumulated Other Comprehensive Income	533	-192	171	-21	-71	-50
Stock Options	319	491	666	827	890	+63
Minority Interests	4,357	2,612	2,722	3,283	186	-3,097
Total Net Assets	**72,166**	**83,443**	**92,725**	**102,859**	**101,118**	**-1,741**
Total Liabilities and Net Assets	**251,757**	**273,459**	**296,512**	**319,343**	**318,220**	**-1,123**

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Consolidated P&L

(JPY million)

	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY 20/2 Q1 (3M)	FY19/2 Q1 (3M)	Change (YOY)	FY20/2 Full-Year Forecast	vs. Forecast
Revenue	**49,699**	**109,253**	**57,846**	**83,540**	**26,290**	**16,108**	**+10,182**	**–**	**–**
Cost of Goods Sold	28,865	81,327	30,860	51,413	15,994	8,653	+7,341	–	–
Gross Profit	**20,833**	**27,925**	**26,986**	**32,126**	**10,295**	**7,454**	**+2,841**	**–**	**–**
SG&A	4,446	5,025	5,067	5,847	1,758	1,461	+297	–	–
Operating Profit	**16,387**	**22,900**	**21,919**	**26,279**	**8,537**	**5,992**	**+2,545**	**26,500**	**32.2%**
Non-Operating Income									
Interest income	2	–	3	3	1	–	1	–	–
Dividend income	79	85	57	68	35	21	+14	–	–
Negative goodwill amortization	90	–	–	–	–	–	–	–	–
Mark-to-market gain on long-term interest rate hedges	–	–	–	5	–	6	-6	–	–
Other	43	32	100	70	15	29	-14	–	–
Total Non-Operating Income	215	118	161	147	53	57	-4	–	–
Non-Operating Expenses									
Interest expense	2,234	2,278	2,249	2,328	558	569	-11	–	–
Mark-to-market loss on long-term interest rate hedges	–	53	270	491	98	–	+98	–	–
Debt financing-related fees	98	714	207	327	236	226	+10	–	–
Other	380	217	168	203	89	37	+52	–	–
Total Non-Operating Expenses	2,713	3,263	2,895	3,350	982	833	+149	–	–
Recurring Profit	**13,889**	**19,755**	**19,185**	**23,076**	**7,607**	**5,217**	**+2,390**	**22,800**	**33.4%**
Extraordinary Gains									
Gain on sale of securities investments	223	2,466	–	2	11	2	+9	–	–
Gain on sale of shares in affiliates	–	–	1,221	–	–	–	–	–	–
Gain on sale of subsidiary shares	–	–	–	–	169	–	–	–	–
Other	–	–	41	–	35	–	–	–	–
Total Extraordinary Gains	223	2,466	1,263	2	215	2	+213	–	–
Extraordinary Losses									
Loss on sale/disposal of fixed assets	–	–	11	–	27	–	+27	–	–
Valuation loss on securities investments	49	–	–	–	–	–	–	–	–
Office move expenses	9	31	–	–	–	–	–	–	–
Impairment loss	–	1,090	327	–	–	–	–	–	–
Earthquake-related damages	–	244	–	–	–	–	–	–	–
Other	31	224	–	–	–	–	–	–	–
Total Extraordinary Losses	89	1,590	339	–	27	–	+27	–	–
Pre-Tax Net Income	14,022	20,630	20,109	23,079	7,796	5,220	+2,576	–	–
Income Taxes	960	5,436	5,923	7,333	2,094	1,651	+443	–	–
Pre-Minority Interest Net Income	13,062	15,194	14,185	15,746	5,701	3,568	+2,133	–	–
Net Income Attributable to Minority Interests	136	299	167	373	932	21	+911	–	–
Net Income	**12,925**	**14,894**	**14,018**	**15,373**	**4,768**	**3,547**	**+1,221**	**15,000**	**31.8%**

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Consolidated Cash Flows from Operations

(JPY million)

	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 Q1 (3M)
Cash Flows from Operations					
Pre-tax net income	14,022	20,630	20,109	23,079	7,796
Depreciation	792	778	1,015	1,696	610
Share-based compensation expenses	174	223	215	213	62
Goodwill amortization	139	141	111	254	43
Negative goodwill amortization	-90	–	–	–	–
Increase (decrease) in accrued bonuses	-3	23	32	-3	250
Increase (decrease) in allowance for doubtful accounts	3	-3	-355	-26	–
Interest and dividend income	-81	-85	-61	-71	-37
Interest expense	1,277	1,303	2,249	2,328	558
Gain (loss) on sale of subsidiary shares	–	–	–	–	-169
Loss (gain) on sale of shares in affiliates	–	–	-1,221	–	–
Loss (gain) on sale of securities investments	-223	-2,466	–	-2	-11
Impairment loss	–	1,090	327	–	–
Valuation loss on securities investments	49	–	–	–	–
Decrease (increase) in trading notes and receivables	-172	-367	-468	-247	-326
Decrease (increase) in operational loans receivable	1,006	–	–	–	–
Decrease (increase) in operational securities investments	1,239	2,727	1,663	3,509	611
Valuation loss on operational securities investments	19	–	–	–	–
Decrease (increase) in real estate for sale	-63,070	-6,303	-8,112	-3,163	-3,380
Decrease (increase) in power plant for sale	–	7,251	996	–	–
Valuation loss on SPC capital contributions	11	16	–	–	–
Decrease (increase) in advances paid	-990	-190	871	-333	122
Decrease (increase) in accounts receivable	-1,140	-193	-10	-399	51
Increase (decrease) in accounts payable	535	204	573	-332	-824
Increase (decrease) in accrued expenses	42	92	-47	25	104
Increase (decrease) in advances received	317	-49	30	269	–
Increase (decrease) in security deposits received	2,380	-667	125	-264	-297
Other	435	1,304	585	1,887	253
Sub-total	-43,324	25,460	18,628	28,420	5,418
Interest and dividend income received	81	85	61	71	37
Interest expense paid	-1,226	-1,146	-2,231	-2,118	-463
Income taxes paid and refunded	-186	-2,852	-5,854	-4,610	-4,358
Net Cash from (Used for) Operations	**-44,654**	**21,547**	**10,603**	**21,762**	**632**

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Consolidated Cash Flows from Investments & Financing

(JPY million)

	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 Q1 (3M)
Cash Flows from Investments					
Payments into time deposits	–	-6,100	-6	-118	-3
Redemptions of time deposits	–	201	–	1,060	2,009
Payments for securities investments	-671	-300	-140	-539	-93
Proceeds from sale of securities investments	296	6,136	–	32	111
Proceeds from redemptions of securities investments	3	–	–	–	–
Acquisition of property, plant, and equipment	-6,628	-11,719	-4,796	-15,440	-5,000
Acquisition of intangible assets	-21	-1	-83	-425	-70
Payments of SPC capital contributions	-9	-63	-28	-6	-2
Redemptions of SPC capital contributions	6	–	–	32	–
Payments of security deposits	-37	-5	-36	-16	-20
Acquisition of subsidiary shares resulting in change of consolidation scope	–	-93	-2,619	–	–
Sale of subsidiary shares resulting in change of consolidation scope	–	–	2,096	–	–
Other	9	11	-32	-181	-41
Net Cash from (Used for) Investments	**-7,052**	**-11,933**	**-5,645**	**-15,602**	**-3,110**
Cash Flows from Financing					
Net increase (decrease) in short-term loans	771	-1,383	-306	2,232	3,192
Net increase (decrease) in short-term non-recourse loans	31	532	-611	–	–
Proceeds from bond issuance	–	785	–	129	–
Repayment of maturing bond principal to bondholders	–	-56	-112	-112	–
Redemption of non-recourse bonds	–	–	-100	–	–
Proceeds from long-term loans	64,866	55,674	32,660	43,062	14,805
Repayment of long-term loans	-19,192	-61,221	-13,402	-20,352	-12,164
Proceeds from long-term non-recourse loans	18,150	30,850	3,518	3,500	–
Repayment of long-term non-recourse loans	-2,772	-15,400	-22,366	-18,473	-1,727
Proceeds from employee exercise of stock options	153	137	110	143	–
Share buyback	–	–	-2,999	-2,999	–
Proceeds from share issuance to non-controlling shareholders	2,000	–	–	90	–
Payments to non-controlling shareholders for redemption of common shares	–	-2,000	–	–	–
Sale of subsidiary shares resulting in no change of consolidation scope	–	–	–	100	–
Dividends paid to minority interests	-43	-39	–	–	-1,276
Dividends paid	-646	-1,501	-2,513	-2,972	-3,342
Net Cash from (Used for) Financing	**63,318**	**6,377**	**-6,124**	**4,346**	**-514**

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Top Partner of J.League, Japan's Professional Soccer League

Partner with J.League to Promote Community Development, Revitalize Local Economies, and Help People Enjoy Richer and Healthier Lives

J.League's 100-Year Vision:
Promote Sports Development

J.League's mission is to establish sports clubs rooted in local communities, cooperating with local residents, businesses, and municipalities to promote community development

Ichigo's Mission:
Serve Important Social Needs

Ichigo believes that companies exist to serve society, and seeks to contribute to local communities as a sustainable infrastructure company

Ichigo's role as the only real estate company that is a J.League Top Partner:

- Renovate and upgrade stadiums and help local governments find solutions for the rising costs of operating stadiums
- Work to build stronger and healthier communities in cooperation with local residents, businesses, and municipalities





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Power Up 2019 Mid-Term Plan Achievement

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Power Up 2019 Achievement Details (1)

Beat All KPI Targets

3-Year Growth: OP +60%, RP +66%, NI +19%*

* Ichigo's effective tax rate normalized from FY16/2's 6.9% to FY19/2's 31.8%, so NI grew less than OP.

(JPY million)

	FY16/2 (Actual) (Shift Up 2016) (A)	FY19/2 (Actual) (Power Up 2019) (B)	(B) - (A)	FY19/2 (Plan) (Power Up 2019)	vs. Plan
Operating Profit	**16,387**[1]	**26,279**	**+60.4%**	**25,000**	**105.1%**
Recurring Profit	**13,889**	**23,076**	**+66.1%**	**21,400**	**107.8%**
Net Income	**12,925**	**15,373**	**+18.9%**	**14,800**	**103.9%**
EPS	**JPY 25.86**	**JPY 31.14**	**+20.4%**	**JPY 29.00**	**107.4%**
Dividend	**JPY 3**	**JPY 7**	**+133.3%**	**JPY 7**	**100.0%**
ROE	**21.0%**[2] **(Post-Tax) 15.3%**	**16.3%**	**–**	**15.6%**	**–**
Stock Earnings/ Fixed Expenses	**223.3%**	**239.6%**	**–**	**191.4%**	**–**

[1] From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. FY16/2 Operating Profit has been restated using this new accounting treatment to facilitate an accurate YOY comparison.

[2] At Ichigo's FY19/2's normalized 31.8% tax rate, FY16/2 ROE would have been 15.3%.

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Power Up 2019 Achievement Details (2)

Profitability	**Core Business Growth**	• List Ichigo's solar assets on the TSE's new Infrastructure Market • Support the ongoing growth of Ichigo Office (8975) and Ichigo Hotel (3463) • Expand the architecture and structural engineering team to deliver real estate that is high-function, safe, secure, and environmentally friendly • Spin out a dedicated leasing team to drive tenant acquisitions and rental income	✓	• Listing of Ichigo Green (9282) on Dec 1, 2016 • Asset sales to Ichigo Office (8975) and Ichigo Hotel (3463) • Created a long-term private fund (JPY 8.3B) • Expanded the engineering team • Spun out a dedicated leasing team and strengthened marketing functions to drive asset acquisitions and value-add
	New Business Creation	• Extend Ichigo's REIT-focused asset management business into the much larger physical real estate market • Grow Ichigo's hotel business synergistically with Ichigo Hotel • Launch one or more REtech businesses, fusing Ichigo's Real Estate and IT capabilities	✓	• Launched Ichigo Owners & Ichigo Land businesses • Launched 2 THE KNOT lifestyle hotels • Developed AI hotel revenue management system • Launched new real estate content businesses (storage, laundry, & study spaces) • Entered business alliance with Phil Company • Established Sports & Entertainment group • Launched Community Lab and 100-Year Real Estate Lab
Sustainability	**Finance as a Strategic Measure**	• Grow both financial stability and earnings • De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile	✓	• 24% of corporate loans are uncollateralized via commitment lines and other credit lines (JPY 32.5B total) • Average Loan Period: 10.3 years, Average Interest Rate: 0.97%, Long-Term Loan Ratio: 92%
	High Capital Efficiency and Organic Growth	• ROE >15%	✓	• Achieved ROE >15% for all 3 MTP years
	Best Place to Work	• Support employee health and wellness • Goal: Japan's number one company in providing opportunities for employees	✓	• 100% return rate for employees who take child leave • Annual stock option grants (fully expensed) to all employees to align their interests with Ichigo shareholders • Launched Incubation Lab to support internal startups
	Global Best Practice Governance and Compliance		✓	• 6 of 9 Board Members are Independent Directors • Former CEOs of TSE 1st Section companies serve as Independent Directors

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Power Up 2019 Achievement Details (3) JPX-Nikkei 400 Index

- Selected for inclusion in the JPX-Nikkei 400 three years in a row (2016, 2017, 2018)
- Targeting Ranking within the Index's Top 200 Companies in August 2019

JPX-NIKKEI 400

Ranking Calculation:

While the JPX-Nikkei 400 does not provide an official ranking of its 400 constituents, it can be calculated based upon the JPX-Nikkei 400's publically-available quantitative ranking formula, which rank orders the top 1,000 companies from the joint set of the 1,200 highest market capitalization and 1,200 highest value-traded Japanese companies by:

(a) 3-year average ROE (40% weighting)

(b) 3-year cumulative operating profit (40% weighting)

(c) Market capitalization (20% weighting)

Total Score = 0.4 × (a) + 0.4 × (b) + 0.2 × (c)

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Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

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Go for Growth

Grow & Expand Ichigo's Core Businesses into New Areas, Creating New Earnings Streams and Increasing Both Earnings and Earnings Stability

Sustainability

Sustainability is integral to the health and development of people, society, and the environment.

Ichigo's current core business of preserving and improving real estate is a highly sustainable business model that combines high efficiency with low environmental impact.

Under Ichigo 2030, Ichigo will continue its long-standing commitment to sustainability while developing new technologies to extend the lives of key social infrastructure beyond 100 years.

Infrastructure

Ichigo has a direct and critically important role in preserving and improving the social infrastructure that supports the quality of people's lives.

By expanding its current real estate and clean energy businesses into other infrastructure areas, Ichigo will integrate the "hard" physical elements and "soft" service elements of infrastructure to serve broad client needs.

Critical to success will be unifying Ichigo's Value-Add and IT capabilities. Ichigo will work to deliver first-in-class and best-in-class solutions to drive significant value for clients and society across a diverse set of infrastructure environments. Being one of many is not enough. Ichigo needs to lead.

Ichigo as a Sustainable Infrastructure Company

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Go Beyond Real Estate to Address Broad Needs

Assets	Needs
Residence	Live
Office	Work
Retail	Buy, Dine
Hotel	Stay, Travel
Solar Power Plant	Power Lives & Businesses
Stadium	Entertainment, Recreation, & Health



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KPI Targets

1. High Capital Efficiency

- FY20/2~FY30/2 Average ROE >15%
  - ✓ Increase long-term ROE by driving higher capital efficiency and earnings stability
  - ✓ Via high ROE, grow long-term EPS as a key driver of shareholder value
- FY20/2~FY30/2 Continuous JPX-Nikkei 400 Index Inclusion
  - ✓ Target 11 consecutive years of inclusion

2. High Cash Flow Generation

- FY20/2~FY30/2 Continuous Economic Operating Cash Flow > Net Income
  - ✓ Ichigo's robust cash flows fund both growth investments and shareholder returns
  - ✓ Target 11 consecutive years of EOCF > NI

3. High Earnings Stability

- FY30/2 Stock Earnings Ratio >60%
  - ✓ Raise Stock Earnings ratio from FY19/2's 53%
  - ✓ Concurrently, increase and diversify Flow Earnings, which are currently centered on Value-Add Gains on Sales

Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net investment in Real Estate and Power Plants for Sale

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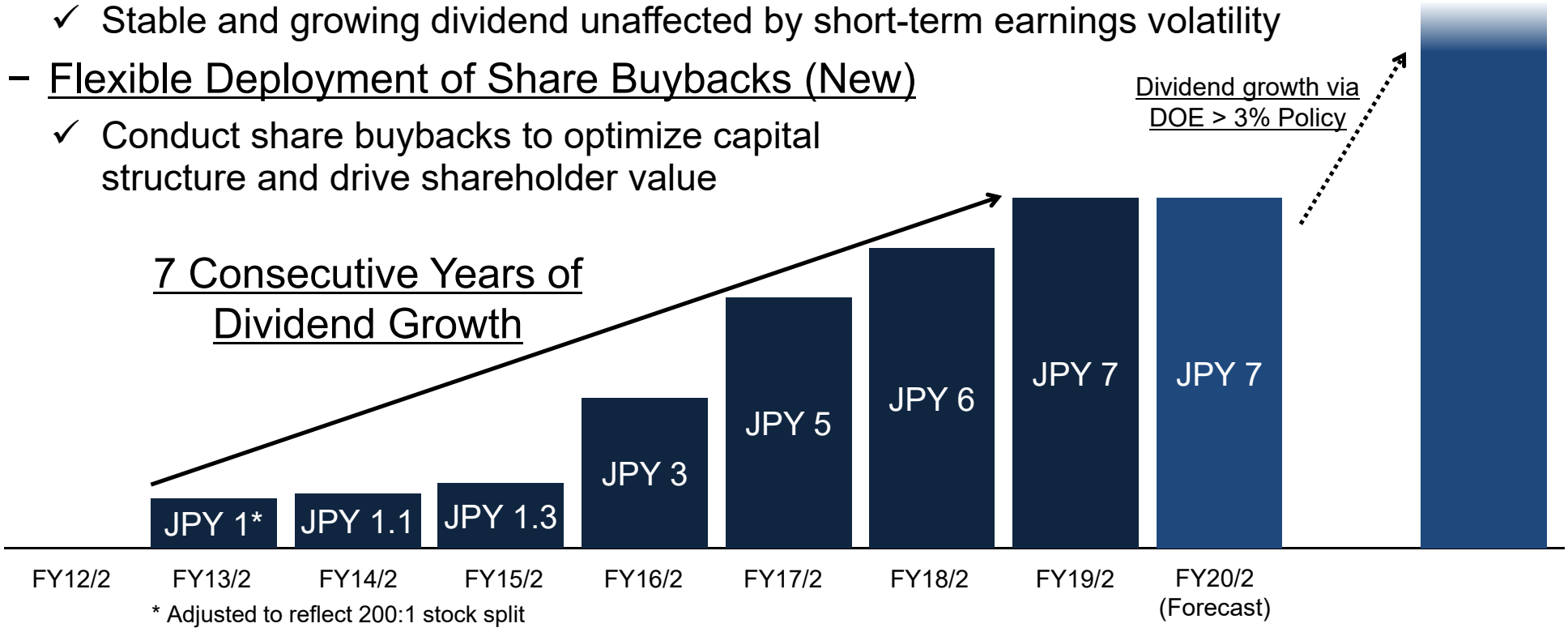
Shareholder Return Policy

Ichigo Dividend Policy: Growth, Certainty, and Stability

- Progressive Dividend Policy
  - ✓ Ichigo's progressive dividend policy underscores our commitment to driving continued organic earnings and dividend growth for shareholders. Under this policy, the previous year's dividend becomes the floor for the current year's dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside protection.
- DOE (Dividend on Equity) Payout Ratio of >3%
  - ✓ Stable and growing dividend unaffected by short-term earnings volatility
- Flexible Deployment of Share Buybacks (New)
  - ✓ Conduct share buybacks to optimize capital structure and drive shareholder value



* Adjusted to reflect 200:1 stock split

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FY20/2 Initiatives

Deepen Capabilities in Sustainable Real Estate

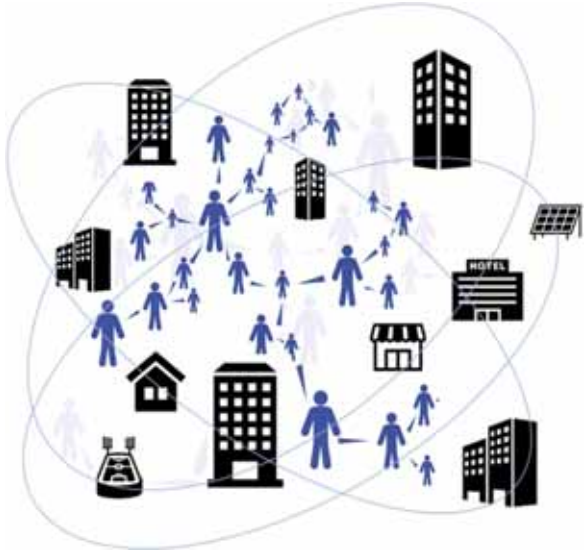
- Expand into new asset types (e.g., dormitories, sports facilities)
- Seek to be “Best Partner” to tenants via continually improving tenant services and solutions
- Strengthen group operating structure to deliver best-in-class outcomes

Accelerate Creation of New Businesses

- Further develop Ichigo Sustainable Lab
- Develop first-in-class and best-in-class Ichigo apps and other software solutions to address client needs and launch new businesses

Pro-Actively Deploy IT to Drive Higher Productivity

- Build integrated asset database
- Deploy BPA solutions
- Streamline tasks and increase asset management business productivity



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Make The World More Sustainable

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Ichigo ESG

Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.

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