FY22/2 Q1 Corporate Presentation

July 14, 2021

Ichigo (2337)

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We would like to express our deepest condolences to all those affected by the Covid pandemic globally, and our wishes for the earliest and fullest possible recovery.

Take care, be safe.

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Make The World
More Sustainable

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FY22/2 Q1 Earnings

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FY22/2 Q1 Summary

- Slow Hotel Earnings Recovery due to Prolonged Covid Impact
- Ichigo Owners Residential & Logistics Assets Sales
  - ✓ 2 Logistics Assets (value-add completed, GPM 33.6%)
- No Covid Impact on Clean Energy – Growth on Track
  - ✓ Stock Earnings +18% YOY
- Launching New Businesses in Line With Ichigo 2030 Vision
  - ✓ Launched Ichigo Owners Co-Ownership Business
  - ✓ Full-Scale Rollout of PROPERA – Began External Sales Promotion of Ichigo's PROPERA AI-Based Hotel Revenue Management System
- Accelerated RE100 Target by 15 Years from 2040 to 2025

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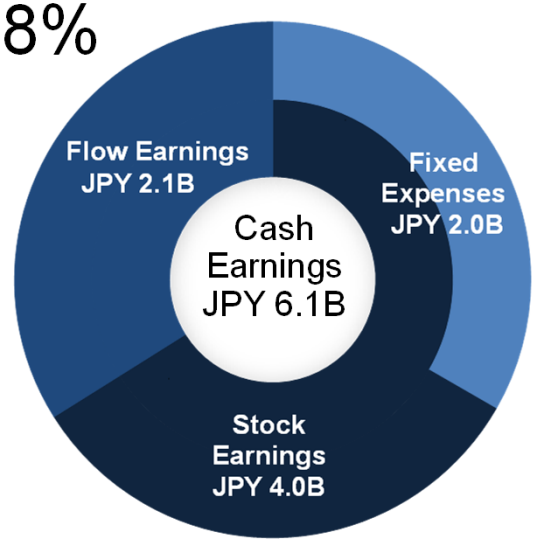
FY22/2 Q1 Summary

Durable Earnings Model

Stock Earnings/Fixed Expenses

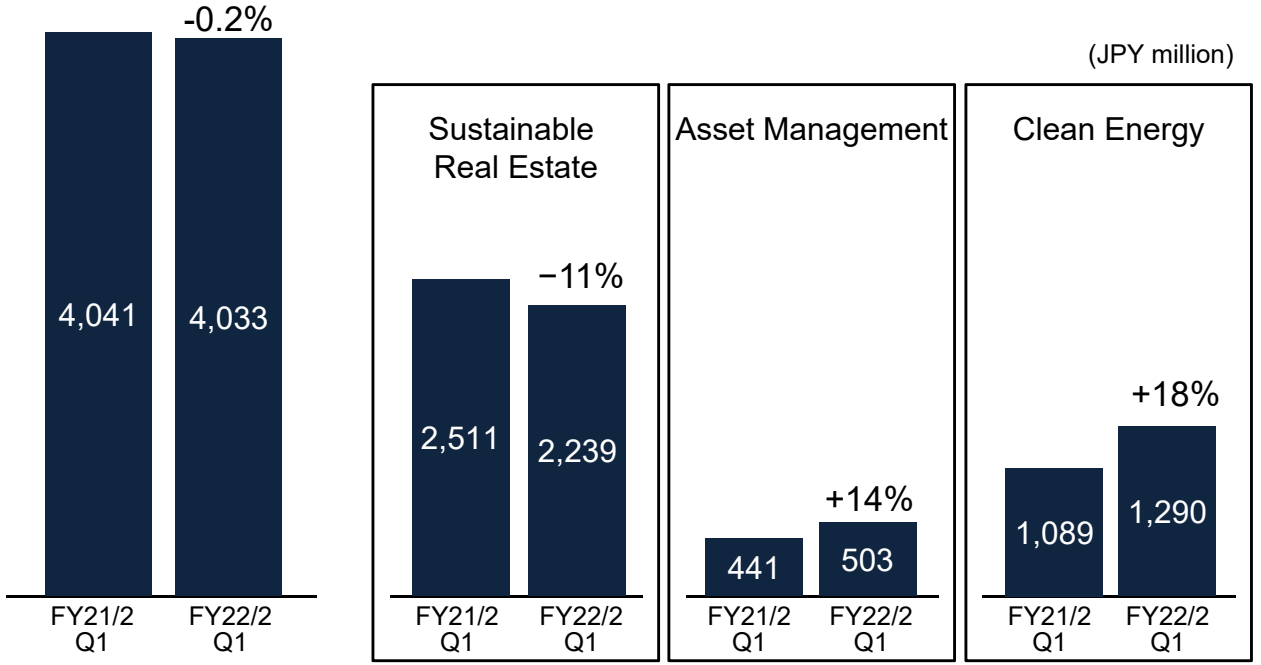
198%



Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

Robust Stock Earnings

(JPY million)



Clean Energy
Stock Earnings +18% YOY

– Full-year contribution from Ichigo's first wind power plant, Ichigo Yonezawa Itaya ECO Power Plant (7.3MW)

– Bringing 12 plants online during FY22/2 – forecast JPY 4.4B stock earnings (+16% YOY on a full-year basis)

New Businesses

Ichigo Owners Co-Ownership Business

・Launched new service to expand customer base & drive stock earnings

Full-Scale PROPERA Rollout

・Began external sales promotion in May
・Initial addressable market: 20,000 Japanese hotels

Share Buybacks – 5th Consecutive Year

– FY22/2 To-Date Buyback Amount: JPY 1.5B

– 5-Year Cumulative Buyback Amount: JPY 13.5B (7.4% of shares)

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Operating Profit -14%, Net Income -29%, EPS -27% (YOY)

- Flat Stock Earnings, Flow Earnings -8% YOY
- Cash EPS -6% YOY

(JPY million)

	FY21/2 Q1	FY22/2 Q1	YOY	Full-Year Forecast
Operating Profit	3,650	3,159	-13.5%	9,100 – 12,000
Recurring Profit	3,303	2,384	-27.8%	6,000 – 8,900
Net Income	2,164	1,546	-28.6%	5,000 – 8,000
Cash Net Income	3,169	2,906	-8.3%	10,518 – 13,518
EPS	JPY 4.49	JPY 3.28	-27.0%	JPY 10.69 – JPY 17.10
Cash EPS	JPY 6.58	JPY 6.17	-6.3%	JPY 22.48 – JPY 28.90

Cash Net Income = Net Income + Depreciation Expenses (Non-Cash)

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Segment Earnings Details

- Asset Management: Decrease in Ichigo Hotel (3463) base AM fees & performance fees
- Sustainable Real Estate
  Stock Earnings: Covid negative impact on hotel earnings
  Flow Earnings: Sold 2 logistics assets (value-add completed)
- Clean Energy: Continued growth, full-year wind plant earnings contribution

(JPY million)

Segment	Operating Profit				Gross Profit		Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY21/2 Q1	FY22/2 Q1	YOY	Full-Year Forecast	FY21/2 Q1	FY22/2 Q1	
Asset Management (AM)	**334**	**353**	**+5.8%**	**1,300**	**501**	**503**	Base AM Fees 478 (+61) Acquisition/Disposition Fees – (-22) Ichigo Office Cash Flow Performance Fees – (-37) Ichigo Green Operator Fees 12 (–)
Sustainable Real Estate (SRE)	**2,748**	**2,061**	**-25.0%**	**5,700 – 8,600**	**4,046**	**3,359**	Rental Income 1,289* (-564) * Net of Depreciation Expense 950 (+292) Gains on Sales 2,070 (-122)
Clean Energy (CE)	**594**	**743**	**+25.1%**	**2,100**	**742**	**880**	Power Generation Revenue 880* (+137) * Net of Depreciation Expense 410 (+63)
Adjustments (including offsets of cross-segment transactions)	**-26**	**–**	**–**	**–**	**–**	**–**	
Total	**3,650**	**3,159**	**-13.5%**	**9,100 – 12,000**	**5,289**	**4,743**	

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Covid Impacts

Stock Earnings

Asset Type	Earnings Impact	
Office	Low	Mid-size office demand continues to be strong
Hotel	High	Flat hotel demand due to new state of emergency, expected recovery on vaccine rollout. Upfront costs on accelerating Hakata Hotels' growth with new contracts
Retail	Low	Limited earnings impact overall. Restaurants are worst performer & continue to be hard hit
Residential	None	Over-supply in certain areas, but robust overall
Clean Energy	None	No impact, growth on track, stable earnings driver

Flow Earnings

Asset Type	Earnings Impact	
Office Hotel Retail	High	High investment demand, transaction price gap between buyers and sellers closing
Residential Logistics	None	High earnings stability driving active transactions

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Powerful Value-Add Business Model Underpins Growth

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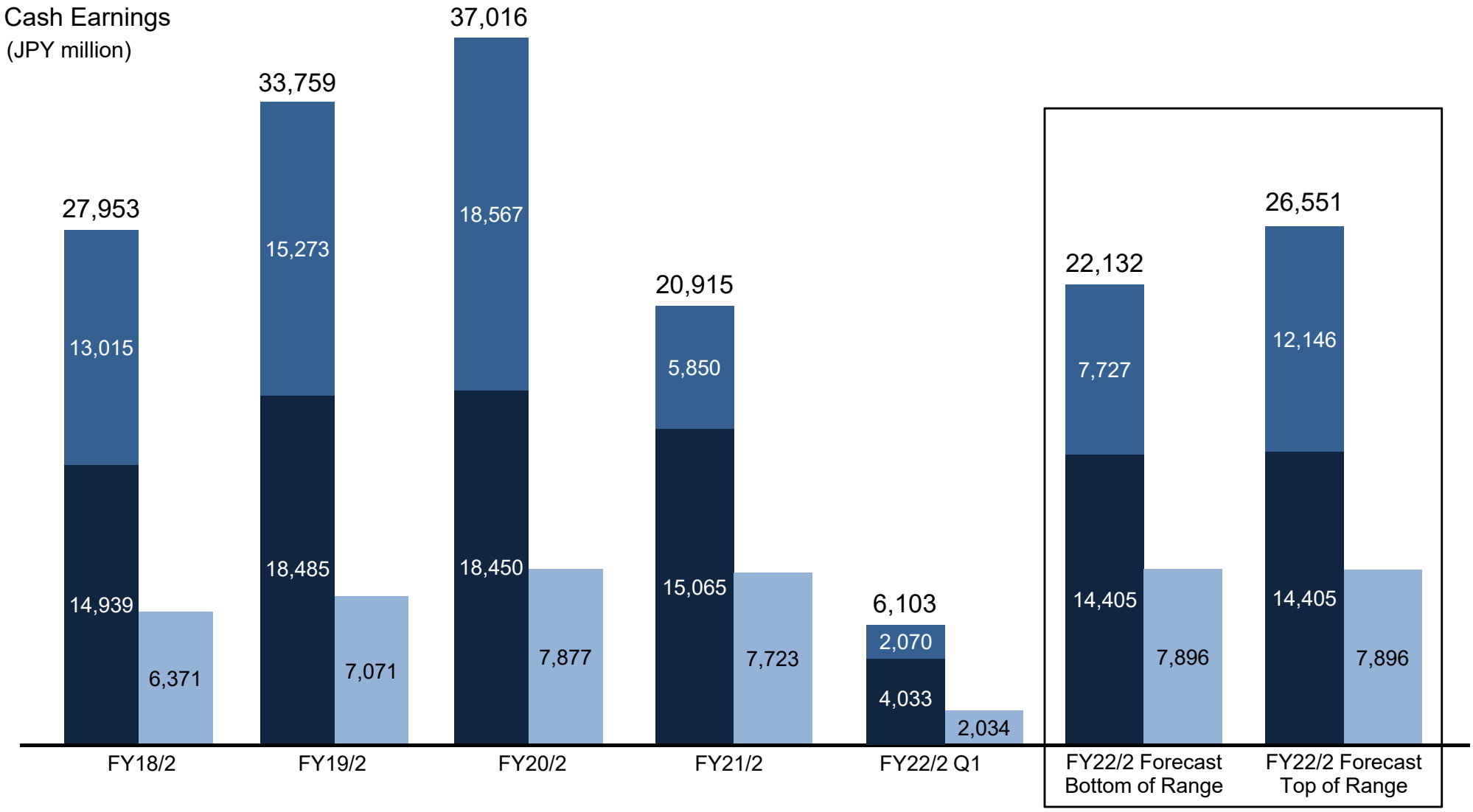
Business Model (1) Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, Power Generation Revenues, Depreciation (Non-Cash), & Base AM Fees)
- Flow Earnings (Primarily Gains on Value-Add Real Estate Sales)
- Fixed Expenses (Fixed SG&A + Interest Expenses)



Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

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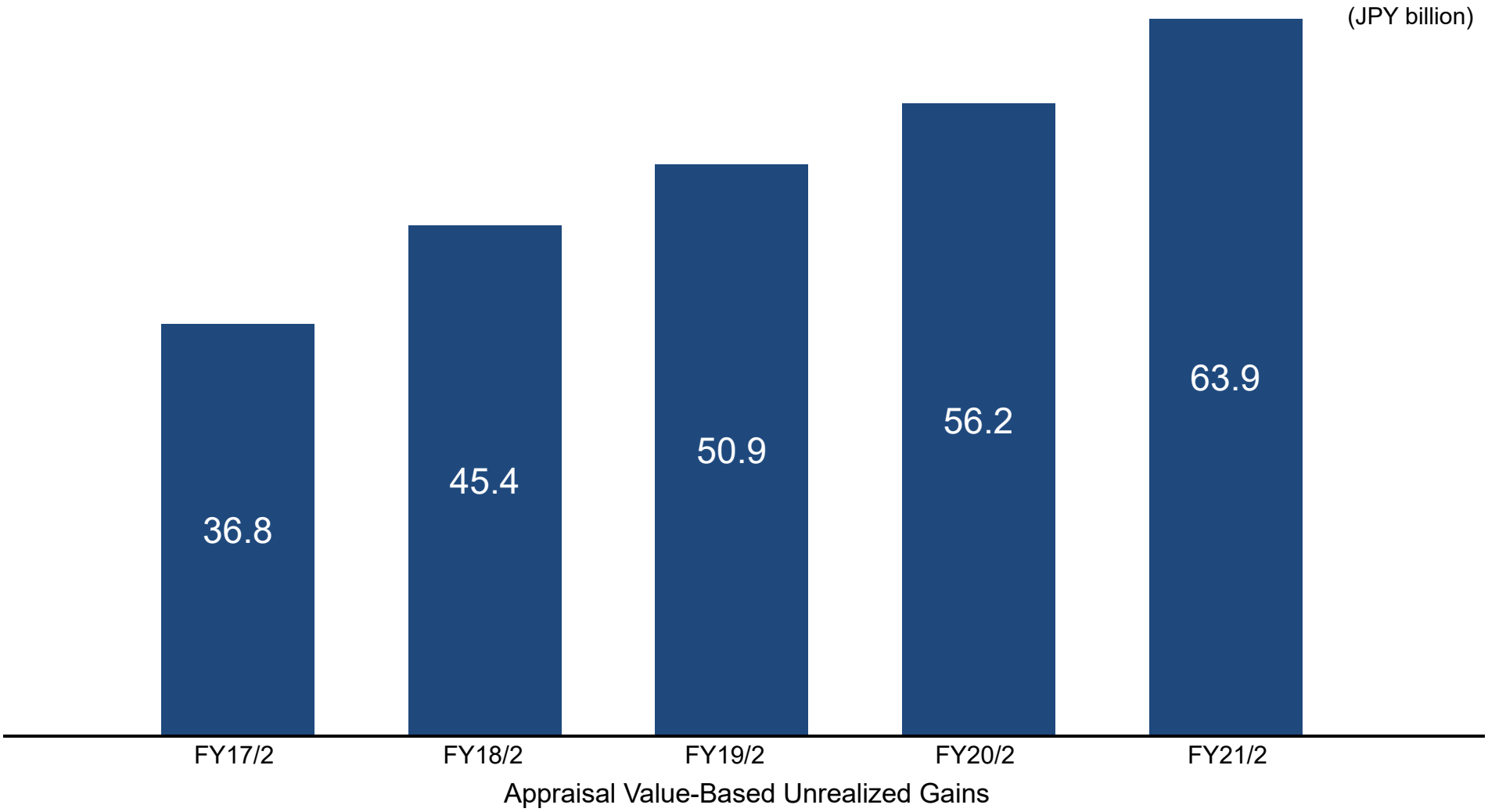
Business Model (2) Embedded Forward Earnings

Full Economic Earnings From Value-Add Exceed Accounting Earnings Value-Add Thus Generates Significant Unrealized Gains That Are Earnings Bank for Future Periods



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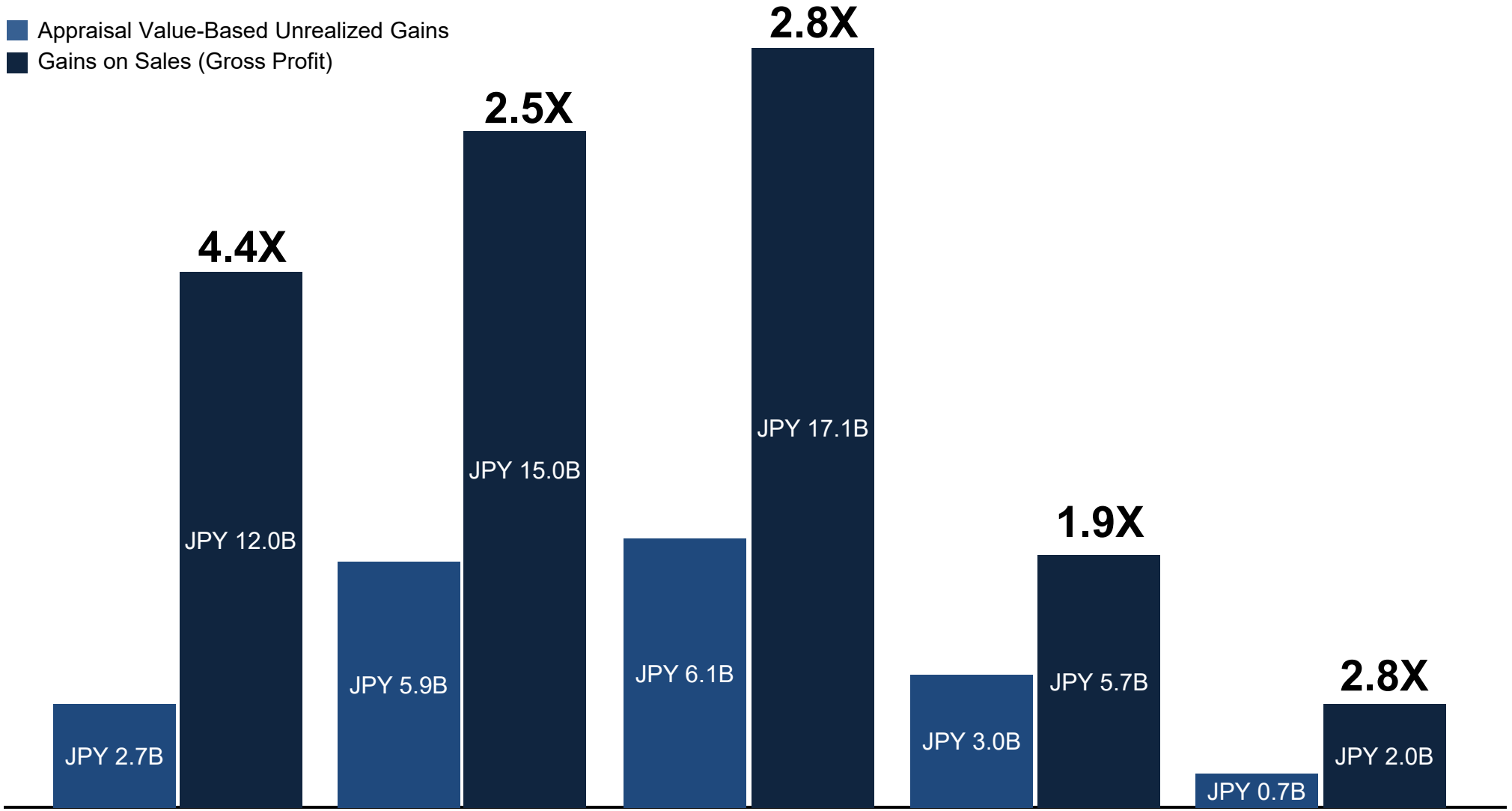
Business Model (3) Value-Add Drives Durable Value Growth

Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains



*Includes Gains on sale of fixed assets

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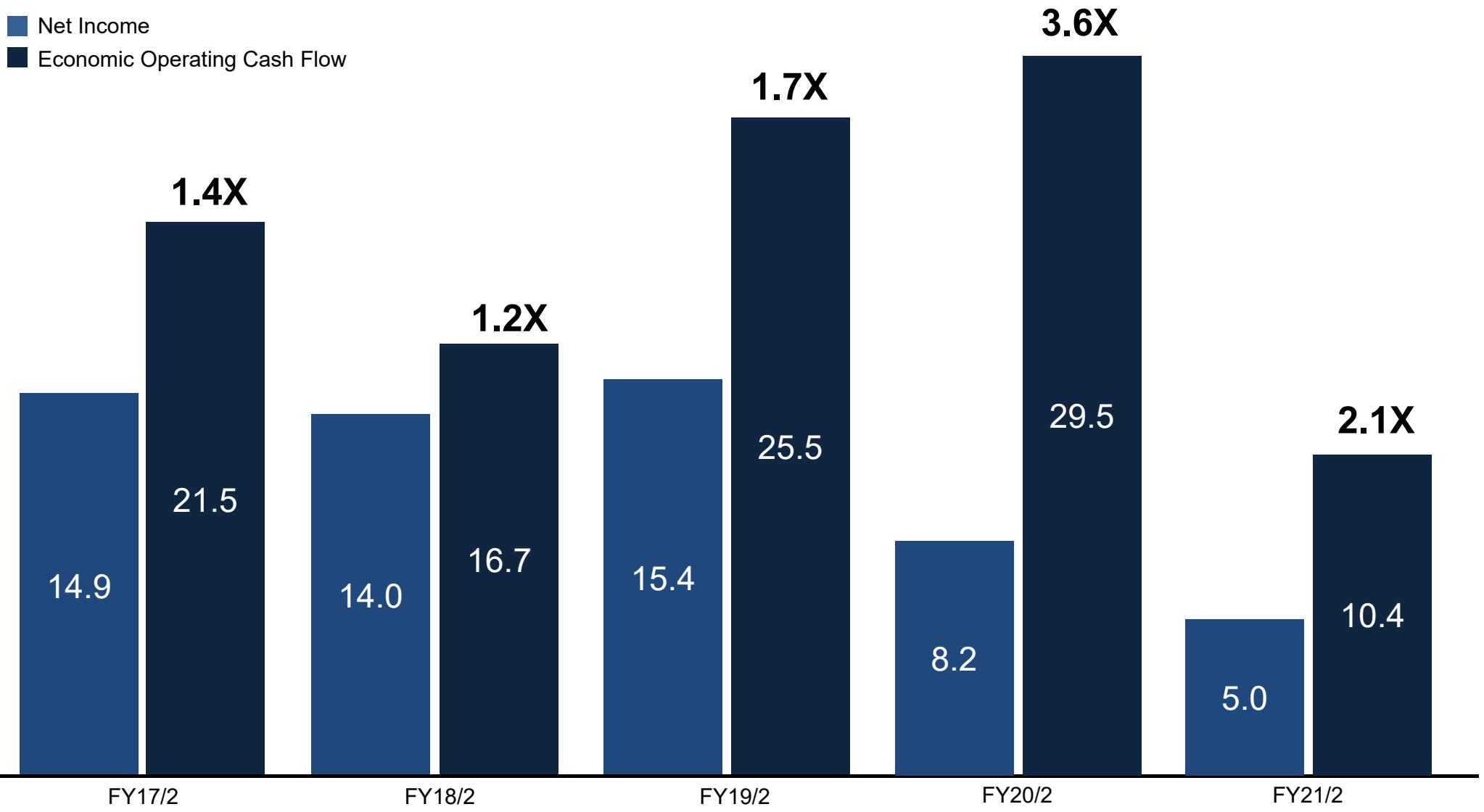
Business Model (4) Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income

(JPY billion)



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

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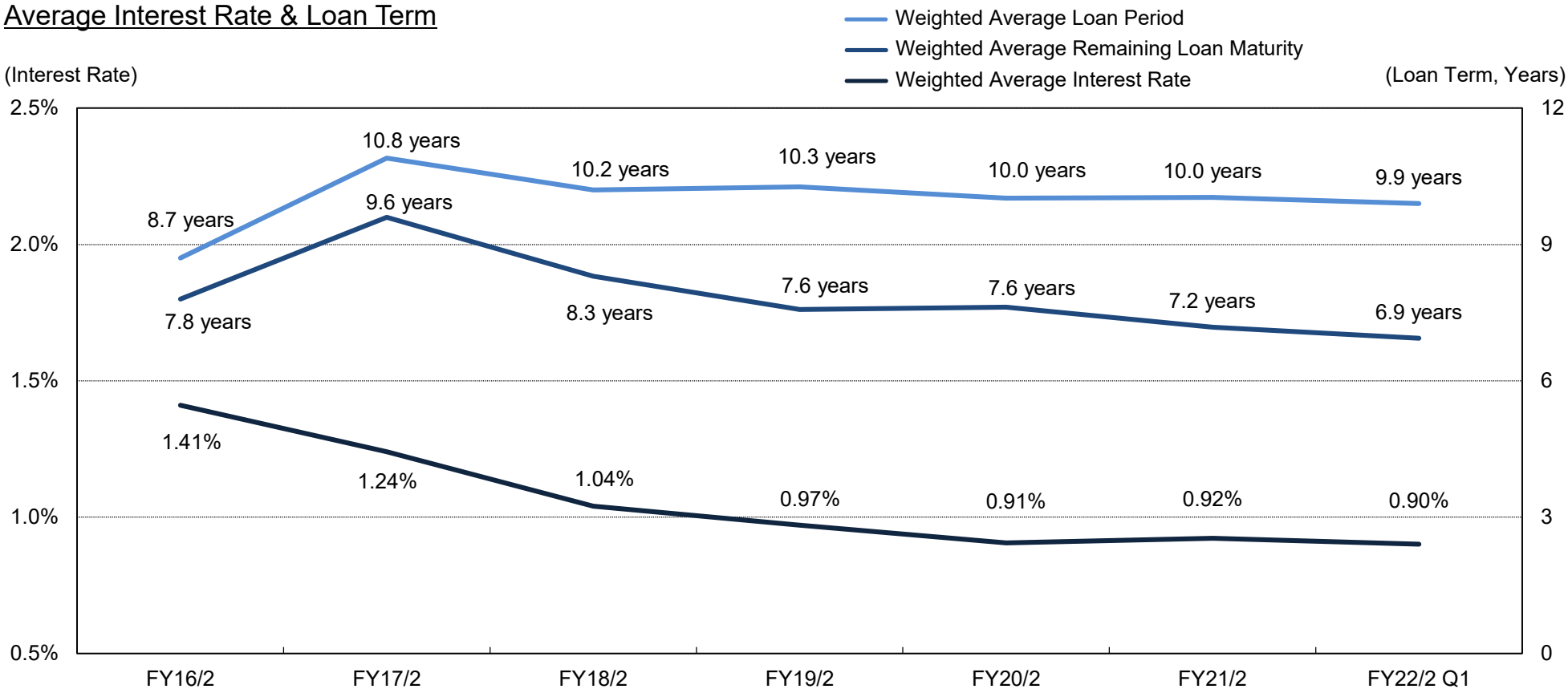
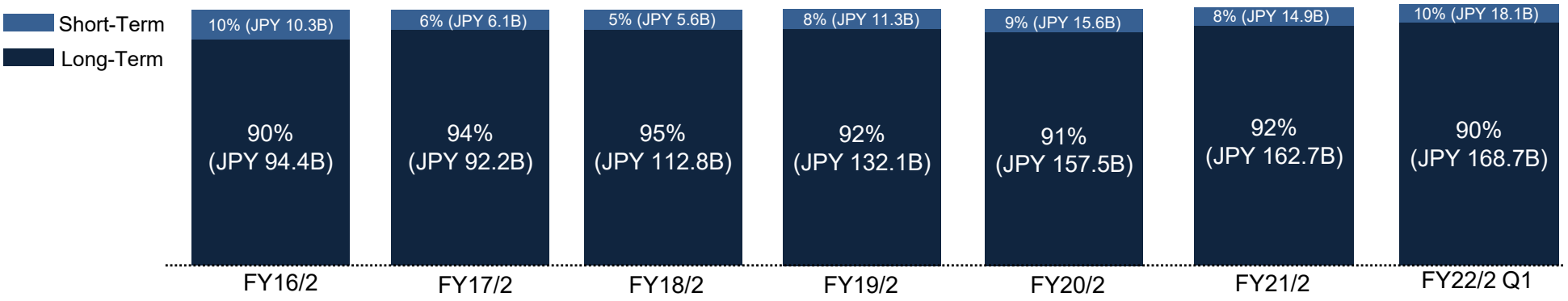
Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans



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Sustainable Growth as a Sustainable Infrastructure Company

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Selective on Acquisitions & Sales

FY22/2 Q1 Net Acquisitions: JPY 1.8B

(JPY million)

	Acquisitions		Sales		Difference (A) - (B)
	No. Of Assets	Book Value (A)	No. Of Assets	Sale Price (B)	
Residential	9	8,307	4	538	+7,769
Logistics	–	–	2	6,011	-6,011
Other	2	41	1	29	+12
Office/Hotel/Retail	–	–	–	–	–
Total	**11**	**8,347**	**7**	**6,578**	**+1,769**

Book Value of Sales is JPY 4.4B

Ichigo Owners Acquisitions & Sales

- Acquisitions: 8 Residential Assets (JPY 8.2B, 98% of total)
- No Sales During FY22/2 Q1

No significant changes in market environment from previous FY

Continued heavy transaction activity in residential & logistics assets

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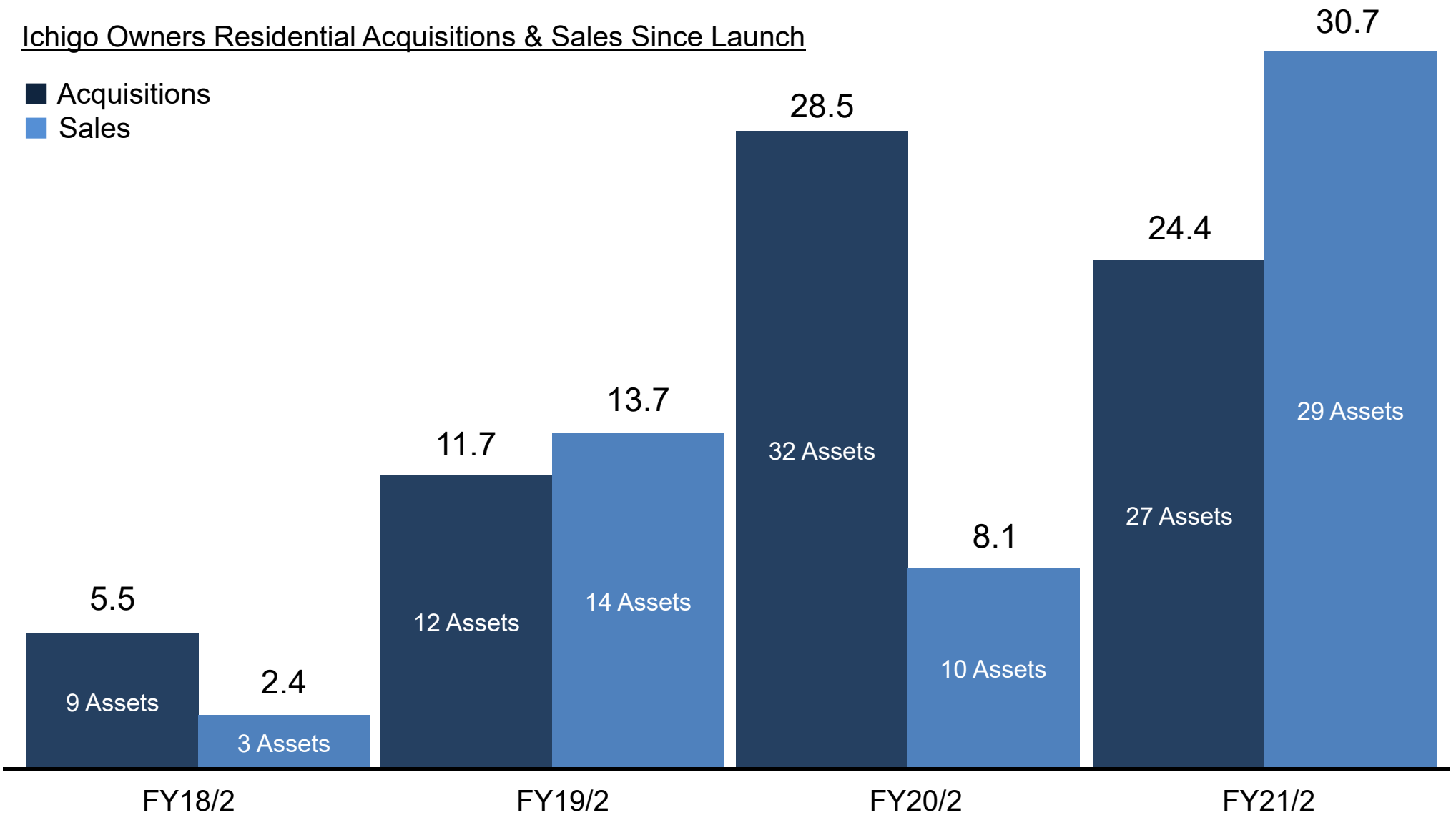
Strong Foundation for Growth

Significant Track Record & Capability in Residential Assets

(JPY billion)

Ichigo Owners Residential Acquisitions & Sales Since Launch



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Driving Stable Long-Term Earnings

- Launch of Co-Ownership Business
- Driving Stable Long-Term Earnings & Expanding Customer Base

Existing Ichigo Owners Business

Residential Asset



Sell

Flow Earnings Gains on Sale	Individual & Institutional Investors
Flow + Stock Earnings Gains on Sale, Management Fees	Private Funds

New Ichigo Owners Co-Ownership Business

Grow Stable Long-Term Earnings
10+ Year Earnings Stream

Residential Asset



Sell

Flow Earnings Gains on Sale	**Stock Earnings** Management Fees	**Flow Earnings** Performance Fee
Partnership **(Small-Lot Investments)**	**Asset Management** **Partnership Operations**	Asset Sale

Individual Investors' Small-Lot Investment Needs

- Savings & diversification needs
- Liquidity & inheritance planning needs

Large Addressable Market

- JPN investors with >JPY 500M assets: JPY 75 trillion
- JPN investors with JPY 100M~JPY 500M assets: JPY 197 trillion

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Growth Support for Ichigo REITs & Ichigo Green

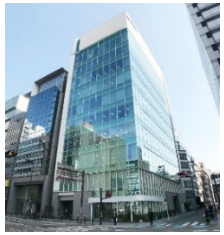
Office

Ichigo Office (8975)

Portfolio
86 Assets JPY 206.1B

Dividend Yield (as of 2021/7/9)
4.3%

- Entered FTSE Global REIT Index, a key benchmark for global investors
- Ichigo Office & Ichigo Hotel only J-REITs to implement no fixed fee, performance fee-only structure
- Transition to renewable energy across assets by April 2022 (excluding 15 partially-owned and co-owned assets)




Ichigo Growth Support

Providing comprehensive coverage to Ichigo Office assets via Ichigo's disaster response system

Hotel

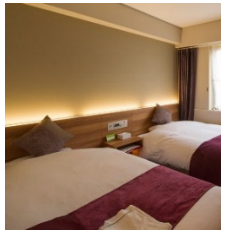
Ichigo Hotel (3463)

Portfolio
23 Hotels JPY 51.9B

Dividend Yield (as of 2021/7/9)
1.7%

- Geographically diversified portfolio focused on lodging-focused hotels
- Ichigo Office & Ichigo Hotel only J-REITs to implement no fixed fee, performance fee-only structure
- Driving earnings & value growth via value-add, strategic asset acquisitions & sales, & share buybacks





Ichigo Growth Support

Provided subordinated debt (JPY 500M) to support IHR's financial base & reduce operator risk by bringing in Hakata Hotels

Green Infrastructure

Ichigo Green (9282)

Portfolio
15 Solar Power Plants JPY 11.4B

Dividend Yield (as of 2021/7/9)
5.7%

- Solar power producer focused on driving shareholder value via income stability and earnings growth and contributing to Japan's self-sufficiency in clean energy
- Portfolio of robust assets that have suffered no injuries or damages from natural disasters




Ichigo Growth Support

Operating all plants and providing ongoing performance guarantee

Ichigo-Wide Initiatives		
	UN Global Compact	Includes Ichigo Office, Ichigo Hotel, & Ichigo Green
	RE100	Group-wide RE100 targets & strengthened environmental initiatives
	ESG & Value-Add	Accelerating ESG & sustainable value-add initiatives

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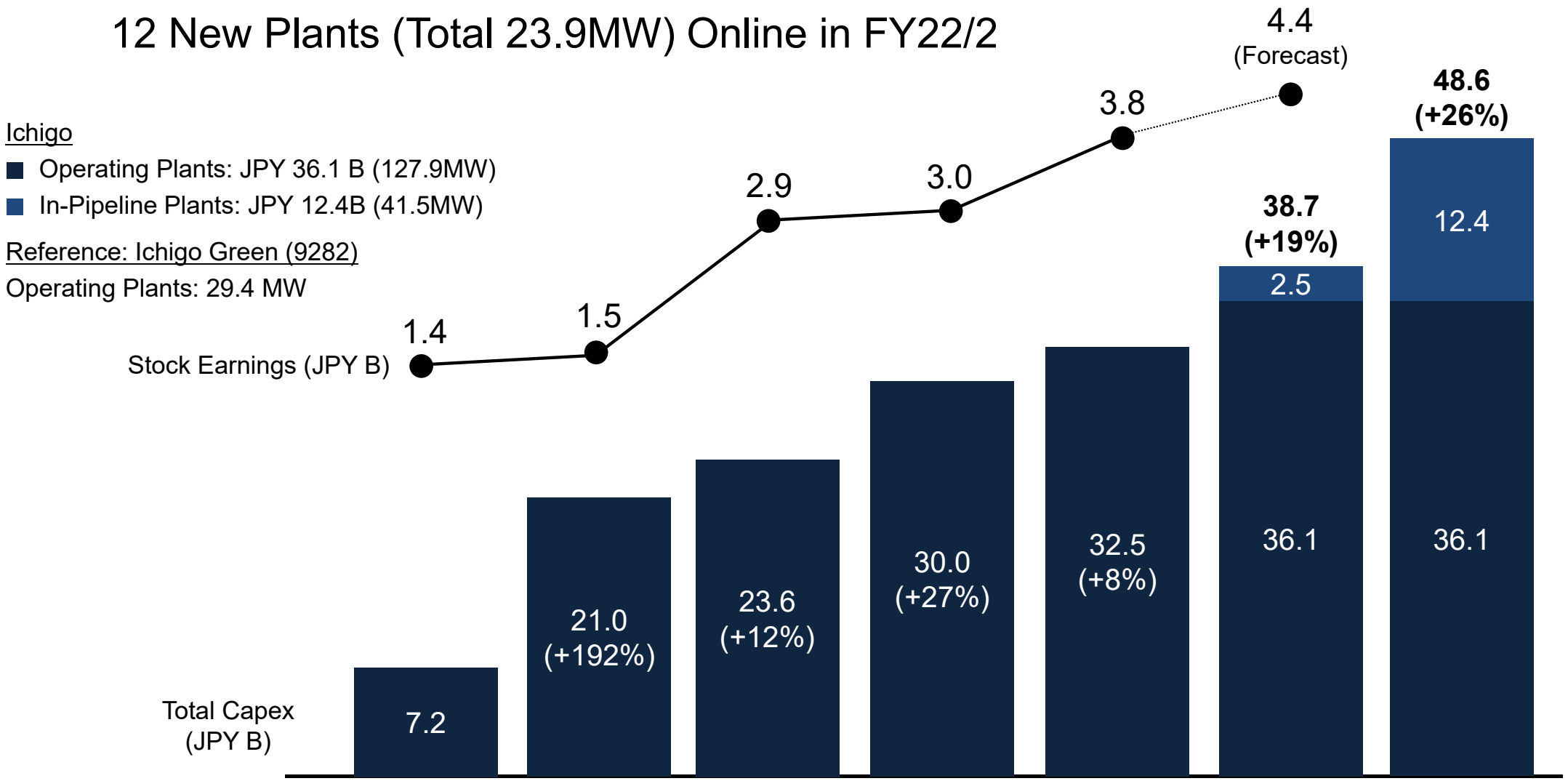
Scaling Rapidly

Ichigo's First Wind Power Plant Online This Quarter
12 New Plants (Total 23.9MW) Online in FY22/2



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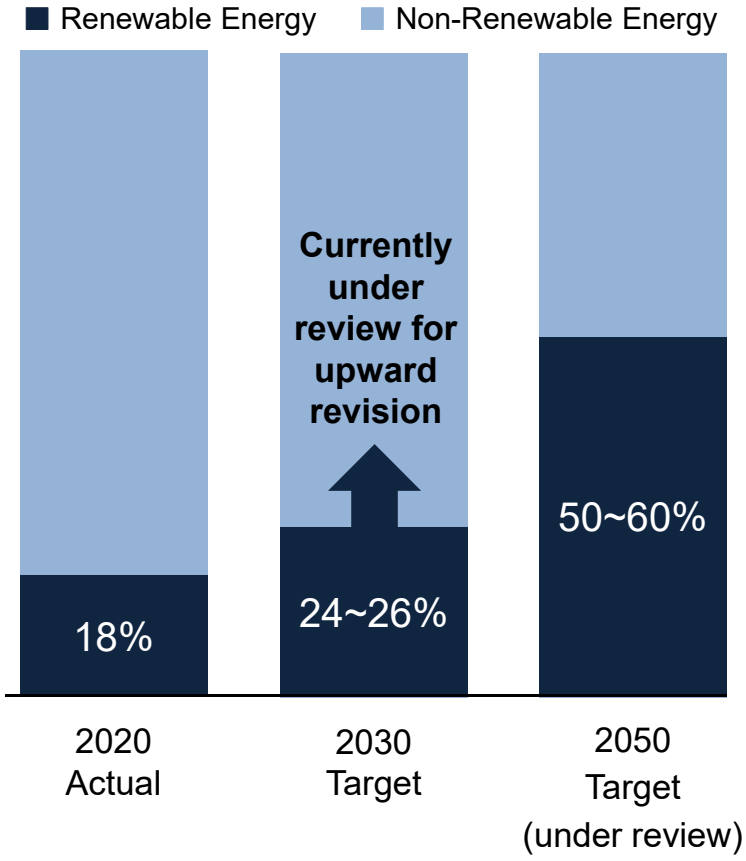
Japanese Energy Policy Creating New Growth Opportunities

Significant Increase in Japan's Renewable Energy Target Creating New Growth Opportunities

Japan Renewable Energy Contribution



Revised Act on Promotion of Global Warming Countermeasures (May 2021)

Target: Greenhouse Gas Emissions to Net Zero by 2050

Decrease 46% by 2030 (vs. 2013)

- Community-led acceleration of renewable energy

→ Increase opportunities via community-driven initiatives

- Improve continuity & viability of renewable energy policies

Reference: 2050 Zero Carbon Cities: 298 (Total Population: 100M)

6th Basic Energy Plan

Revised Target Under METI Review

Reference: 2050 Greenhouse Gas Reduction Targets Towards Net Zero Carbon

Japan: 80% Reduction (vs. 2005)
China: N/A (2060 Target)
US: >80% Reduction (vs. 2005)
Germany: 80-95% Reduction (vs. 1990)

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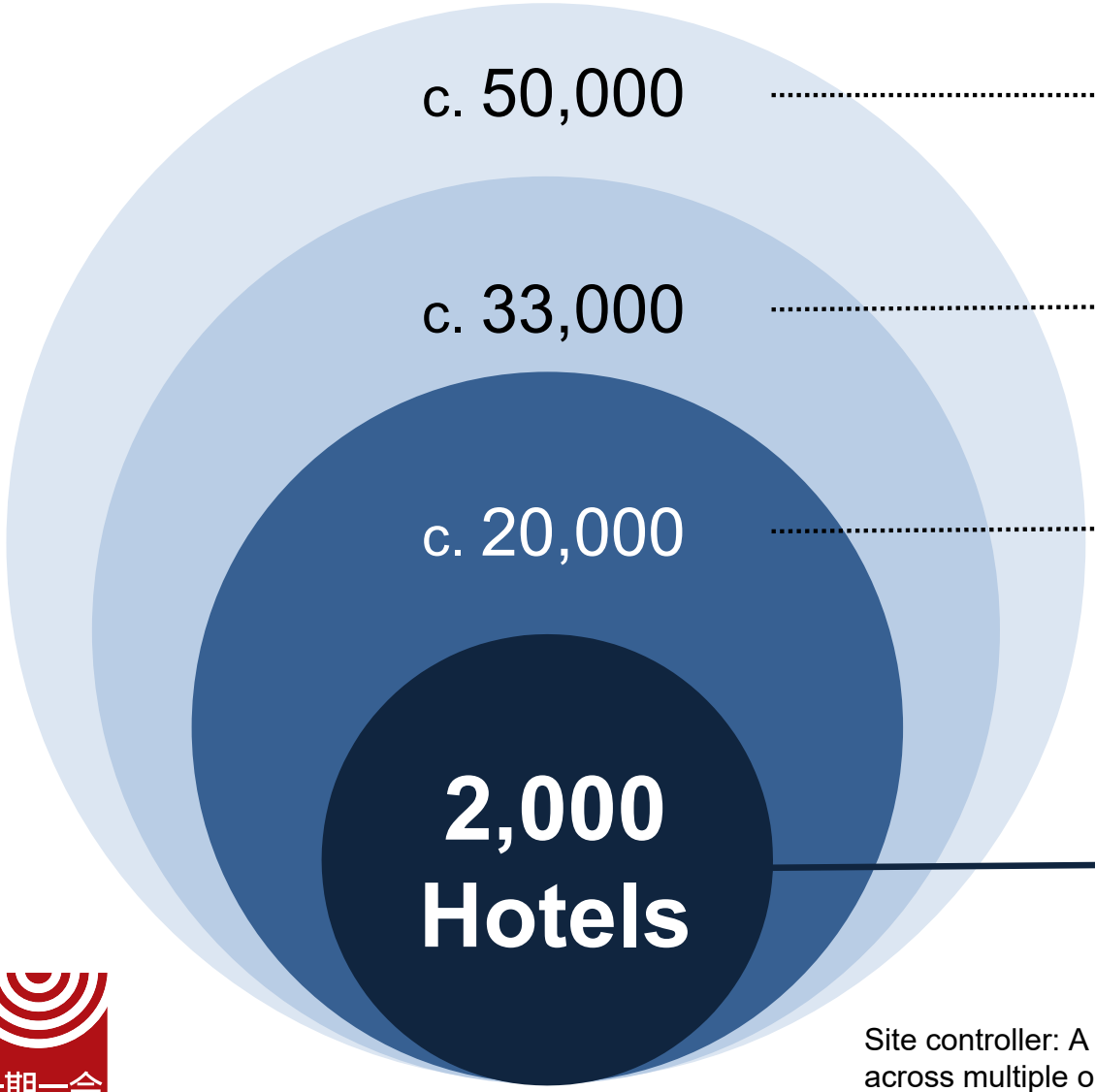
Market Size & Customer Acquisition Target

Customer Acquisition Target: 2,000 Hotels Within 5 Years



No. Of Japanese Hotels

No. Of Japanese Hotels with Online booking systems

No. Of Japanese Hotels Deploying Site Controllers

5-Year Target

Site controller: A channel management system that integrates & coordinates information across multiple online distribution channels

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Accelerating External Sales

Two Key Initiatives to Increase Market Share

1. Drive Customer Growth via PROPERA Lite

PROPERA Lite

- Price trend visualization only
- Pricing requires manual intervention
- Usage fee: JPY 24K monthly per hotel

2. Tightly Integrate With Site Controllers

Hotel Benefits of Tight Integration

- High operational efficiency
- Standardized interface allows for fast, low-cost PROPERA installation

2021 Forecast PROPERA Site Controller Integration Will Give Access to c. 16,000 Hotels (80% of all Japanese hotels with site controllers)

Increase Share to 2,000 Hotels Within 5 Years

Drive Earnings via Shift From PROPERA Lite to PROPERA

PROPERA

- Fully Automated Revenue Optimization
- Usage Fee: 1% of Revenue*

*Standard Plan

PROPERA Sample Earnings Model

Hotel with RevPAR JPY 6,000 and 100 rooms

Annual Ichigo Earnings: c. JPY 2M

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Accelerating RE100 Target by 15 Years From 2040 to 2025

Further Lowering Energy Impacts as a Sustainable Infrastructure Company

Ichigo RE100 Target
100% Renewable Electricity by 2025 Ichigo is committed to sourcing 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463)

RE100 CLIMATE GROUP | CDP

RE100

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a zero carbon society.

CDP

A global initiative that runs the global disclosure system for companies to manage their environmental impacts. Companies are assessed on governance, risk management, business strategy, goals and progress, and engagement, and are ranked from A to D.

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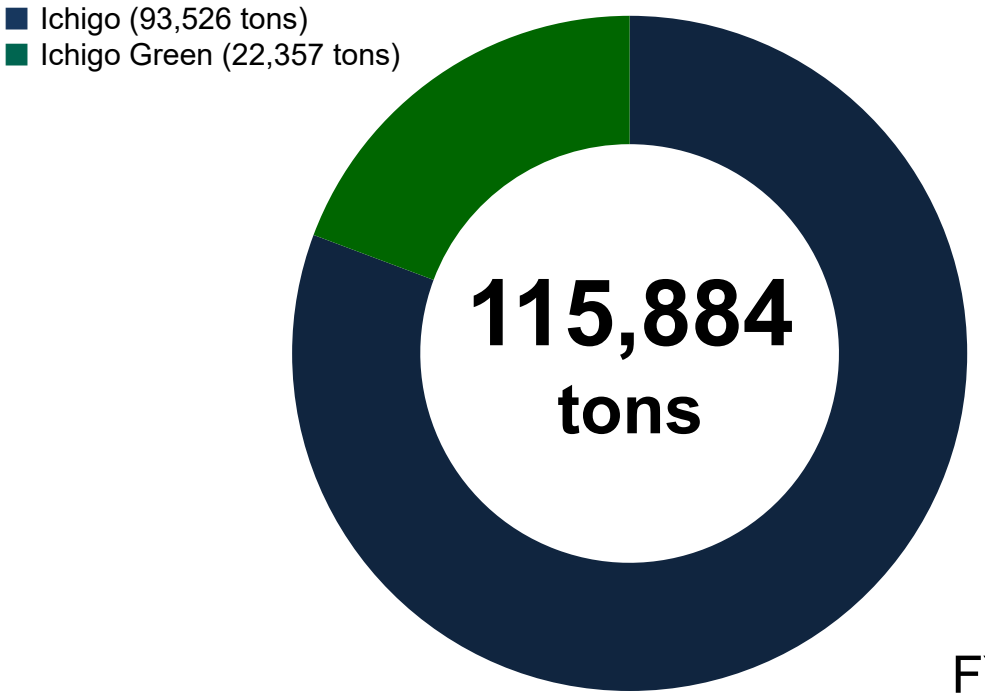
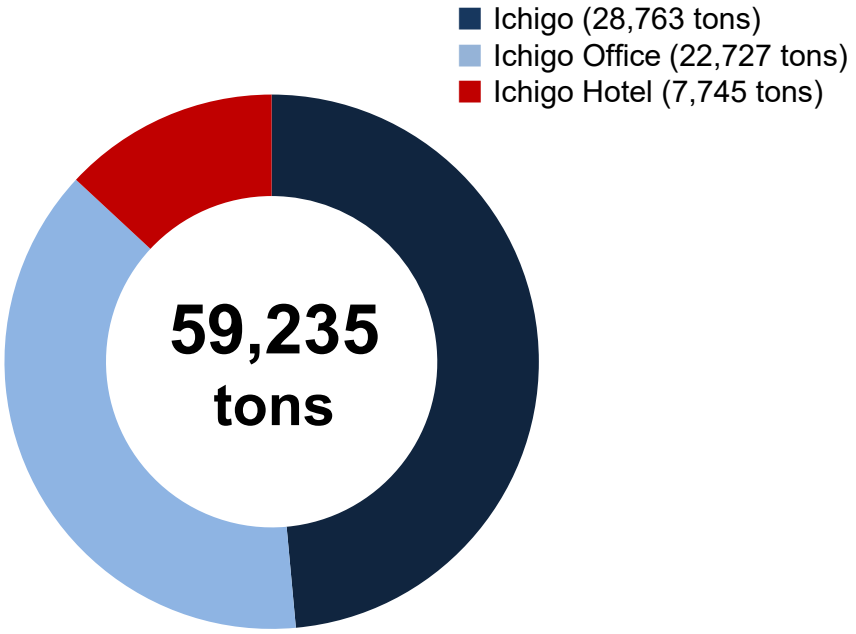
Delivering on Sustainability

Clean Energy Business Growth Addressing Critical Environmental Issues
Ichigo is Net Zero Carbon Today

Total Ichigo Power Plant CO2 Reductions



Total Ichigo CO2 Emissions



FY21/2 Actuals

Note: Ichigo CO2 reductions are also significantly greater than pre-Covid emissions. FY20/2 CO2 Emissions: 75,807 tons

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Share Buybacks

Ichigo 2030: Flexible Deployment of Share Buybacks

5th Consecutive Year of Share Buybacks (JPY 13.5B, 7.4% of Shares)

April 2021 Buyback

Amount	JPY 1.5 B (maximum)
Number of Shares	4,363,500 (maximum) (0.9% of shares outstanding, net of treasury shares)
Buyback Period	April 20, 2021 – June 4, 2021

	Number of Shares Purchased (% of Shares Outstanding)	Average Purchase Price	Amount
FY21/2	9,645,800 (1.9%)	JPY 311	JPY 3 billion
FY20/2	7,081,200 (1.4%)	JPY 424	JPY 3 billion
FY19/2	7,869,700 (1.6%)	JPY 381	JPY 3 billion
FY18/2	8,436,500 (1.7%)	JPY 355	JPY 3 billion

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Ichigo J.League Shareholder Program

Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (65,000 shareholders in total)
- First company to offer shareholders free tickets to every J.League game at every J.League club (currently paused due to Covid)

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



Ichigo J.League Shareholder Program Website Landing Page

Events & Presents

- Ichigo Kids J.League Events
  - ✓ Escort players onto field
  - ✓ High-fives with players
  - ✓ Other participatory programs
- J.League Merchandise
  - ✓ Autographed jerseys from all J.League clubs
  - ✓ Ichigo original J.League towels
- J.League Online Events

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Appendix: Ichigo’s Sustainability Commitment (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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Sustainability Initiatives

Joining Third-Party Initiatives to Accelerate Ichigo's Sustainability Activities

UN Global Compact

UN Global Compact is a global sustainability initiative that calls for companies and organizations to take leadership and take actions 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.

CDP

CDP is a global initiative led by a non-profit organization representing over 500 global investors to assess companies and organizations of their environmental performance. Assessment is based on governance, risk management, business strategy, targets and actuals, etc., and companies are scored from from D- to A.
Ichigo's score for 2020 (1st year): B

RE100

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable power. The RE100's mission is to accelerate change towards a net zero carbon society.

Ichigo's RE100 Target	100% Renewable Electricity by 2025

Fun to Share

Fun to Share is the Ministry of Environment's campaign to promote the achievement of a low-carbon society by sharing the most up-to-date information openly and broadly.

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Sustainability Report

Promoting Awareness of Ichigo's Sustainability Initiatives via Ichigo Sustainability Report



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Ichigo Sustainability Report

www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_ENG.pdf

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Ichigo ESG – Environmental

Sustainable Real Estate

Preserve & Improve Real Estate to End Wasteful Demolition

– Lengthen useful life of real estate

– Shrink environmental footprint by reducing wasteful demolition & consumption of raw materials, energy, & human talent in construction



Wasteful Demolition

Lowest Impact

Highest Efficiency

Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.

Ichigo ESG

Environmental

Environmental Sustainability For a Better World

Contributing to a Low-Carbon World

Clean Energy

Ichigo RE100 Target: 100% Renewable Electricity (including Ichigo Office & Ichigo Hotel) by 2025

RE100 | CLIMATE GROUP | CDP

Annual Power Generation 175,581,824 kWh



Equivalent to annual energy consumption of 58,500 households

The Federation of Electric Power Companies of Japan - Annual energy consumption per household 3,000kWh

Annual CO2 Reduction 115,884,001 kg



Equivalent to annual CO2 emission of 50,400 cars

Ministry of Environment

Annual CO2 emission per car c. 2,300kg

(FY21/2 Actuals – Ichigo & Ichigo Green)

Sustainable Real Estate – Environmental Certifications



Ichigo Kakyoin Building



Ichigo Hakata Ekimae Square



Ichigo Hakata Meiji Dori Building

Ichigo Group-Wide

CASBEE: 12 Assets

BELS: 2 Assets

DBJ Green Building: 1 Asset

Ichigo Office (8975)

Green Star (Highest Ranking)

4 years in a row

GRESB 2020

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Ichigo ESG – Social

Supporting Local Communities

- Ichigo's Boutique Hotel THE KNOT
  A place where visitors, communities, and the old and the new can come together
- Miyako City, Nanbu Wholesale Market
  Foster community interactions
- J.League Top Partner
  Promote community development, revitalize local economies, and renovate & upgrade stadiums
- Smart Agriculture

Ichigo ESG Social

Working with Tenants

- Conduct tenant surveys to understand needs to implement effective value-add
- Exclusive investor for Oshii Mamoru's new anime VLADLOVE to promote Japan's anime culture and build synergies with Ichigo's retail asset AKIBA CULTURES ZONE
- Support tenant sales channel expansion and sales growth
- Operate self-storage and laundromats to support livelihood



Make The World More Sustainable



HR & Internal Start-Ups

- Ichigo University for employees
  Taught by subject matter experts
  Internal online communication tool, Ichigo University Media in place to support WFH employees
- Support for Employees
  100% return rate for employees who take maternity/paternity leave
- Women in Leadership
  32% of managerial positions held by women

Sports & Arts

- Support National & World-Class Athletes
- Support community-based soccer clubs
- Support artists with disabilities
- Support University of Miyazaki's Program for Children with Cancer
  Weightlifter Hiromi Miyake



Disaster Response

- Typhoon disaster preventative measures
- Rapid damage assessment
- Rapid disaster response
  On-site inspections and measures to prevent secondary disasters, preserve asset value, and supply essential items to local communities
- Neighborhood watch
- Street cleaning and snow shoveling

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Ichigo ESG – Governance

Early Adopter of Global Best Practice Corporate Governance Structure

- Adopted Independent Director-led, committee-based governance system 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 1st Section companies
- Current:
  Masatoshi Matsuzaki (former CEO of Konica Minolta)
  Nobuhide Nakaido (former CEO of SCSK)
- Former CEO board retirements since FY18/2:
  Takashi Kawamura (former CEO of Hitachi; stepped down from Ichigo's board in May 2017 upon appointment as Chairman of TEPCO)
  Kosuke Nishimoto (former CEO of Meitec; stepped down from Ichigo's board in May 2019 upon appointment as EVP of Misumi Group)

Strong Governance Supports Environmental & Social Contributions

Board of Directors Evaluation

– Assessment of the Board by each Director, followed by collective analysis and review
  - ✓ Board Composition
  - ✓ Board Operation
  - ✓ Board Effectiveness
  - ✓ Board Support Resources
  - ✓ Engagement with Shareholders and Stakeholders

Evaluation Results
The Board confirmed that its deliberation and decision-making processes are effective & also received third-party confirmation with respect to this result.

– Third-party confirmation of the effectiveness of Ichigo's Board Evaluation by JMA Research Institute

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Appendix: Financial & Real Estate Data

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Covid Countermeasures

- Infection control & response, communication with tenants, thorough information gathering, & extensive safety measures for tenants

General Covid Infection Countermeasures
Provide touchless hand sanitizers ubiquitously Cover touch surfaces with antibacterial sheets Post awareness & prevention promotion posters, distribute countermeasure best-practice guidelines Limit capacity indoors Thorough disinfection and cleaning

Countermeasures by Asset Type	
Office	Install thermal cameras for temperature checks & other infection prevention tools
Hotel	Provide guest rooms for Covid patients Provide space for vaccination venue
Retail	Hold events that meet countermeasure best-practice guidelines & drive customer satisfaction, such as silent bingo and small workshops
Residential	Provide free Wi-Fi at all assets to facilitate remote work

Covid Awareness & Prevention Promotion Poster



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Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

(JPY million)

Location	Book Value as of May 31, 2021 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	93,036	5,330	5.7%	126,972	+33,936
Outside Tokyo	104,709	6,843	6.5%	130,844	+26,135
Total	197,745	12,173	6.2%	257,816	+60,071

Notes: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 55.23B)

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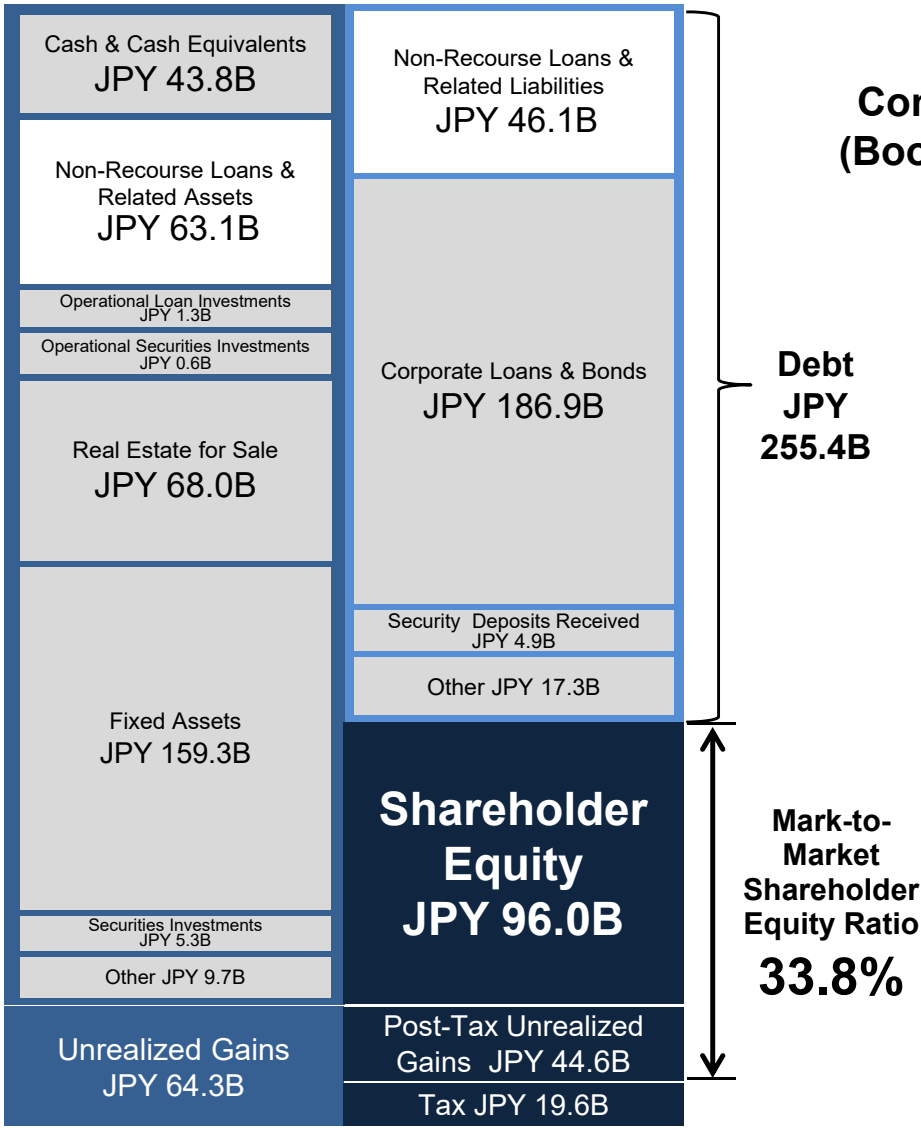
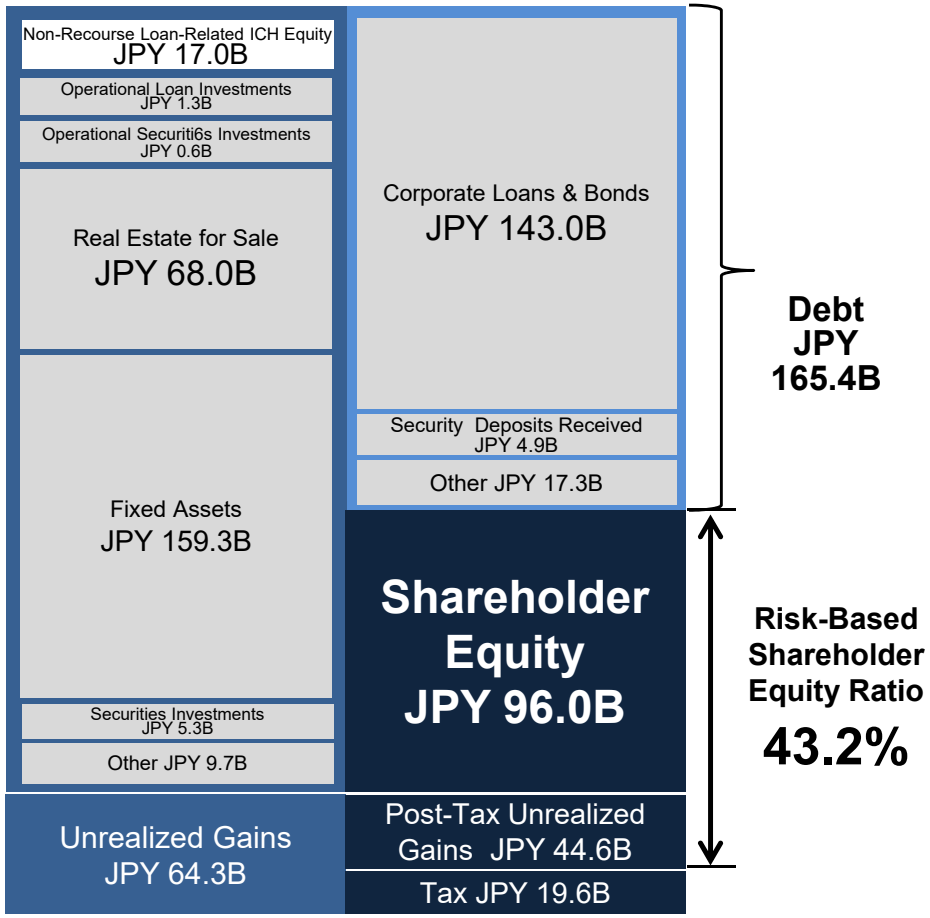
Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 415.7B
(Book Value JPY 351.4B + Unrealized Gains JPY 64.3B)



Consolidated Risk-Based Balance Sheet: JPY 325.7B
(Book Value JPY 261.4B + Unrealized Gains JPY 64.3B)



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

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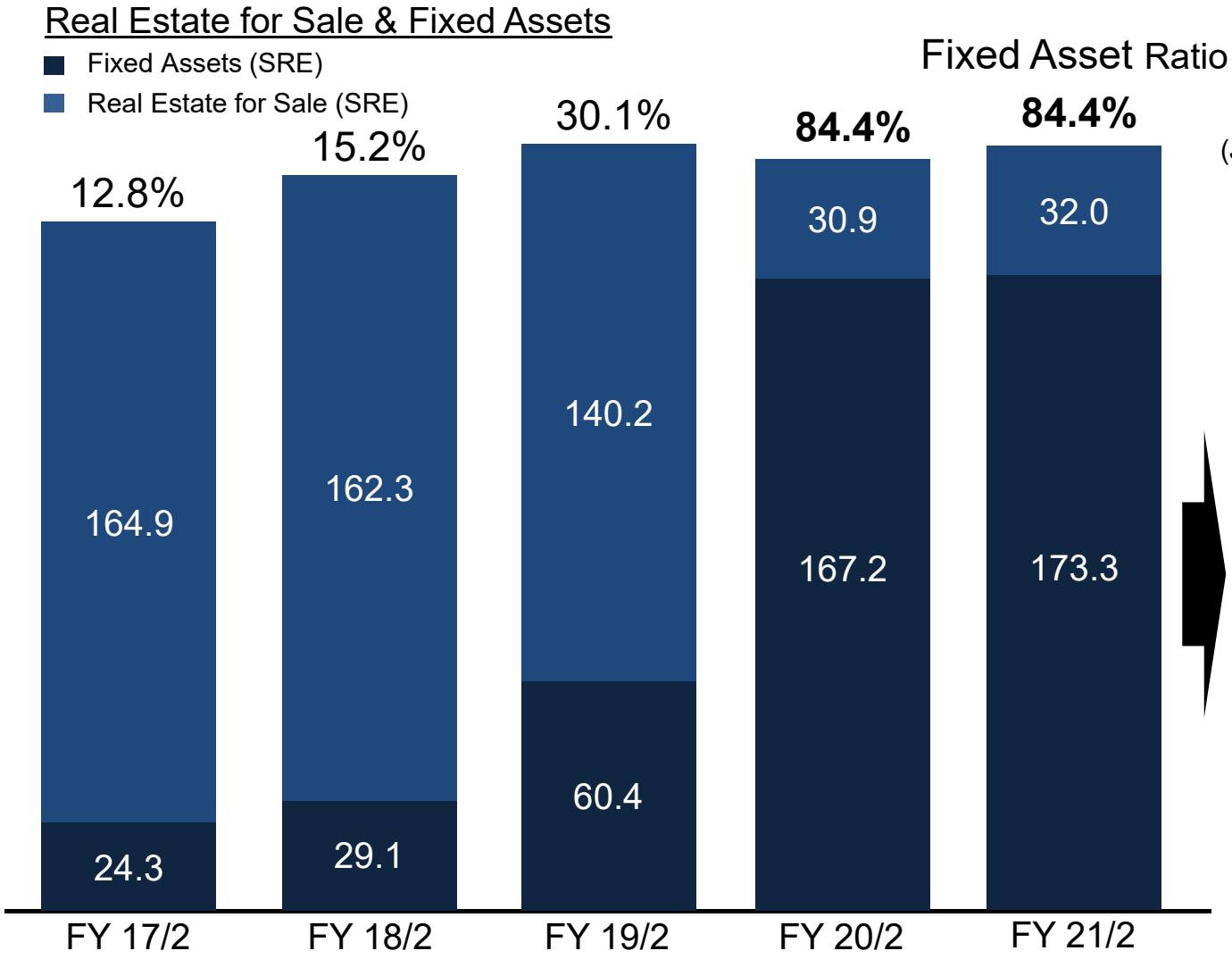
Cash Flow Maximization

Maximal Use of Depreciation to Increase Cash Flow



Note: Excludes Ichigo Owners, Centro, and self-storage assets

Reclassification of Sustainable Real Estate Assets to Fixed Assets in FY20/2

Maximal use of depreciation allowances lowers stated accounting earnings, but creates value by being cash-generative to fund growth investments

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Robust Cash Flow Generation & Strong Earnings Base

Key Ichigo Strength: Robust Cash Generation to Fund Growth
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 200%

(JPY million)

	FY16/2	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q1	FY22/2 Bottom of Range	FY22/2 Top of Range
Stock Earnings (A)	12,578	14,502	14,939	18,485	18,450	15,065	4,033	14,405	14,405
Depreciation	731	716	967	1,632	2,507	4,603	1,360	5,518	5,518
Flow Earnings	8,986	14,139	13,015	15,273	18,567	5,850	2,070	7,727	12,146
Cash Earnings	21,563	28,641	27,953	33,759	37,016	20,915	6,103	22,132	26,551
Fixed Expenses (B)	5,846	6,502	6,371	7,071	7,877	7,723	2,034	7,896	7,896
Stock Earnings/ Fixed Expenses (A/B)	215%	223%	234%	261%	234%	195%	198%	182%	182%

Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

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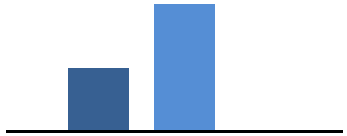
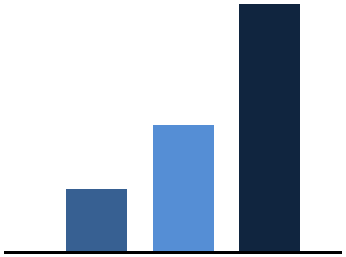
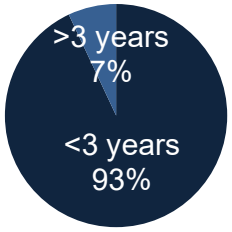
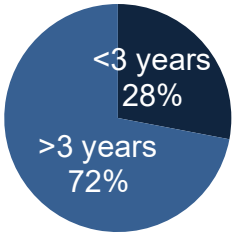
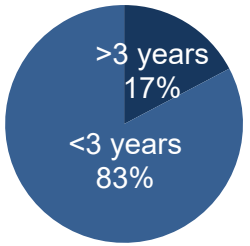
Post-GFC Shift in Earnings Base & Financial Position

	FY09/2 GFC	FY14/2 Start of Shift Up MTP	FY21/2	vs. GFC
Stock Earnings/ Fixed Expenses Coverage Ratio	75%	140%	195%	2.6X
Loan Maturity (Weighted avg., corporate + non-recourse loans)	2.8 years 	5.6 years 	10.2 years 	3.6X
% of <3 Year Loans (corporate + non-recourse loans)	93% 	28% 	17% 	-76%
Interest Cost (Weighted avg., corporate loans)	2.22%	1.96%	0.92%	-59%

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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 private real estate funds.
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 sales 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 Ichigo 2030 vision, Ichigo changed the segment name to Sustainable Real Estate in 2019 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 (AM)	–	–	–	–	–	–	683	135	1,150	**1,969**
Sustainable Real Estate (SRE)	19,534	1,324	602	68,082	–	183,195	2,900	3,583	2,853	**282,077**
Clean Energy	3,483	–	–	–	–	30,357	183	–	1,912	**35,937**
Company-Wide Assets	28,459	–	–	–	–	100	110	1,629	1,136	**31,437**
Total	**51,477**	**1,324**	**602**	**68,082**	**–**	**213,653**	**3,879**	**5,349**	**7,052**	**351,422**

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Consolidated P&L: Segment Breakdown

(JPY million)

Segment	Gross Profit			Operating Profit			
	FY21/2 Q1	FY22/2 Q1	YOY Change	FY21/2 Q1	FY22/2 Q1	YOY Change	FY22/2 Forecast
Asset Management (AM)	**501**	**503**	**+0.4%**	**334**	**353**	**+5.8%**	**1,300**
Base AM Fees	441	503	+14.1%	–	–	–	–
Acquisition/Disposition Fees	60	–	–	–	–	–	–
Sustainable Real Estate (SRE)	**4,046**	**3,359**	**-17.0%**	**2,748**	**2,061**	**-25.0%**	**5,700 - 8,600**
Rental Income	1,853	1,289	-30.4%	–	–	–	–
Asset Sales	2,200	2,075	-5.7%	–	–	–	–
Other Flow Earnings	- 7	-4	–	–	–	–	–
Clean Energy (CE)	**742**	**880**	**+18.6%**	**594**	**743**	**+25.1%**	**2,100**
Adjustment (including offsets of cross-segment transactions)	–	–	–	**-26**	**–**	–	**–**
Total	**5,289**	**4,743**	**-10.3%**	**3,650**	**3,159**	**-13.5%**	**9,100 - 12,000**

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Asset Management AUM Detail

		FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q1 (3M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 194.5B	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 206.1B
	Base AM Fee Gross Profit (Actual)	JPY 1,291M	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 408M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	JPY 47.6B	JPY 50.9B	JPY 50.7B	JPY 50.8B	JPY 51.9B	JPY 51.9B
	Base AM Fee Gross Profit (Actual)	JPY 287M	JPY 450M	JPY461M	JPY 381M	JPY 42M	JPY 25M
Ichigo Green (9282)	AUM (Fiscal Year End)	JPY 10.0B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	JPY 11M	JPY 77M	JPY 85M	JPY 82M	JPY 79M	JPY 22M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 6.4B	JPY 12.3B	JPY 20.6B	JPY 36.8B	JPY 36.8B	JPY 36.8B
	Base AM Fee Gross Profit (Actual)	JPY 27M	JPY 12M	JPY 41M	JPY 116M	JPY 137M	JPY 34M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 258.6B	JPY 271.7B	JPY 285.8B	JPY 302.4B	JPY 306.4B	JPY 306.4B
	Base AM Fee Gross Profit (Actual)	JPY 1,617M	JPY 1,914M	JPY 2,014M	JPY 2,016M	JPY 1,782M	JPY 491M

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

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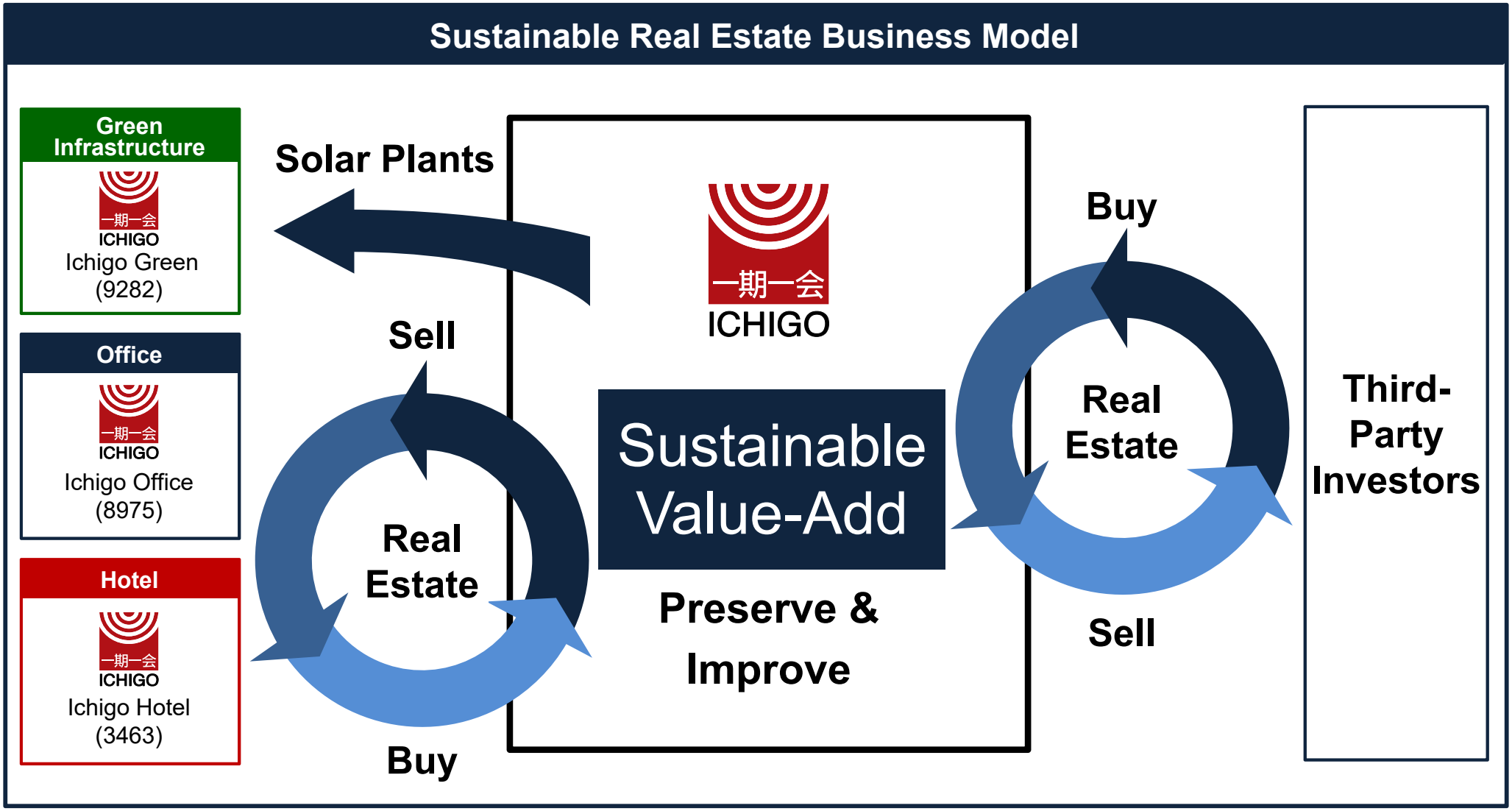
Powerful Sustainable Real Estate Business Model

Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



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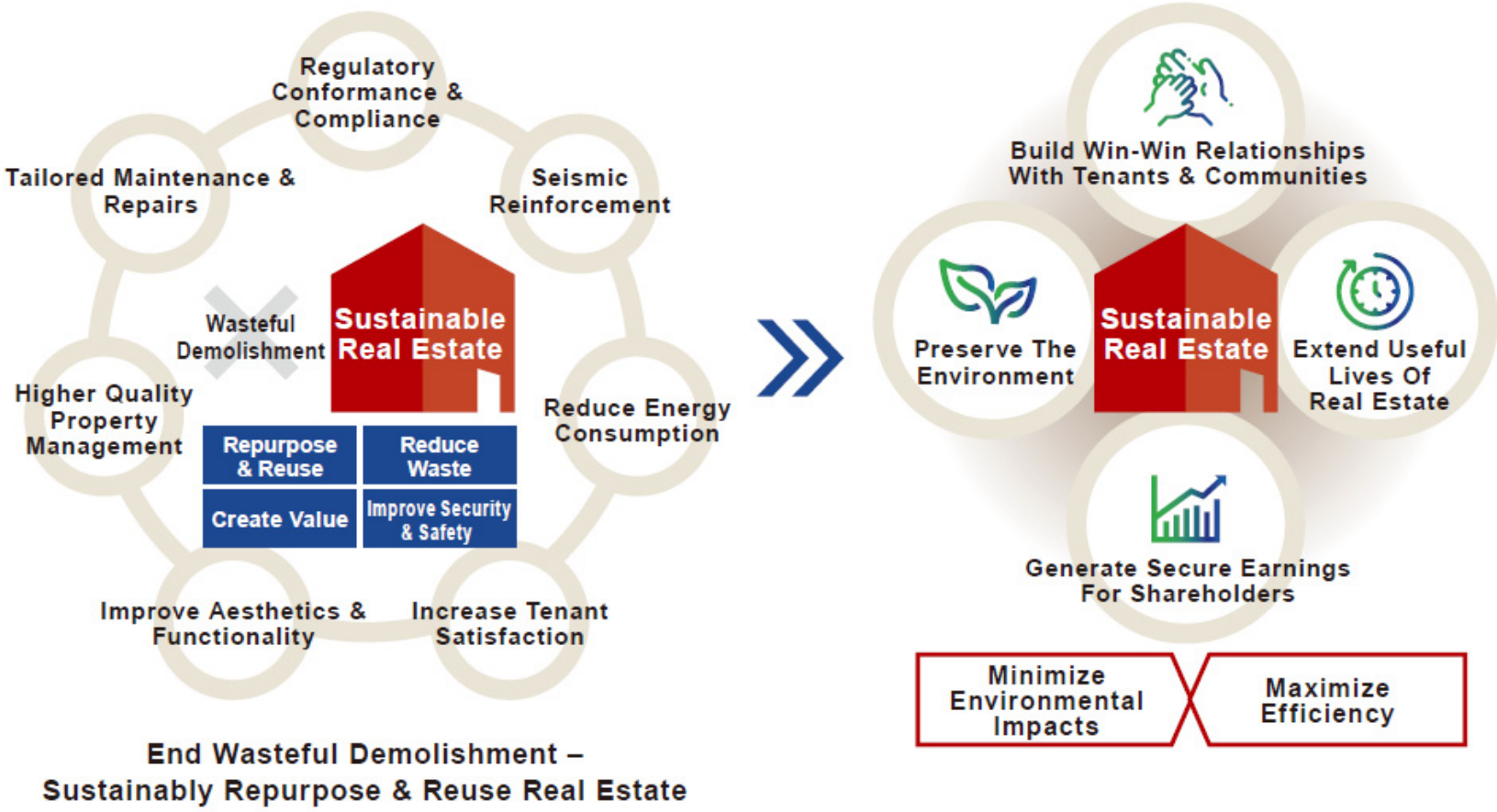
Sustainable Infrastructure for a Sustainable Society

End Wasteful Demolishment and Embrace Sustainable Real Estate

- Improve quality of assets via Sustainable Value-Add
- Preserve and improve highly functional real estate to contribute to environmental conservation and sustainability
- Lengthening buildings' useful lives beyond 100 years



End Wasteful Demolishment –
Sustainably Repurpose & Reuse Real Estate

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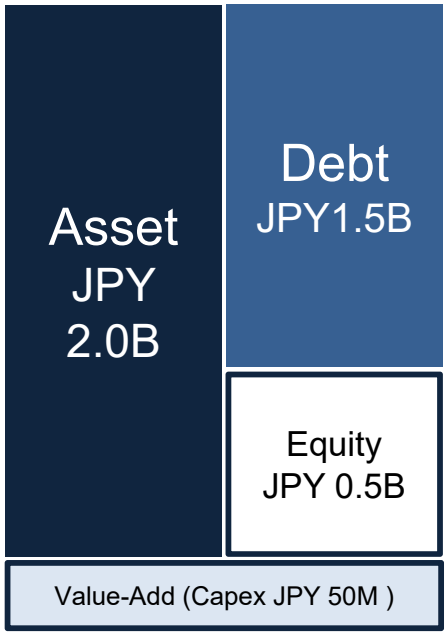
Ichigo Sustainable Real Estate Earnings Model Example

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 Measures: 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

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

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

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Sustainable Real Estate: Gross Profit Margin (GPM)

Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q1
GPM (vs. Revenue)	33.7%	25.5%	28.3%	13.9%	31.1%
GPM (vs. Book Value)	50.9%	34.3%	39.5%	16.2%	45.1%
Revenue (JPY M)	35,733	58,693	60,601	41,430	6,578
Gross Profit (JPY M)	12,050	14,986	17,158	5,762	2,045

* FY21/2 Results include revenue and gross profit from fixed asset sales

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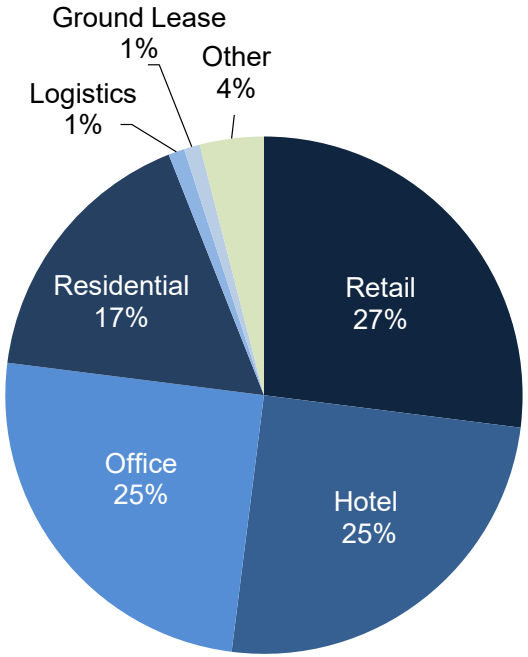
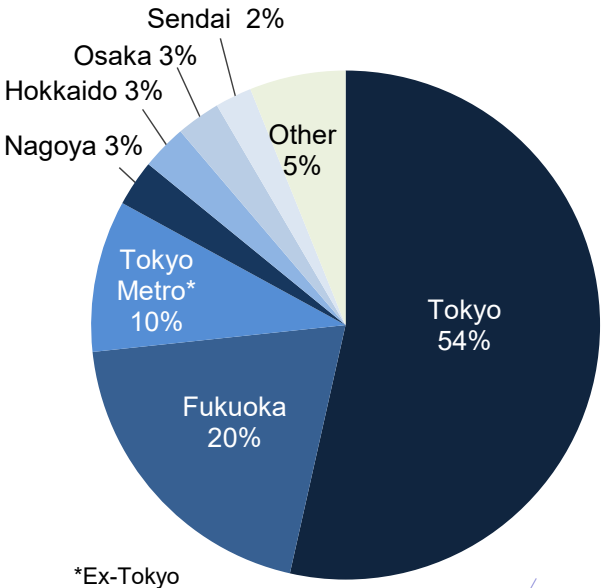
Ichigo-Owned Real Estate Portfolio

By Asset Type

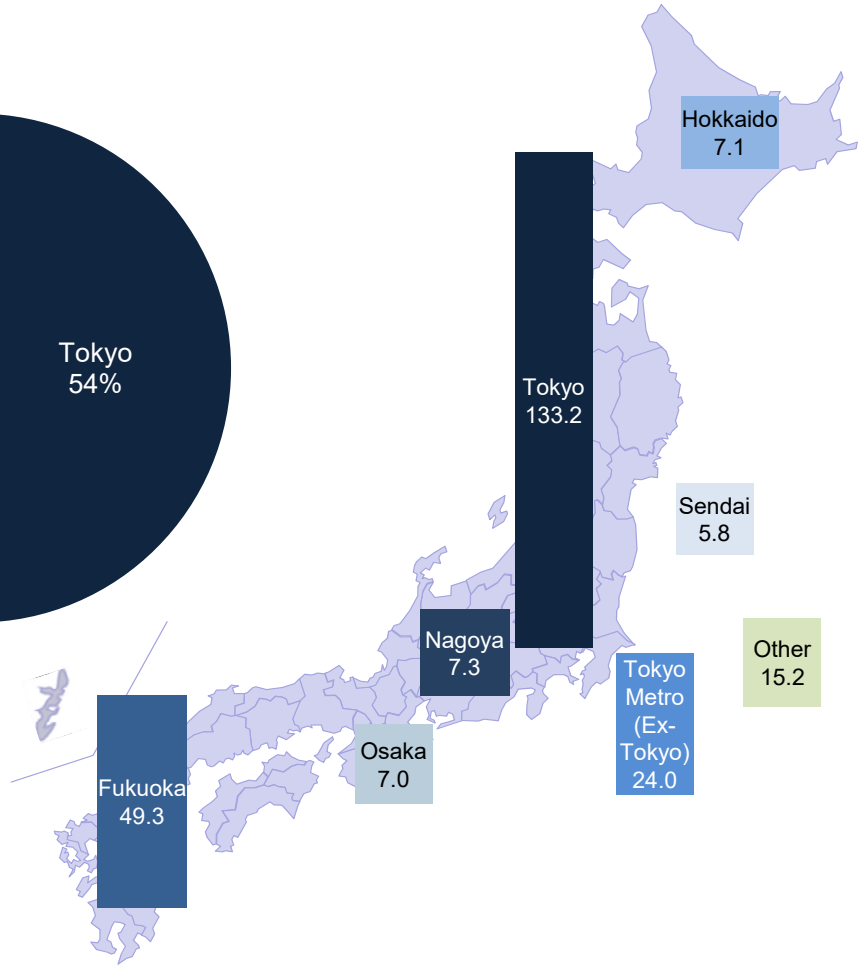


By Location

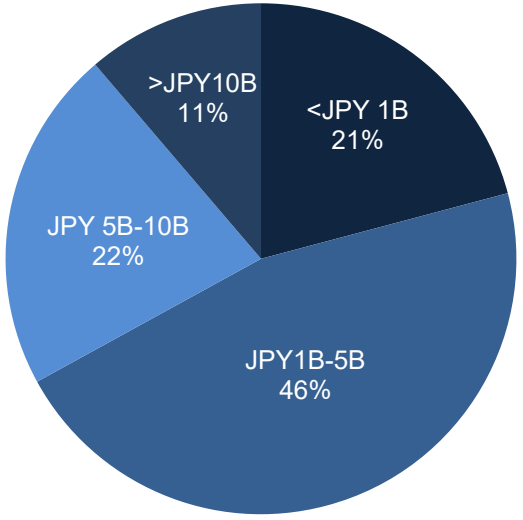


*Ex-Tokyo

(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 248.9B

Including Ichigo-Managed AUM: JPY 555.3B

* Acquisition price basis
Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
Total Ichigo-Owned Assets Q1-End Book Value: JPY 250.9B

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Sustainable Real Estate Asset Breakdown (1)

183 Assets, JPY 248.9 B, Appraisal NOI JPY 12.1B (6.2% Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
1	Wholesale Market	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	49 years	–	JPY 1,900M	–	–
2	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2005/10	52 years	JPY 136M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2006/03	35 years	JPY 165M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	16 years	JPY 60M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	>JPY 3B	2006/10	13 years	JPY 240M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	>JPY 3B	2006/12	12 years	JPY 350M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	41 years	JPY 85M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	40 years	JPY 125M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 1B-2B	2011/06	–	JPY 172M	JPY 147M	–	–
15	Retail	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	25 years	JPY 77M	JPY 172M	–	–
16	Retail	Fixed Asset	Yokohama	<JPY 1B	2012/10	7 years	JPY 34M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	>JPY 3B	2013/03	10 years	JPY 244M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	34 years	JPY 57M	JPY 154M	–	–
19	Retail	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	36 years	JPY 135M	JPY 310M	–	–
21	Residential	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2013/06	5 years	JPY 47M	JPY 203M	–	–

Note: 6.2% yield excludes Ichigo Owners, Centro, and self-storage assets.

[1] Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.
[2] Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.
[3] 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[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	13 years	JPY 76M	JPY 92M	–	–
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	–	JPY 114M	JPY 273M	–	–
30	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2014/03	37 years	JPY 51M	JPY 108M	–	–
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	15 years	JPY 58M	JPY 279M	–	–
35	Office	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2014/05	12 years	JPY 144M	JPY 434M	–	–
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	48 years	JPY 47M	JPY 77M	–	–
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	17 years	JPY 52M	JPY 213M	–	–
40	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/09	36 years	JPY 49M	JPY 252M	–	–
41	Hotel	Fixed Asset	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	34 years	JPY 143M	JPY 400M	–	–
42	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/09	20 years	JPY 60M	JPY 177M	–	–
43	Retail	Fixed Asset	Osaka	JPY 1B-2B	2014/09	19 years	JPY 117M	JPY 301M	–	–
45	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/11	18 years	JPY 92M	JPY 135M	–	–
57	Residential	Fixed Asset	Minato-ku, Tokyo	JPY 1B-2B	2014/12	17 years	JPY 56M	JPY 186M	–	–
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	17 years	JPY 41M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	14 years	JPY 85M	JPY 129M	–	–

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[3] 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[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
64	Retail	Fixed Asset	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	–	JPY 26M	–	–	–
66	Retail	Fixed Asset	Sendai	<JPY 1B	2015/02	17 years	JPY 65M	JPY 8M	–	–
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	19 years	JPY 46M	JPY 79M	–	–
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	18 years	JPY 170M	JPY 633M	–	–
71	Retail	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	6 years	JPY 99M	JPY 126M	–	–
110	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/03	35 years	JPY 273M	JPY 905M	–	–
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	37 years	JPY 207M	JPY 228M	–	–
112	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	33 years	JPY 239M	JPY 354M	–	–
113	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	33 years	JPY 288M	JPY 344M	–	–
114	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/04	31 years	JPY 183M	JPY 550M	–	–
115	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2016/04	14 years	JPY 130M	JPY 274M	–	–
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	32 years	JPY 63M	JPY 86M	–	–
118	Retail	Fixed Asset	Nagoya	JPY 1B-2B	2016/06	23 years	JPY 83M	JPY 102M	–	–
119	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2016/06	33 years	JPY 42M	JPY 136M	–	–
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	>JPY 3B	2016/09	41 years	JPY 554M	JPY 349M	–	–

[1] Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.
[2] Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.
[3] 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[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
121	Office	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2016/10	20 years	JPY 1,540M	JPY 3,450M	–	–
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	23 years	JPY 78M	JPY 73M	–	–
133	Hotel	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2017/04	19 years	JPY 46M	JPY 152M	–	–
138	Hotel	Fixed Asset	Ogaki, Gifu	JPY 1B-2B	2017/05	31 years	JPY 116M	–	–	–
144	Office	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2018/02	33 years	JPY 129M	JPY 268M	–	–
145	Hotel	Fixed Asset	Fukuoka	JPY 2B-3B	2018/03	3 years	JPY 194M	JPY 301M	–	–
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	30 years	JPY 32M	–	–	–
147	Hotel	Fixed Asset	Kyoto	>JPY 3B	2018/08	2 years	JPY 327M	JPY 1,666M	–	–
148	Office (Land)	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2018/08	–	JPY 54M	JPY 166M	–	–
149	Retail	Fixed Asset	Chiyoda-ku, Tokyo	>JPY 3B	2018/09	31 years	JPY 308M	JPY 2,269M	–	–
151	Office	Fixed Asset	Fukuoka	<JPY 1B	2018/10	22 years	JPY 33M	JPY 38M	–	–
152	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/02	33 years	JPY 174M	JPY 382M	–	–
154	Residential	Fixed Asset	Kita Kyushu, Fukuoka	JPY 1B-2B	2019/03	7 years	JPY 83M	JPY 181M	–	–
155	Office	Fixed Asset	Shinagawa-ku, Tokyo	JPY 2B-3B	2019/03	36 years	JPY 169M	JPY 616M	–	–
157	Office	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2019/04	38 years	JPY 52M	–	–	–

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[2] Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.
[3] 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[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
158	Other	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2019/05	–	JPY 12M	–	–	–
159	Retail	Fixed Asset	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	41 years	JPY 123M	JPY 210M	–	–
160	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/06	23 years	JPY 129M	JPY 248M	–	–
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	26 years	JPY 368M	JPY 1,636M	–	–
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	22 years	JPY 353M	JPY 1,170M	–	–
164	Hotel	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2020/03	12 years	JPY 61M	JPY 62M	–	–
165	Hotel	Fixed Asset	Sapporo	>JPY 3B	2020/03	1 year	JPY 268M	JPY 700M	–	–
167	Hotel	Fixed Asset	Hiroshima	>JPY 3B	2020/08	1 year	JPY 306M	–	–	–
			68 Fixed Assets	**JPY 171,695M** **JPY 172,641M (Q1-End Book Value)**			**JPY 10,531M**	**JPY 30,828M**	**–**	**–**

[1] Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.
[2] Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.
[3] 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[1]	Ichigo Equity Investment	Forecast Equity Multiple[2]	Forecast IRR[3]
61	Retail	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	58 years	JPY 120M	JPY 57M	15.26X	51.7%
89	Office	Real Estate for Sale	Musashino, Tokyo	>JPY 3B	2015/07	32 years	JPY 131M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2015/07	13 years	JPY 85M	JPY 353M	1.82X	17.7%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	36 years	JPY 106M	JPY 223M	3.78X	19.9%
150	Retail	Real Estate for Sale	Chuo-ku, Tokyo	>JPY 3B	2018/10	33 years	JPY 359M	JPY 1,161M	6.17X	24.7%
153	Hotel	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/02	28 years	JPY 110M	–	–	–
156	Logistics	Real Estate for Sale	Fukuoka	>JPY 3B	2019/03	33 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	23 years	JPY 479M	JPY 1,146M	3.47X	17.0%
166	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2020/03	15 years	JPY 39M	JPY 83M	3.23X	13.5%
168	Office	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2020/11	31 years	JPY 100M	–	3.17X	53.6%
			10 Real Estate for Sale	**JPY 27,840M** **JPY 28,081M (Q1-End Book Value)**			**JPY 1,678M**	**JPY 4,343M**	**3.99X**	**24.9%**
			Subtotal 78 Assets	**JPY 199,536M** **JPY 200,723M (Q1-End Book Value)**			**JPY 12,210M**	**JPY 35,171M**	**–**	**–**

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Sustainable Real Estate Asset Breakdown (7)

No.	Asset Type		Acquisition Price	vs. FY20/2 Q4	Expected NOI/Year[1]	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR
A	Ichigo Owners (Residential)	32 Assets	JPY 29,775M	+JPY 7,817M	JPY 1,337M	JPY 9,026M	–	–
B	Ichigo Owners (Other)	16 Assets	JPY 8,013M	-JPY 506M	JPY 481M	JPY 2,894M	–	–
C	Centro (Primarily Office & Residential)	22 Assets	JPY 7,896M	+JPY 100M	JPY 580M	JPY 2,039M	–	–
C	Self-Storage	35 Assets	JPY 3,751M	–	JPY 413M	JPY 896M	–	–
		Total 183 Assets	**JPY 248,973M** **JPY 250,903M (Q1-End Book Value)**		**JPY 15,022M**	**JPY 50,028M**	**–**	**–**
	Assets acquired in FY22/2 Q1 (3M)	**Total 11 Assets**	**JPY 7,935M**		**JPY 348M**	**JPY 2,120M**	**–**	**–**
	Assets acquired and sold in FY22/2*	**Total 1 Asset**	**JPY 17M**		**–**	**–**	**–**	**–**

* Sold 1 Centro assets

[1] Expected NOI/ Year is based on the business plan of each asset and is the expected NOI after value-add is completed.

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Ichigo Solar & Wind Power Plant Portfolio

Ichigo Solar Power Plants (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 Kijo Takajo	Kyushu	0.89	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 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
Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	Jan 2020
Ichigo Takashima Kutsuki	Kansai	3.74	JPY 32	Jan 2020
Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.67	JPY 21	Feb 2020
Ichigo Hitachiomiya	Kanto	2.99	JPY 24	Mar 2020
Ichigo Hokota Aoyagi	Kanto	2.48	JPY 27	Apr 2020
Ichigo Kasaoka Osakaike	Chugoku	2.66	JPY 21	Apr 2020
Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.29	JPY 18	Sep 2020
Ichigo Seto Jokojicho	Chubu	1.45	JPY 18	Oct 2020
Ichigo Toride Shimotakai Nishi	Kanto	2.84	JPY 18	Jan 2021
Total (Operating)	36 Plants 120.6MW			

Ichigo Solar Power Plants (In Pipeline)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	Sep 2021
Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	Sep 2021
Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	Oct 2021
Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	Oct 2021
Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	Oct 2021
Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	Oct 2021
Ichigo Obu Yoshidamachi	Chubu	1.10	JPY 18	Jan 2022
Ichigo Kobe Pompuike	Kansai	2.47	JPY 18	Jan 2022
Ichigo Sera Shimotsuda	Chugoku	2.93	JPY 18	Feb 2022
Ichigo Ueda Yoshidaike	Chubu	1.01	JPY 18	Feb 2022
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	Feb 2022
Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	Jan 2024
Total (In-Development)	12 Plants 30.5MW			
Total (Operating & In-Development)	48 Plants 151.1MW			

48 Ichigo Solar Power Plants (Operating/In Pipeline) 151.1MW

Ichigo Wind Power Plants (Operating)

Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	Mar 2021
Total	1 Plant 7.39MW			

Ichigo Wind Power Plants (In Pipeline)

Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Takashinoyama	Tohoku	6.99	JPY 21	Dec 2023
Ichigo Onjuku Iwawada Nishi	Kanto	1.99	JPY 22	Dec 2024
Ichigo Onjuku Iwawada Higashi	Kanto	1.99	JPY 22	Dec 2024
Total	3 Plants 10.9MW			

4 Ichigo Wind Power Plants (Operating/In Pipeline) 18.3MW

Total: 52 Plants (169.5MW)

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Ichigo Green (9282) Solar Power Plant Portfolio

Ichigo Green Solar Power Plants (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	Feb 2014
Ichigo Muroran Hatchodaira	Hokkaido	1.24	JPY 40	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	Mar 2014
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	Dec 2014
Ichigo Toyokoro	Hokkaido	1.02	JPY 40	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	JPY 40	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	Jun 2015
Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 40	Jul 2015
Ichigo Toyokawa Mitocho Sawakiham	Chubu	1.80	JPY 32	Sep 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	Dec 2015
Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	Apr 2016
Total (Operating)	15 Plants 29.4MW			

Ichigo Total: 198.9MW (Operating/In Pipeline)

Solar Power Plants	151.1MW
Wind Power Plants	18.3MW
Ichigo Green (9282) Solar Power Plants	29.4MW

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

- A policy mechanism to encourage investment in renewable energies by guaranteeing a fixed purchase 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~	Determined via auction process[1]	–

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
FY2021	Determined via auction process[2]	–

[1] 2017 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020~ FIT >0.25MW non-residential solar power production

[2] FIT for >0.25MW wind power generation

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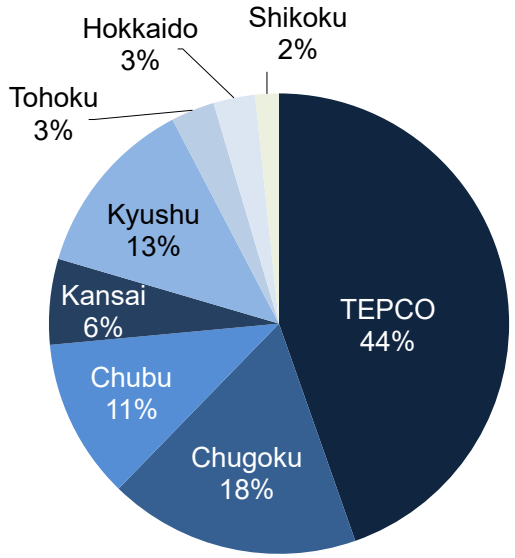
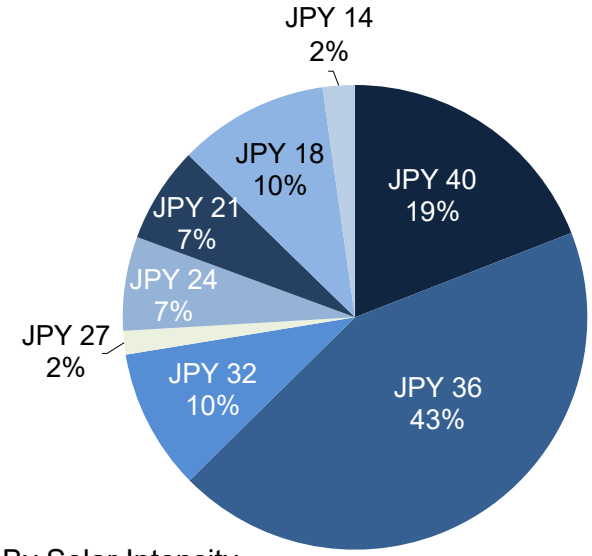
Ichigo-Owned Solar Power Plant Portfolio

Total Operating and In-Pipeline Ichigo-Owned Solar Power Plants: 48 Plants (151.1MW)

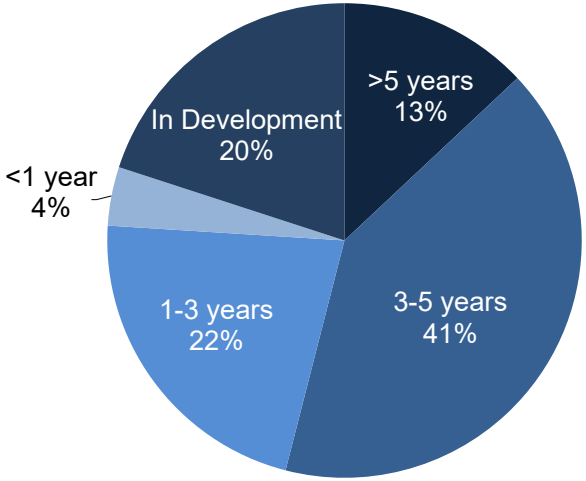
By Customer
(Electric Power Utility Co)



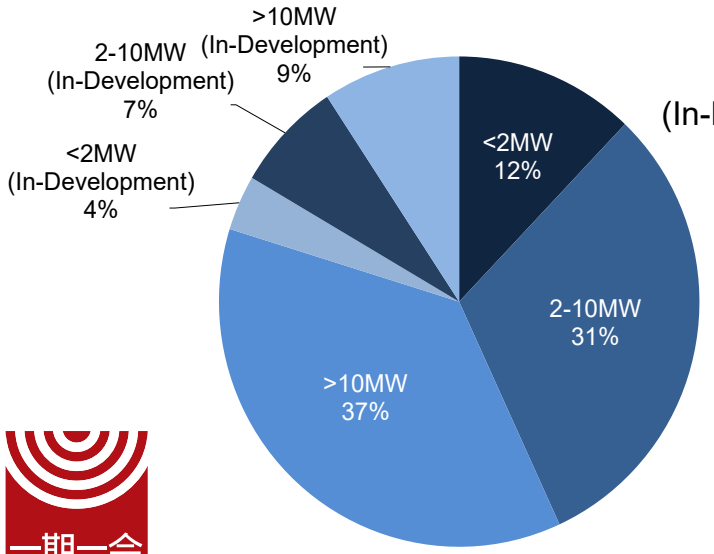
By Feed-In Tariff



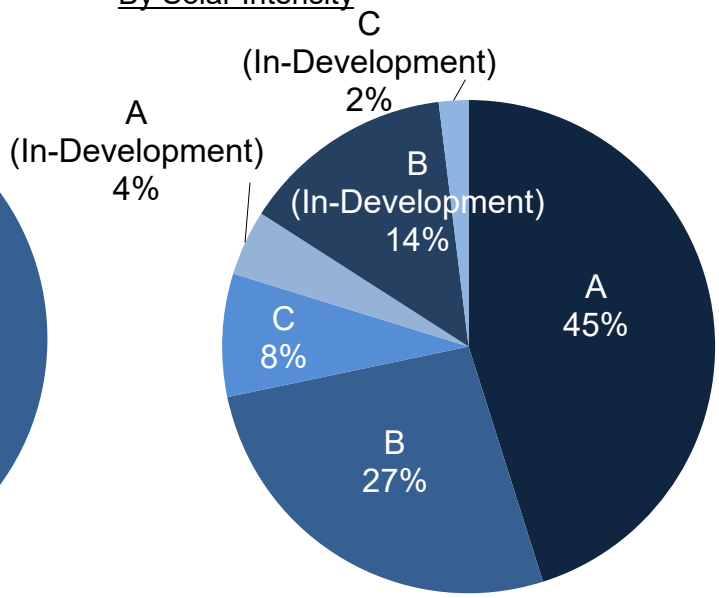
By Years in Operation



By Output



By Solar Intensity



Panel Output and FIT by Customer

Area	Operating		In Pipeline	
	Panel Output (MW)	FIT (Pre-tax) (JPY)	Panel Output (MW)	FIT (Pre-tax) (JPY)
TEPCO	66.0	18 – 40	1.5	14
Chugoku	21.1	21 – 40	5.6	18
Kyushu	2.4	36 – 40	17.0	32 – 40
Chubu	13.0	18 – 36	4.0	14 – 18
Kansai	6.6	21 – 32	2.5	18
Tohoku	4.6	36	–	–
Hokkaido	4.4	40	–	–
Shikoku	2.5	40	–	–
Total	120.6		30.5	

Solar Intensity Rank
A: ≥4.00 B: ≥3.75, <4.00 C: ≥3.50, <3.75 D: <3.5
Unit: kWh/m^2 per day

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Green Biomass Entry

Fully Local Green Biomass as Third Renewable Energy Business

- Diversify & stabilize power production
- Procure biomass feedstock via Ichigo's community relationships

	Characteristics	Weather Impacts
Solar Power	・Lots of potential plant site candidates, able to make effective use of unused land	Yes
Wind Power	・Night time power production capability	Yes
Biomass	・24-hour power generation capacity regardless of weather conditions ・Able to control power generation ・Stable supply of biomass energy sources is necessary	No

Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

Use Japan's Abundant Forest Resources

- Japan's forest ratio is 66% (2nd highest amongst OECD countries), 7th largest cultivated forest area in the world
- Productive use of unused domestic wood as biomass energy source

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Consolidated Balance Sheet: Assets

(JPY million)

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q1	vs. FY21/2
Assets						
Current Assets						
Cash and cash equivalents	45,510	50,225	41,067	50,832	51,477	+645
Trade notes and accounts receivable	1,097	1,344	2,308	1,382	2,116	+734
Operational loan investments	1,324	1,324	1,324	1,324	1,324	–
Operational securities investments	2	1,218	902	590	602	+12
Real estate for sale	180,789	161,322	68,290	64,109	68,082	+3,973
Deferred tax assets	342	–	–	–	–	–
Other	2,643	2,156	3,721	2,698	2,193	-505
Less: allowance for doubtful accounts	-28	-2	-6	-167	-167	–
Total Current Assets	231,681	217,590	117,608	120,771	125,628	+4,857
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	10,600	20,338	55,050	60,673	59,997	-676
Solar and wind power plants (net)	19,773	19,058	23,425	24,191	27,271	+3,080
Land	26,993	49,924	122,114	122,592	122,597	+5
Other (net)	1,190	5,655	5,607	6,935	3,787	-3,148
Total Property, Plant, and Equipment	58,558	94,976	206,198	214,392	213,653	-739
Intangible Assets						
Goodwill	1,600	1,346	1,090	968	931	-37
Leasehold rights	135	316	687	1,272	1,272	–
Other	233	331	705	1,797	1,675	-122
Total Intangible Assets	1,968	1,993	2,482	4,038	3,879	-159
Investments and Other Assets						
Securities investments	2,184	2,455	4,321	5,147	5,349	+202
Long-term loans receivable	10	10	510	10	292	+282
Deferred tax assets	68	177	568	605	569	-36
Other	2,132	2,231	2,128	2,202	2,141	-61
Less: allowance for doubtful accounts	-91	-91	-91	-91	-91	–
Total Investments and Other Assets	4,303	4,782	7,436	7,874	8,260	+386
Total Fixed Assets	64,831	101,752	216,118	226,305	225,793	-512
Total Assets	**296,512**	**319,343**	**333,726**	**347,076**	**351,422**	**+4,346**

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Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q1	vs. FY21/2
Liabilities						
Current Liabilities						
Short-term loans	1,042	3,275	3,086	4,879	7,989	+3,110
Bonds (due within one year)	112	112	274	274	274	–
Long-term loans (due within one year)	4,449	7,881	12,277	9,751	9,870	+119
Long-term non-recourse loans (due within one year)	3,921	1,666	1,178	1,358	1,358	–
Income taxes payable	1,609	3,760	2,416	573	801	+228
Deferred tax liabilities	494	–	–	–	–	–
Accrued bonuses	34	31	33	9	168	+159
Other current liabilities	4,652	5,178	5,013	5,527	3,363	-2,164
Total Current Liabilities	16,316	21,905	24,280	22,374	23,826	+1,452
Long-Term Liabilities						
Bonds	520	538	6,082	5,878	5,837	-41
Long-term loans	112,366	131,569	151,483	156,890	162,943	+6,053
Long-term non-recourse loans	63,588	51,068	39,156	40,974	40,822	-152
Deferred tax liabilities	1,744	2,164	1,890	1,868	1,844	-24
Long-term security deposits received	8,492	8,292	8,118	7,795	7,685	-110
Other long-term liabilities	758	946	1,107	1,039	1,119	+80
Total Long-Term Liabilities	187,470	194,579	207,838	214,446	220,252	+5,806
Total Liabilities	**203,787**	**216,484**	**232,119**	**236,820**	**244,079**	**+7,259**
Net Assets						
Shareholders' Equity						
Capital	26,723	26,820	26,885	26,888	26,888	–
Capital reserve	11,113	11,207	11,272	11,275	11,275	–
Retained earnings	54,324	66,730	71,505	73,160	71,402	-1,758
Treasury shares	-2,995	-5,988	-8,988	-11,988	-13,286	-1,298
Total Shareholders' Equity	89,165	98,769	100,674	99,335	96,278	-3,057
Accumulated Other Comprehensive Income						
Valuation gains (losses) on other securities	543	386	158	90	145	+55
Deferred gains (losses) on long-term interest rate hedges	-372	-408	-397	-375	-360	+15
Total Accumulated Other Comprehensive Income	171	-21	-239	-285	-214	+71
Stock Options	666	827	988	1,007	1,026	+19
Minority Interests	2,722	3,283	184	10,197	10,251	+54
Total Net Assets	**92,725**	**102,859**	**101,607**	**110,255**	**107,342**	-2,913
Total Liabilities and Net Assets	**296,512**	**319,343**	**333,726**	**347,076**	**351,422**	**+4,346**

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Consolidated P&L

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q1 (3M)	FY21/2 Q1 (3M)	Change (YOY)	FY22/2 Full-Year Forecast	vs. Forecast
Revenue	**57,846**	**83,540**	**87,360**	**61,368**	**12,674**	**22,730**	**-10,056**	**–**	**–**
Cost of Goods Sold	30,860	51,413	52,851	45,776	7,931	17,440	-9,509	–	–
Gross Profit	**26,986**	**32,126**	**34,509**	**15,591**	**4,743**	**5,289**	**-546**	**–**	**–**
SG&A	5,067	5,847	6,787	5,923	1,583	1,638	-55	–	–
Operating Profit	**21,919**	**26,279**	**27,721**	**9,668**	**3,159**	**3,650**	**-491**	**9,100 – 12,000**	**26.3% – 34.7%**
Non-Operating Income									
Interest income	3	3	8	17	5	3	+2	–	–
Dividend income	57	68	78	78	5	54	-49	–	–
Mark-to-market gains on long-term interest rate hedges	–	5	–	243	8	239	-231	–	–
Other	100	70	62	78	43	16	+27	–	–
Total Non-Operating Income	161	147	150	417	62	314	-252	–	–
Non-Operating Expenses									
Interest expenses	2,249	2,328	2,293	2,338	593	573	+20	–	–
Mark-to-market losses on long-term interest rate hedges	270	491	336	29	175	10	+165	–	–
Debt financing-related fees	207	327	538	279	24	7	+17	–	–
Other	168	203	307	258	44	69	-25	–	–
Total Non-Operating Expenses	2,895	3,350	3,476	2,906	837	660	+177	–	–
Recurring Profit	**19,185**	**23,076**	**24,395**	**7,179**	**2,384**	**3,303**	**-919**	**6,000 – 8,900**	**26.8% – 39.7%**
Extraordinary Gains									
Gains on sales of fixed assets	–	–	–	720	–	–	–	–	–
Gains on sales of securities investments	–	2	11	–	–	–	–	–	–
Gains on sales of shares in affiliates	1,221	–	–	–	–	–	–	–	–
Gains on sales of subsidiary shares	–	–	169	–	–	–	–	–	–
Other	41	–	35	–	–	–	–	–	–
Total Extraordinary Gains	1,263	2	215	720	–	–	–	–	–
Extraordinary Losses									
Loss on disposal of fixed assets	11	–	27	–	–	–	–	–	–
Valuation losses on securities investments	–	–	229	114	–	114	-114	–	–
Impairment loss	327	–	319	27	–	–	–	–	–
Covid writedown of real estate for sale	–	–	7,487	–	–	–	–	–	–
Other	–	–	–	146	–	–	–	–	–
Total Extraordinary Losses	339	–	8,065	288	–	115	-115	–	–
Pre-Tax Income	20,109	23,079	16,545	7,610	2,384	3,188	-804	–	–
Income Taxes - Current	–	–	7,990	2,622	1,014	905	+109	–	–
Income Taxes - Deferred	–	–	-584	-58	-231	118	-349	–	–
Total Income Taxes	5,923	7,333	7,406	2,564	782	1,023	-241	–	–
Pre-Minority Interest Net Income	14,185	15,746	9,139	5,046	1,601	2,165	-564	–	–
Net Income Attributable to Minority Interests	167	373	938	18	55	1	+54	–	–
Net Income	**14,018**	**15,373**	**8,201**	**5,027**	**1,546**	**2,164**	**-618**	**5,000 – 8,000**	**19.3% – 30.9%**

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Consolidated Cash Flows: Operations

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q1 (3M)
Cash Flows from Operations					
Pre-tax income	20,109	23,079	16,545	7,610	2,384
Depreciation	1,015	1,696	2,630	4,797	1,413
Share-based compensation expenses	215	213	194	21	19
Amortization of goodwill	111	254	174	121	36
Increase (decrease) in accrued bonuses	32	-3	2	-24	159
Increase (decrease) in allowance for doubtful accounts	-355	-26	4	161	–
Interest and dividend income	-61	-71	-86	-96	-10
Interest expense	2,249	2,328	2,293	2,338	593
Losses (gains) on sales of subsidiary shares	–	–	-169	–	–
Losses (gains) on sales of shares in affiliates	-1,221	–	–	–	–
Losses (gains) on sales of securities investments	–	-2	-11	–	–
Losses (gains) on sales of fixed assets	–	–	–	-720	–
Impairment loss	327	–	319	27	–
Valuation losses on securities investments	–	–	229	114	–
Decrease (increase) in trading notes and receivables	-468	-247	-903	925	-733
Decrease (increase) in operational securities investments	1,663	3,509	11,682	343	-11
Decrease (increase) in real estate for sale	-8,112	-3,163	-17,447	5,342	-3,972
Covid writedown of real estate for sale	–	–	7,487	–	–
Decrease (increase) in power plant for sale	996	–	–	–	–
Valuation losses on SPC capital contributions	–	–	–	4	–
Decrease (increase) in advances paid	871	-333	16	61	106
Decrease (increase) in accounts receivable	-10	-399	29	16	125
Increase (decrease) in accounts payable	573	-332	201	-437	-1,075
Increase (decrease) in accrued expenses	-47	25	-36	94	29
Increase (decrease) in advances received	30	269	-285	-57	–
Increase (decrease) in security deposits received	125	-264	-169	-323	-109
Other	585	1,887	600	1,550	-491
Sub-Total	18,628	28,420	23,304	21,870	-1,536
Interest and dividend income received	61	71	86	96	10
Interest expenses paid	-2,231	-2,118	-2,068	-2,119	-504
Income taxes paid and refunded	-5,854	-4,610	-9,430	-4,384	-528
Net Cash from (Used for) Operations	**10,603**	**21,762**	**11,892**	**15,463**	**-2,559**

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Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q1 (3M)
Cash Flows from Investments					
Payments into time deposits	-6	-118	-113	-7	-2
Proceeds from withdrawal from time deposits	–	1,060	5,033	–	–
Payments for securities investments	-140	-539	-2,361	-547	-120
Proceeds from sales of securities investments	–	32	111	10	–
Acquisitions of property, plant, and equipment	-4,796	-15,440	-11,244	-16,447	-907
Proceeds from sale of property, plant, and equipment	–	–	–	2,850	–
Acquisitions of intangible assets	-83	-425	-562	-1,468	-72
Payments of SPC capital contributions	-28	-6	-2	-3	-3
Redemptions of SPC capital contributions	–	32	–	15	–
Payments of security deposits	-36	-16	-34	–	-16
Acquisitions of subsidiary shares resulting in change of consolidation scope	-2,619	–	–	–	–
Sales of subsidiary shares resulting in change of consolidation scope	2,096	–	–	–	–
Acquisitions of consolidated subsidiary	–	–	-187	–	–
Other	-32	-181	-902	-30	-281
Net Cash from (Used for) Investments	**-5,645**	**-15,602**	**-10,263**	**-15,630**	**-1,403**
Cash Flows from Financing					
Net increase (decrease) in short-term loans	-306	2,232	426	1,793	3,110
Net increase (decrease) in short-term non-recourse loans	-611	–	–	–	–
Proceeds from bond issuance	–	129	5,828	70	–
Repayment of maturing bond principal to bondholders	-112	-112	-193	-274	-40
Redemption of non-recourse bonds	-100	–	–	–	–
Proceeds from long-term loans	32,660	43,062	49,957	51,877	11,087
Repayment of long-term loans	-13,402	-20,352	-26,475	-48,996	-4,922
Proceeds from long-term non-recourse loans	3,518	3,500	5,300	3,300	–
Repayment of long-term non-recourse loans	-22,366	-18,473	-17,701	-1,301	-151
Proceeds from employee exercise of stock options	110	143	95	4	–
Share buyback	-2,999	-2,999	-2,999	-2,999	-1,298
Proceeds from minority interests	–	90	–	10,000	–
Payments to minority interests	–	–	-1,276	–	–
Sales of subsidiary shares resulting in no change of consolidation scope	–	100	–	–	–
Dividends paid to minority interests	–	–	-8	-5	–
Dividends paid	-2,513	-2,972	-3,416	-3,298	-3,177
Net Cash from (Used for) Financing	**-6,124**	**4,346**	**9,537**	**10,167**	**4,606**

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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 Sustainable 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 infrastructures. Being one of many is not enough. Ichigo needs to lead.

Ichigo as a Sustainable Infrastructure Company

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Addressing Needs of Diverse Individuals & Communities

Change
Focus on People

From Building-Centered		To People-Centered
Residence	»	Live
Office	»	Work
Retail	»	Shop, Dine
Hotel	»	Travel
Power Plant	»	Power Lives & Business
Stadium	»	Play, Entertain
Warehouse	»	Store, Distribute
Cultural Facility	»	Enjoy, Discover

Opportunity
Address Diverse Needs



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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 & 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 Sustainable Real Estate 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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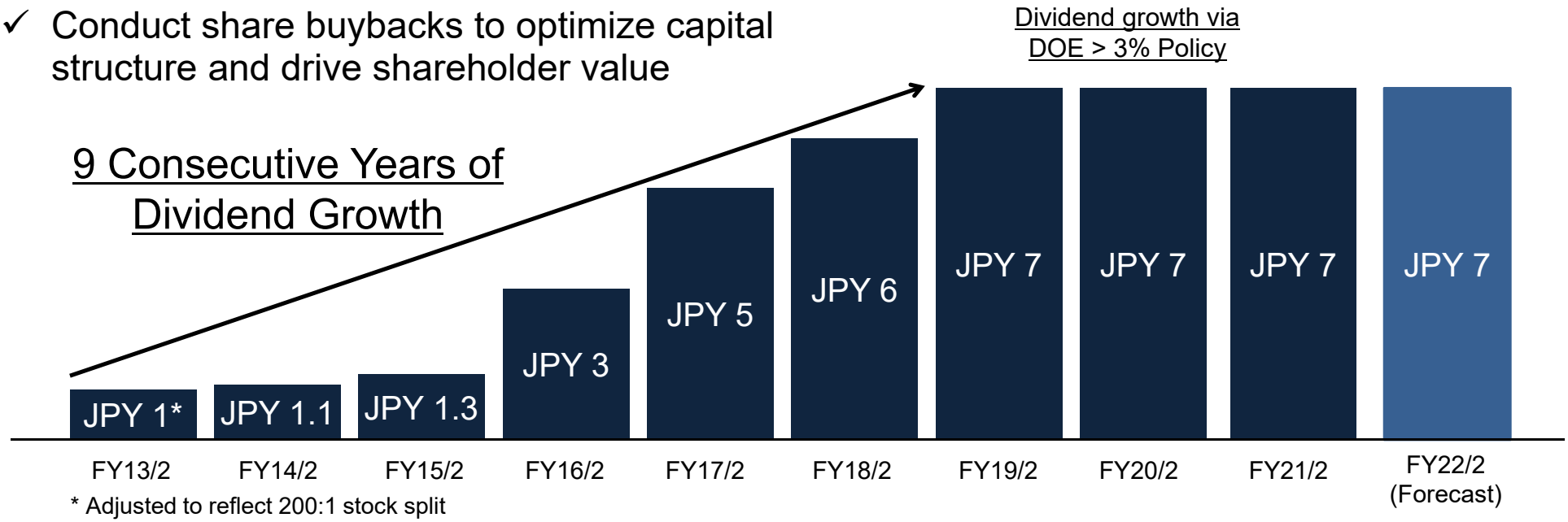
Shareholder Return Policy

Ichigo Dividend Policy: Growth, Certainty, & 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 dividend is maintained or raised every year (but not cut), providing shareholders with the security of a durable dividend.
- 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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Ichigo 2030: New Initiatives

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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, & Help People Enjoy Fuller and Healthier Lives

J.League's 100-Year Vision: Promote Sports Development	**Ichigo's Mission: Serve Important Social Needs**
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 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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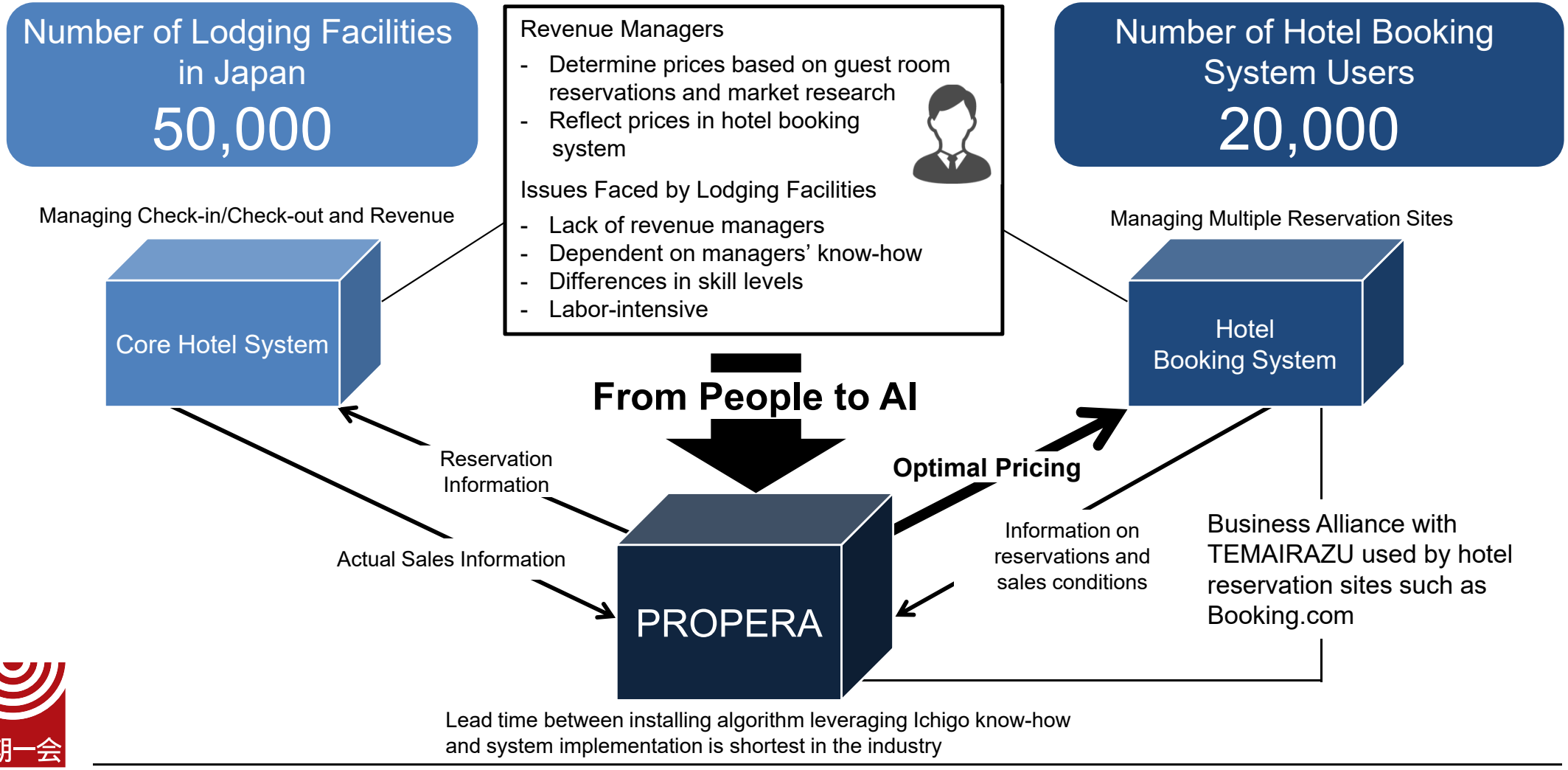
PROPERA: Ichigo's AI Hotel Revenue Management System

- Maximizes Hotel Revenues & Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite* Tailored to Hotels' Needs

* Provides limited information on pricing levels



Lead time between installing algorithm leveraging Ichigo know-how and system implementation is shortest in the industry

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Hakata Hotels: Hotel Operations

Hotel Operator in Kyushu/Yamaguchi Region Seeing Inbound Tourism Growth

– Started operations at 3 hotels on June 1, 2019 & will operate 14 hotels as of September 1, 2021

PROPERA Deployment

– Generating 10 to 40% revenue increases p.a.

– Sales of PROPERA to non-Ichigo hotel operators expected to drive Ichigo non-asset revenue streams

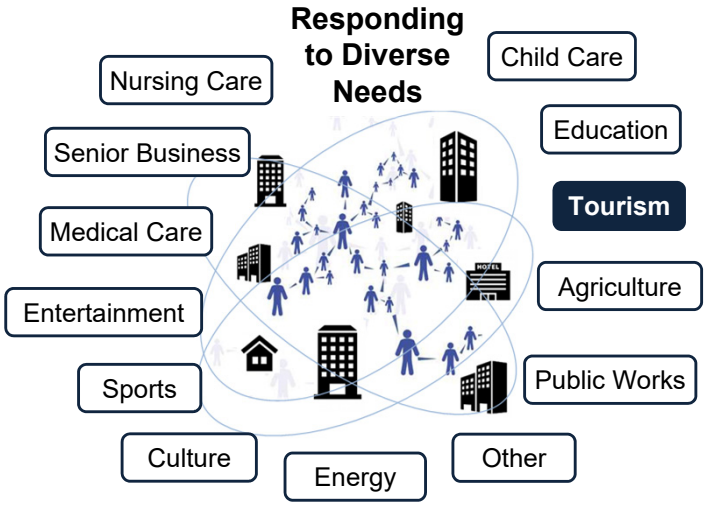




Ichigo's Hotel Il Palazzo in Fukuoka was the first building outside the U.S. to win an American Institute of Architects Honor Award in 1991

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 + Real Estate Synergies

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

- Established Ichigo Animation in April 2019
- 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, & Goods

Promote Ichigo's AKIBA CULTURES ZONE (ACZ) as Global Anime Landmark

- Increase ACZ's value by integrating anime content & events (anime, dance, music, entertainment, retail, tourism, etc.)
  - ✓ Anime-related events & sales of goods at ACZ will drive both customer traffic & higher earnings



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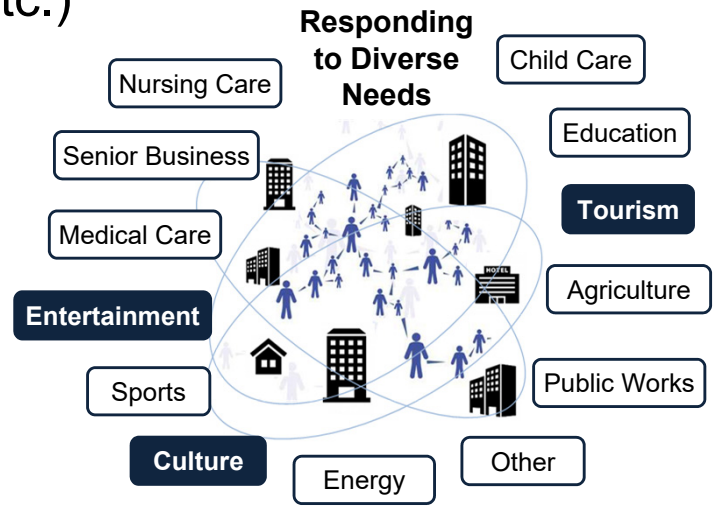
AKIBA CULTURES ZONE



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This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

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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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