FY23/2 Q1 Corporate Presentation

July 14, 2022

Ichigo (2337)

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We would like to express our deepest condolences to all those affected by the global Covid pandemic and by the war and humanitarian crisis in Ukraine, along with our heartfelt wish for the immediate cessation of hostilities in Ukraine and the earliest and fullest possible recovery for all.

Take care, be safe.

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Make The World
More Sustainable

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FY23/2 Q1 Earnings

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FY23/2 Q1 Summary

- Accelerating Sales of Both Multi-Asset & Ichigo Owners Sustainable Real Estate (SRE) Assets
- Hotel Recovery Underway
  - ✓ RevPAR: +81% YOY, -43% vs. Pre-Covid
- Robustly Climate Positive (CO2 Reductions > Emissions Transition), with RE100 Transition Also On-Track
- 6 Consecutive Years of Share Buybacks (JPY 1.5B, 8.4%)
  - ✓ Completed Q1 JPY 1.5B Share Buyback

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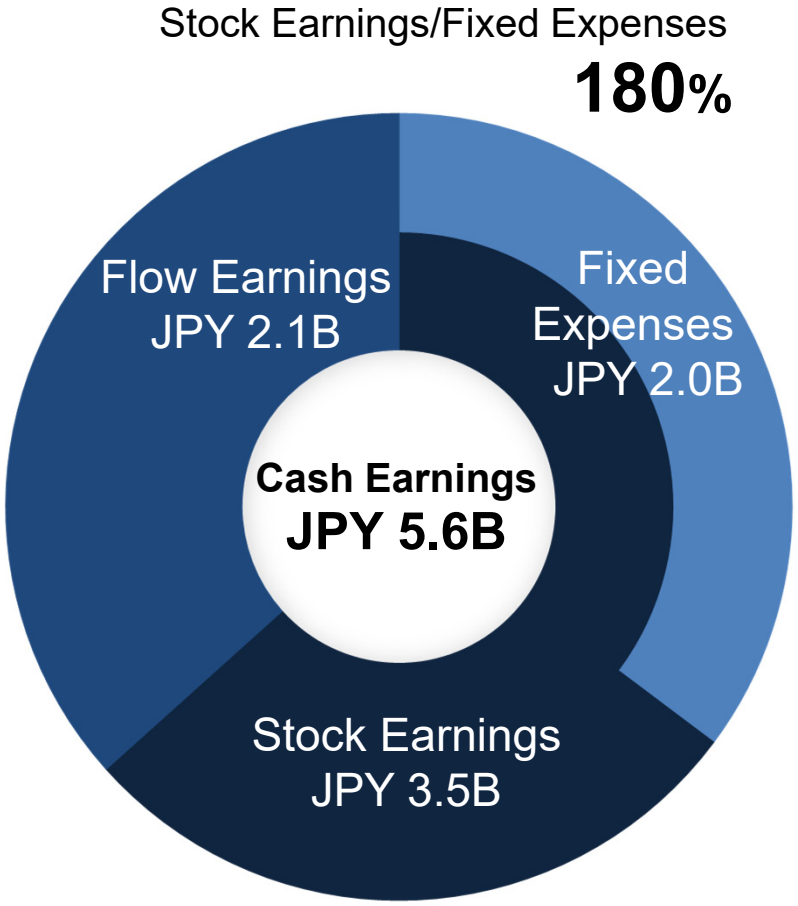
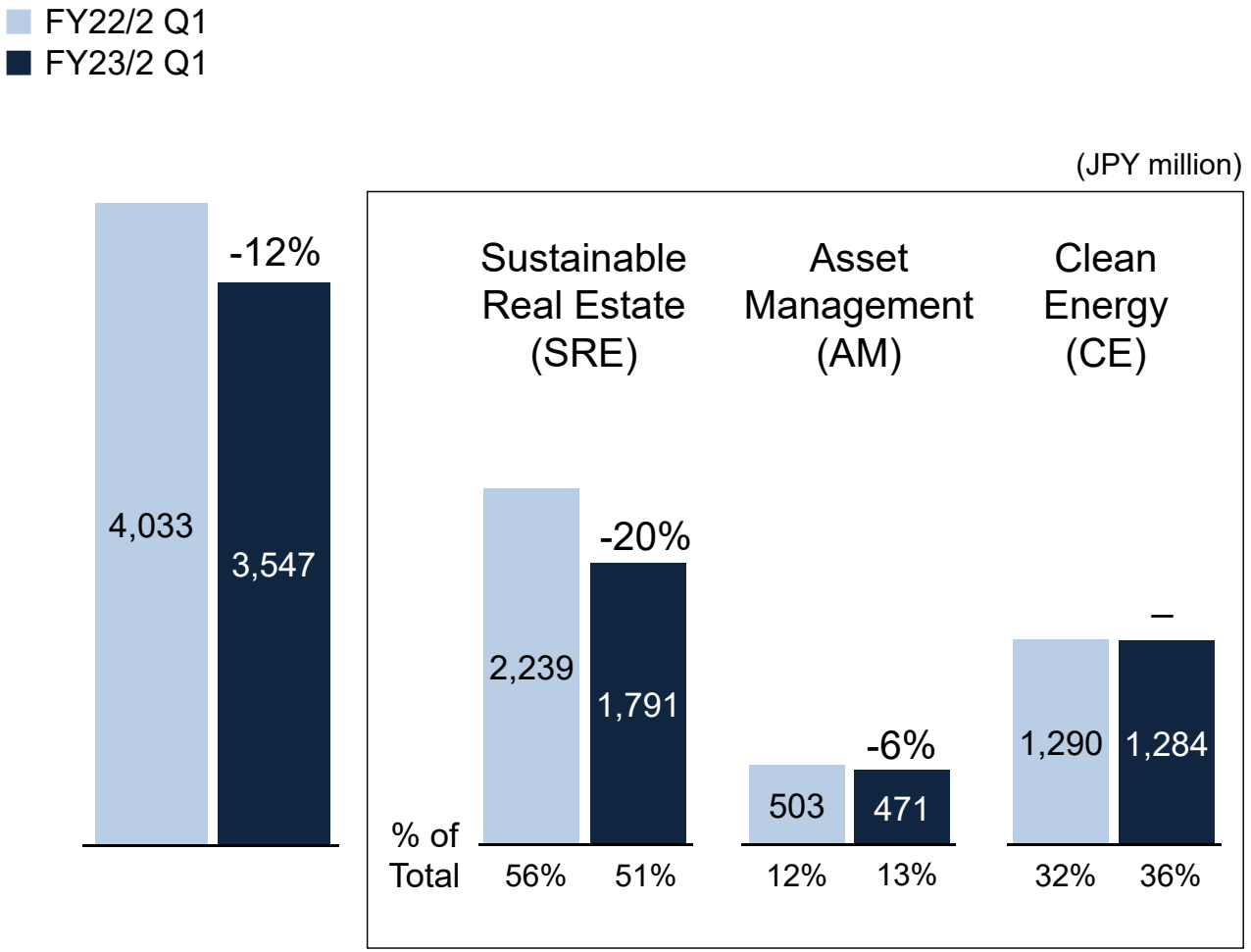
FY23/2 Q1 Summary

Durable Earnings Model



Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Non-Cash Expenses (e.g., Depreciation, Goodwill Amortization)

Robust Stock Earnings



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Introduction of All-In Disclosure to Increase Earnings Transparency

- All-In disclosure allows for transparent tracking of full profitability contribution of Sustainable Real Estate (SRE)
- SRE is a core business, and Ichigo executes value-add on SRE assets regardless of whether they are classified in accounting terms as Real Estate for Sale (Current Assets) or Fixed Assets
- Adding SRE's Fixed Asset Gains on Sales (which are accounted for as Extraordinary Gains in J-GAAP) to Operating Profit (OP) and Recurring Profit (RP) to generate All-In OP & RP numbers thus provides transparency on SRE's actual core profit contribution

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All-In OP -14%, Cash EPS -1% (YOY)

Cash Earnings Significantly Exceed Accounting Earnings Due to Ichigo's Focus on Maximizing Long-Term Cash Flows for Shareholders

(JPY million)

	FY22/2 Q1	FY23/2 Q1	YOY	FY23/2 Forecast
Operating Profit	3,159	2,723	-13.8%	9,700 – 10,600
All-In Operating Profit	3,159	2,723	-13.8%	12,700 – 15,600
Recurring Profit	2,384	2,367	-0.7%	6,700 – 7,600
All-In Recurring Profit	2,384	2,367	-0.7%	9,700 – 12,600
Net Income	1,546	1,534	-0.7%	6,500 – 8,500
Cash Net Income	2,953	2,896	-1.9%	12,500 – 14,500
EPS	JPY 3.28	JPY 3.29	+0.1%	JPY 14.04 – JPY 18.36
Cash EPS	JPY 6.27	JPY 6.20	-1.0%	JPY 27.00 – JPY 31.32

All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains
All-In Recuring Profit = Recurring Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains
Cash Net Income = Net Income + Non-Cash Expenses (e.g., Depreciation, Goodwill Amortization)
Cash EPS = Cash Net Income / Average Number of Shares Outstanding in the Fiscal Year

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Segment Earnings Details

- Asset Management: One-Off Decrease on Asset Sales; Q2 Acquisitions
- SRE Stock Earnings: Lower on Asset Sales & Odaiba Vacancies (Re-Tenanting Underway)
  SRE Flow Earnings: Strong Investment Demand, Visible Earnings Growth
- Clean Energy: Growth On-Track (Temporary Drop on Bad Weather in Kanto)

Segment	All-In Operating Profit				All-In Gross Profit		Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY22/2 Q1	FY23/2 Q1	YOY	FY23/2 Forecast *	FY22/2 Q1	FY23/2 Q1	
Asset Management (AM)	353	322	-8.7%	1,300	503	471	Base AM Fees 445 (-32) Ichigo Green Operator Fees 14 (+1)
Sustainable Real Estate (SRE)	2,061	1,751	-15.1%	9,200 – 12,100	3,359	2,998	Rental Income 947* (-341) * Depreciation 843 (-106) Gains on Sales 2,046 (-29)
Multi-Asset	2,310	1,771	-23.3%	6,300 – 9,200	3,453	2,801	
Ichigo Owners	-248	-19	–	2,900	-94	197	
Clean Energy	743	659	-11.3%	2,200	880	847	Power Generation Revenue 847* (-32) * Depreciation 437 (+26)
Adjustment (including offsets of cross-segment transactions)	–	-9	–	–	–	–	
Total	3,159	2,723	-13.8%	12,700 – 15,600	4,743	4,317	

Note: From 22/3 Q1, corporate expense allocations to subsidiaries have been adjusted to better reflect resource use – please see page 51 for details.

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Powerful Value-Add Business Model Underpins Growth

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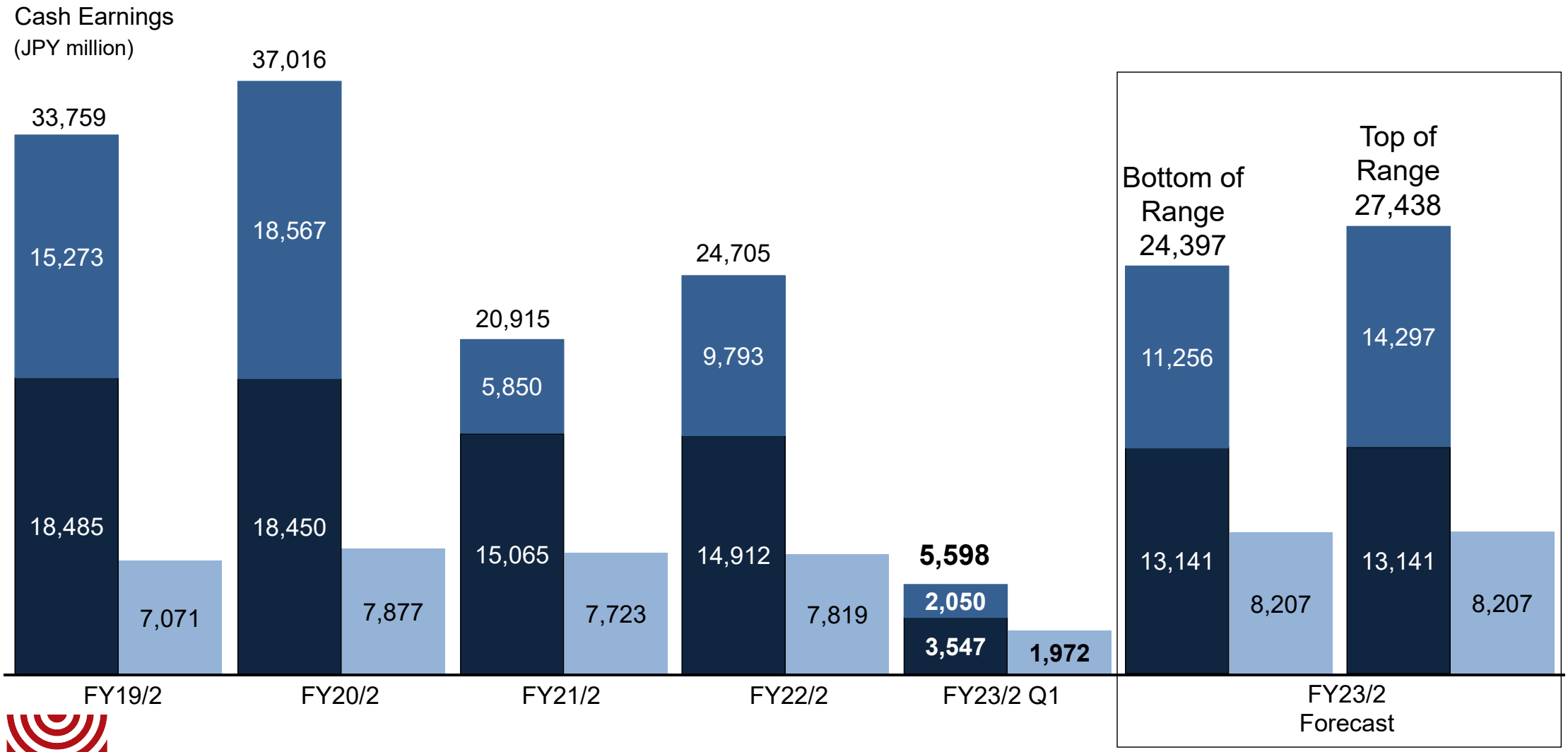
Business Model (1) Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, Power Generation Revenues, Base AM Fees, & Non-Cash Expenses (e.g., Depreciation)
- 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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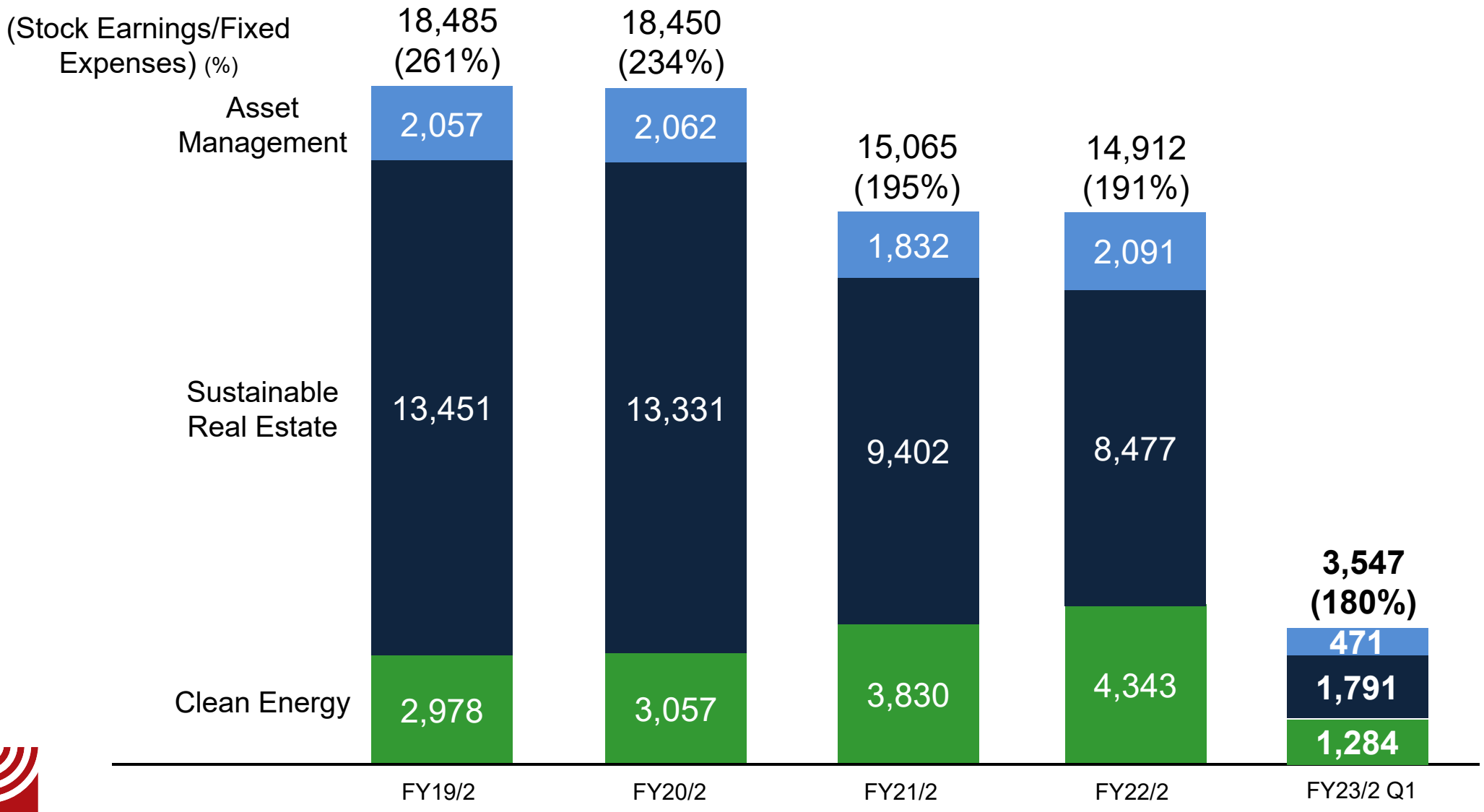
Business Model (2) Stable Stock Earnings

Stock Earnings by Segment
(JPY million)



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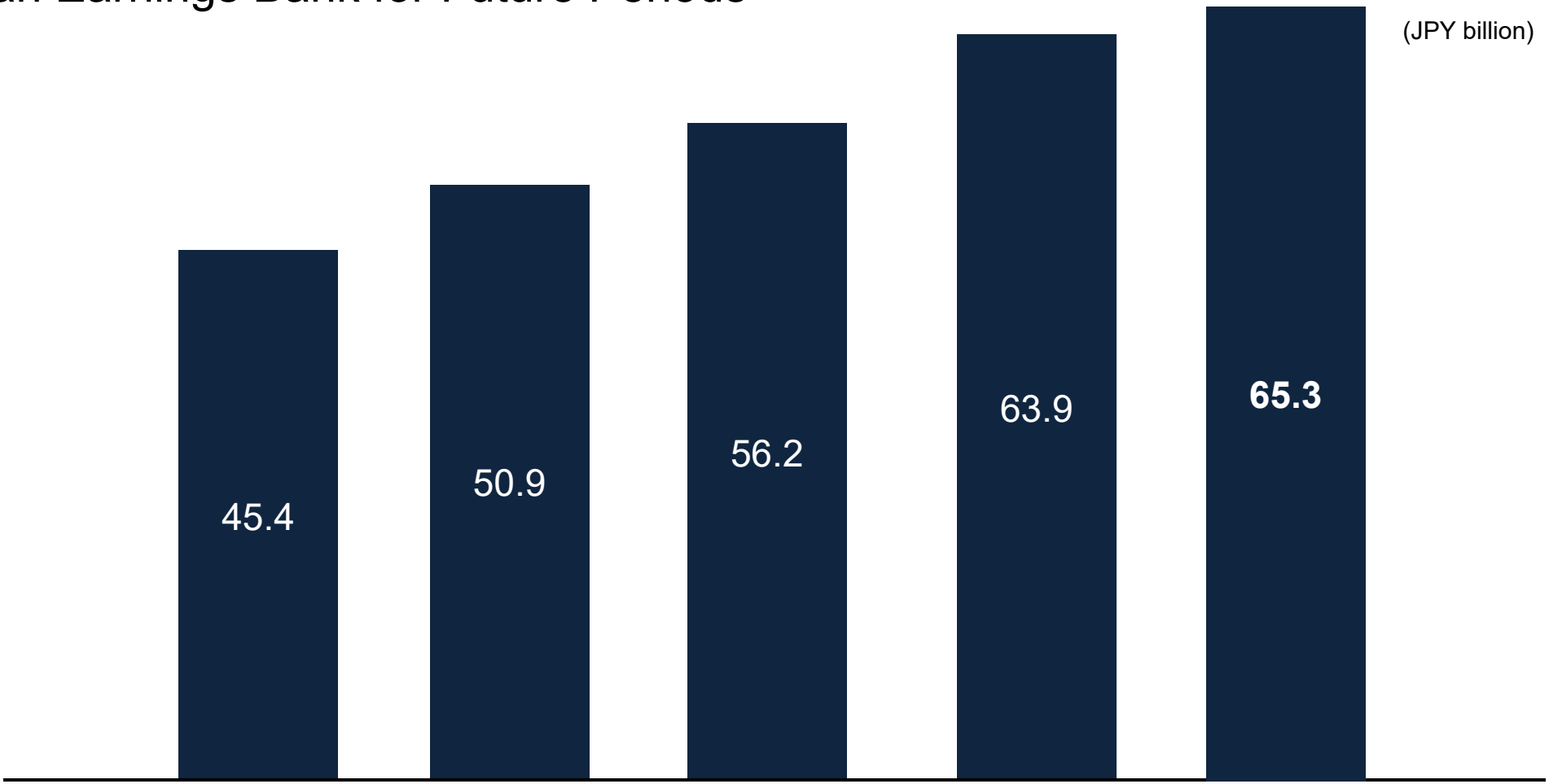
Business Model (3) Embedded Forward Earnings

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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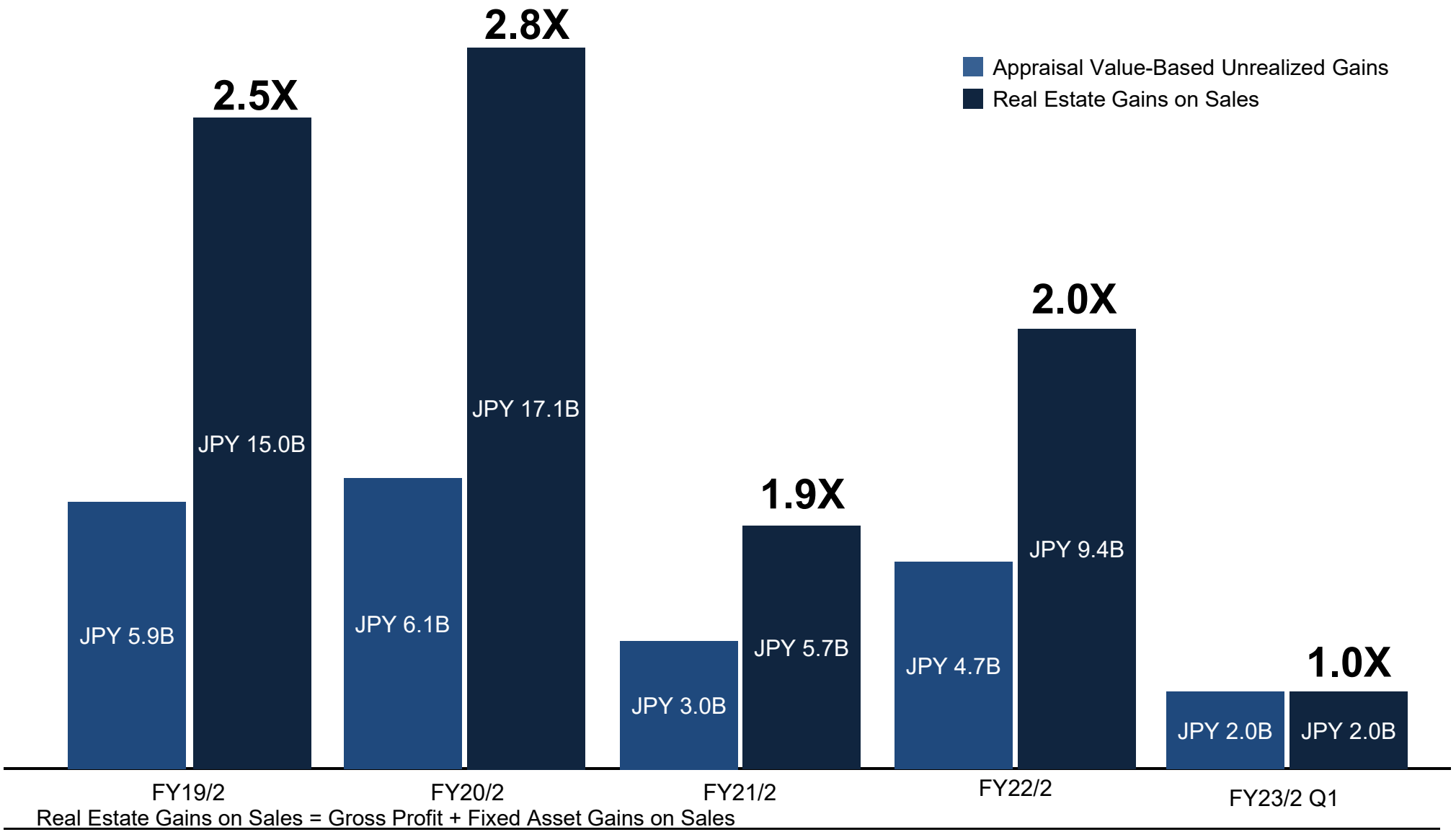
Business Model (4) Value-Add Drives Durable Value Growth



Real Estate Gains on Sales = Gross Profit + Fixed Asset Gains on Sales

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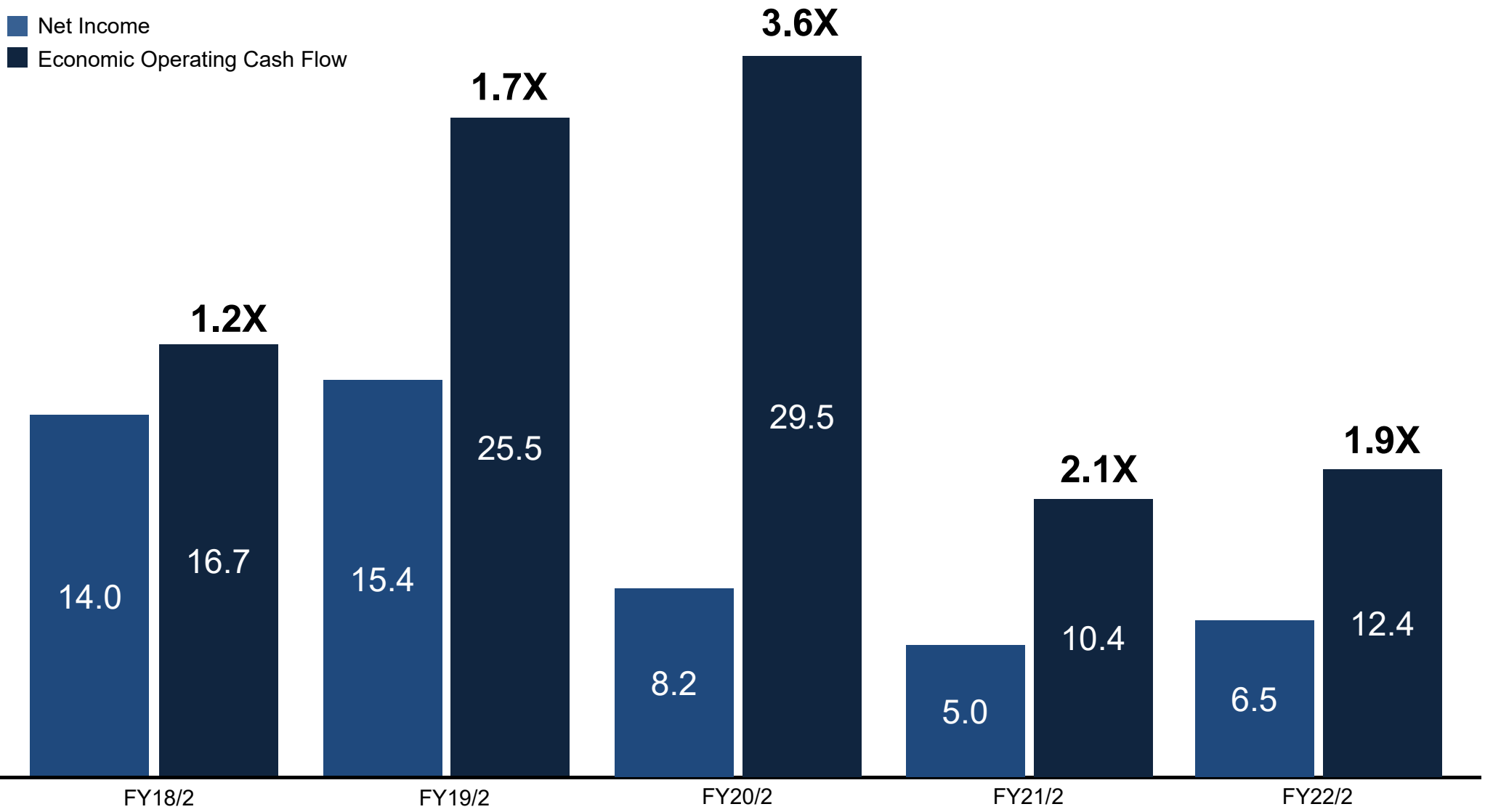
Business Model (5) Robust Cash Generation

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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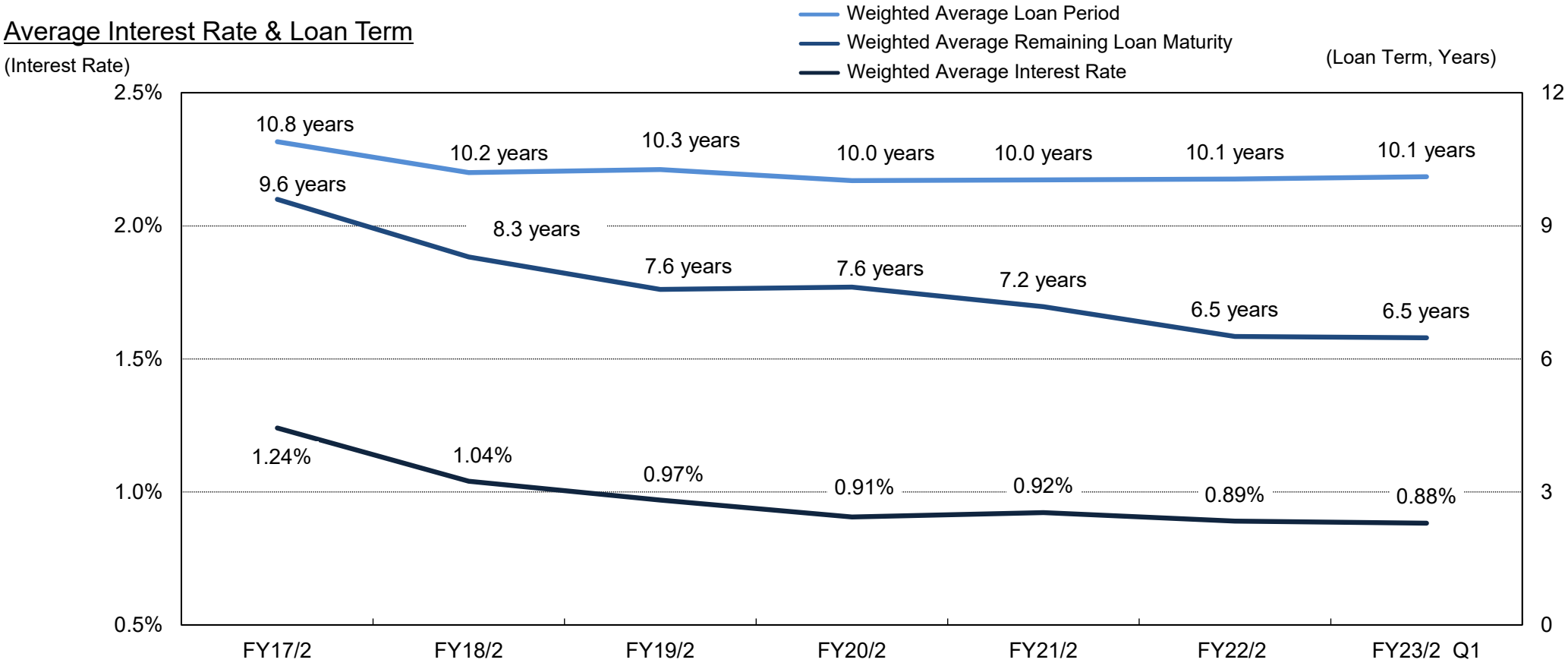
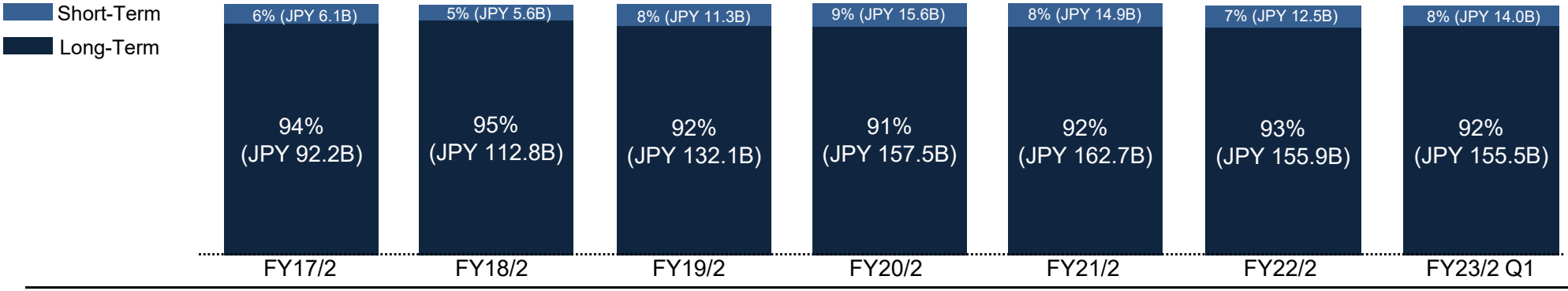
Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans



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Ichigo’s Sustainability Execution

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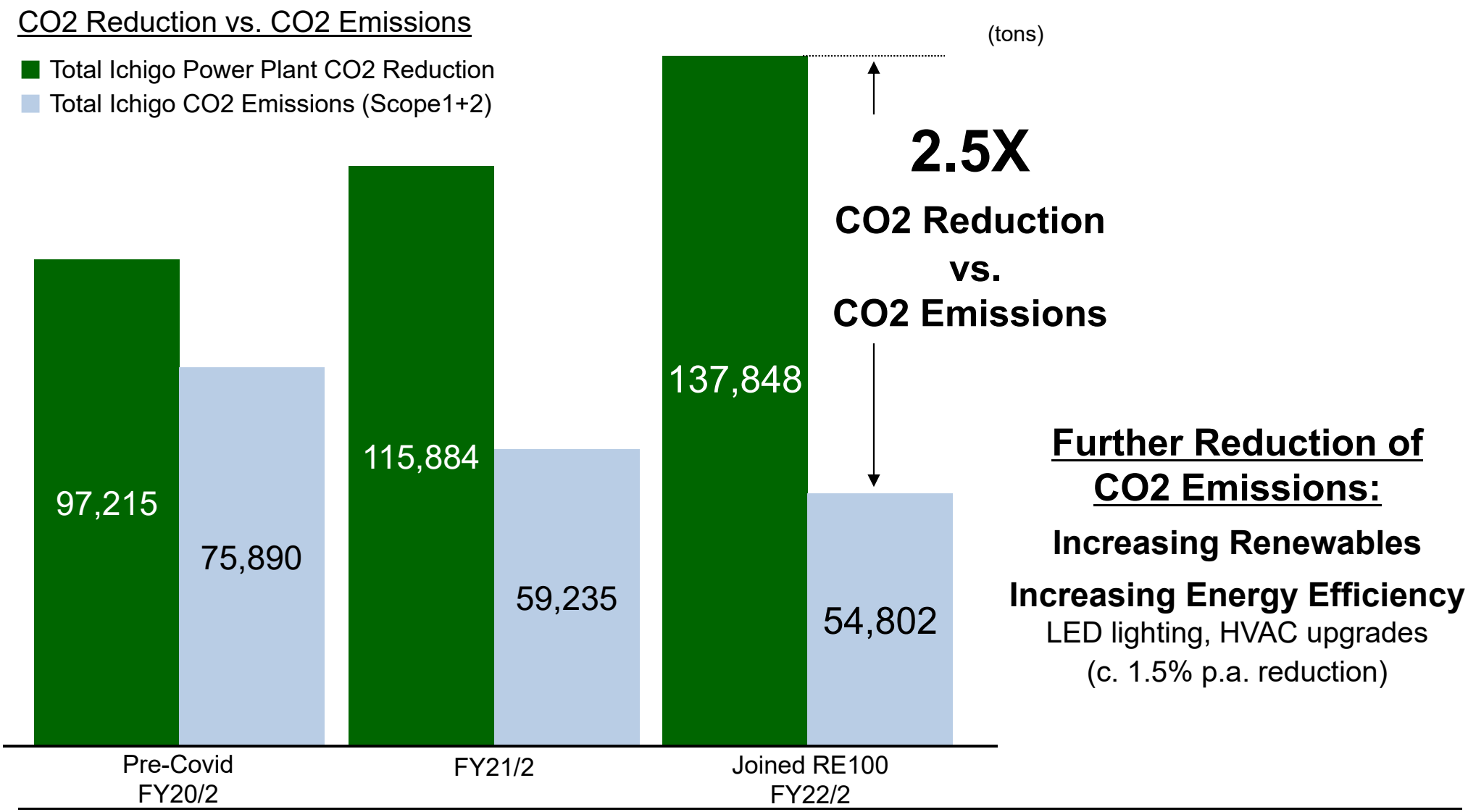
Climate Positive: CO2 Reduction > Emissions

Ichigo's Clean Energy Growth Addressing Critical Environmental Issues



Further Reduction of CO2 Emissions:

Increasing Renewables

Increasing Energy Efficiency

LED lighting, HVAC upgrades
(c. 1.5% p.a. reduction)

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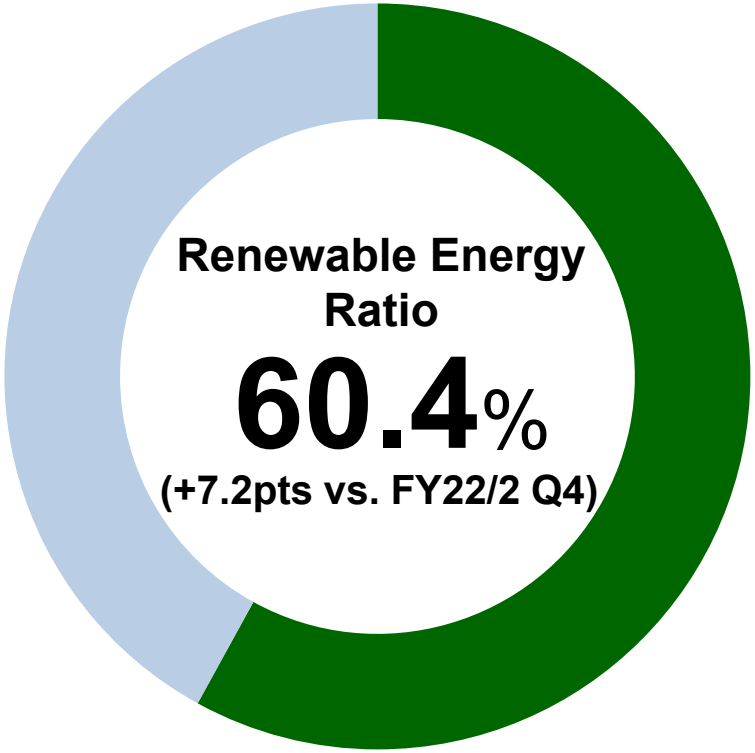
RE100 by 2025 On Track

Ichigo RE100 Progress



Includes all Ichigo, Ichigo Office (8975), and Ichigo Hotel (3463) assets

FY23/2 Forecast RE100 Transition Impact

CO2 Reduction	**35,815** tons
% Reduction	**47.2**%

CO2 Emissions of Cars



× **15,572**

Note:
% Reduction = Amount of CO2 reduction vs. 75,890 tons (FY20/2 actual)
Annual CO2 emission per car c. 2,300kg (Ministry of Environment)

RE100 | CLIMATE GROUP | CDP

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Sustainable Growth as a Sustainable Infrastructure Company

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Selective on Acquisitions & Sales

SRE Multi-Asset Acquisitions Already 17% Higher than Full-Year FY22/2

- Acquisitions: JPY 11.7B

In Addition to Robust Ichigo Owners Residential Sales, Market Conditions Favorable for Multi-Asset Sales

- Sales: JPY 10.9B

Global Investors Also Increasing Acquisitions of Japanese Real Estate

FY23/2 Q1 Net Acquisitions: JPY 800M

(JPY million)

		Acquisition		Sale		Difference
		No. of Assets	Book Value (A)	No. of Assets	Sale Price (B)	(A) - (B)
Multi-Asset	Office	2	4,995	1	1,062	+3,933
	Hotel	–	–	–	–	–
	Retail	–	–	1	9,130	-9,130
	Residential	1	61	–	–	+61
Ichigo Owners	Residential	7	6,623	1	660	+5,963
Total		**10**	**11,679**	**3**	**10,852**	**+827**

Note: Book Value of Sales: JPY 8.7B

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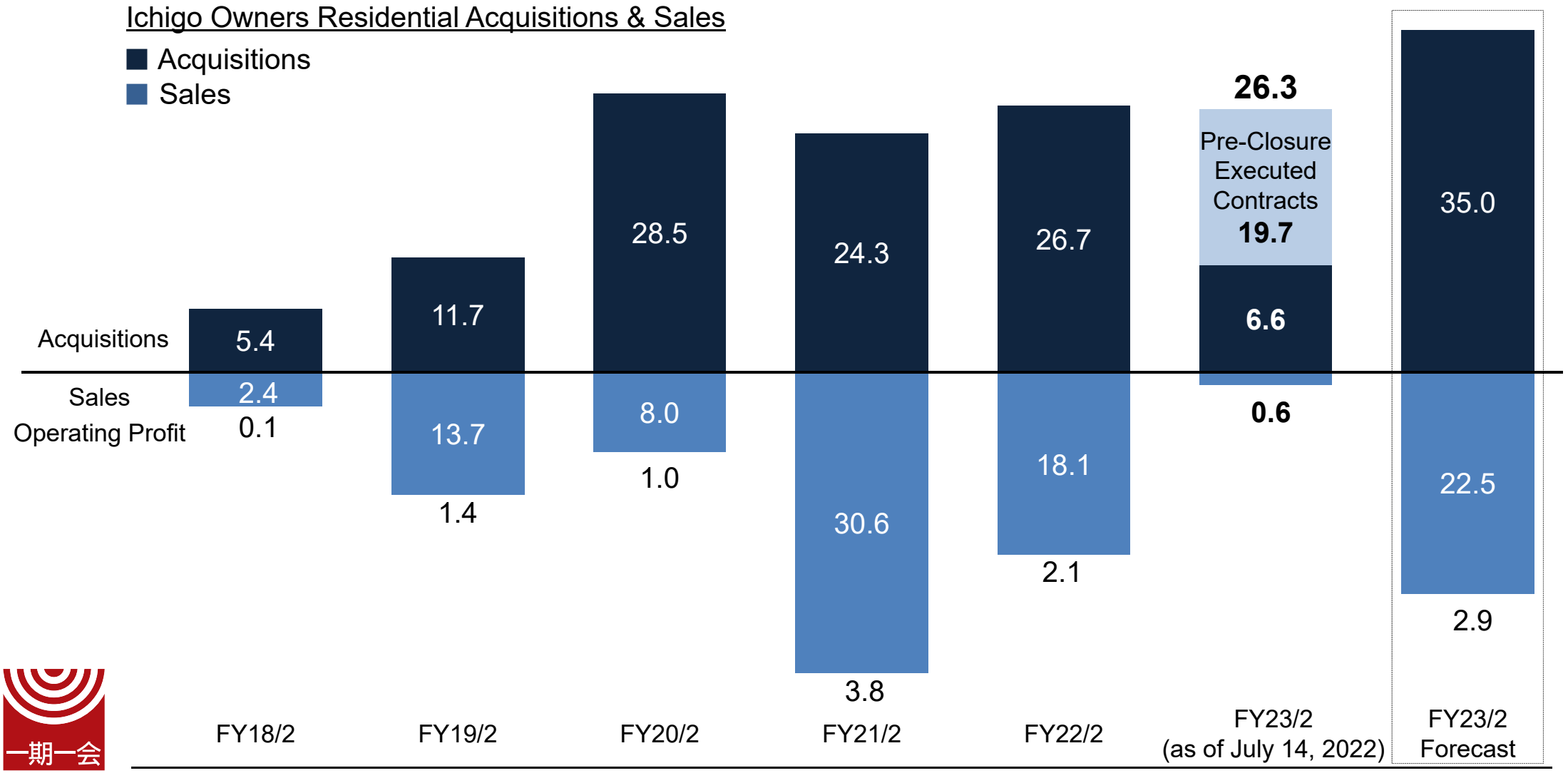
Ichigo Owners: Robust Demand Driving Growth

JPY 26.3B Acquisitions (including Pre-Closure Executed Contracts)
(75% Progress vs. Full-Year Forecast; 99% vs. Full-Year FY22/2)

(JPY billion)



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Ichigo Subsidiary Cost Science Wins Japanese Government DX Award

Cost Science (IT Consulting firm) https://costscience.com

- Deep expertise in mining & analyzing data to help businesses increase productivity without downsizing (full consolidation as subsidiary in FY24/2)
- Accelerating Ichigo's DX

Supporting Japanese Corporate DX Initiatives with Demand Forecast AI

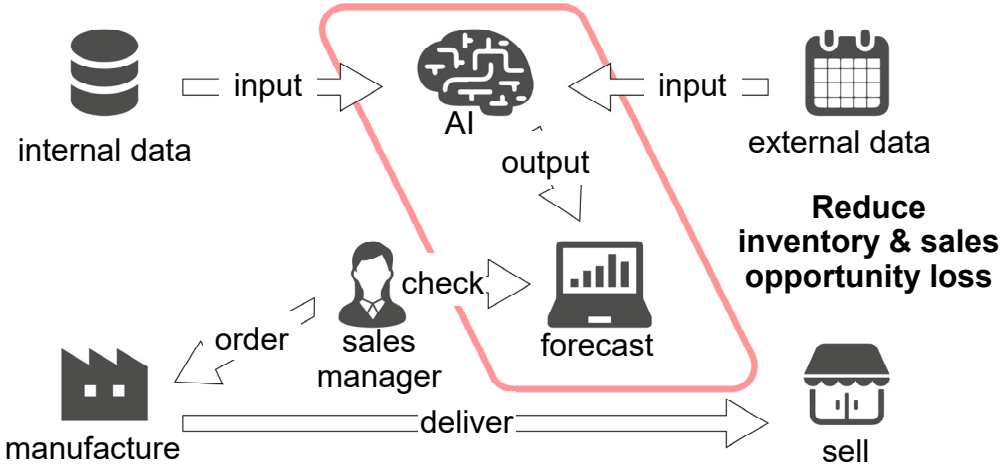
Development of AI-Based Demand Forecast System

Use of artificial intelligence (AI) to forecast demand at traditional Japanese restaurant owner/operator Minamoto, famous for trout sushi

Outcomes

- Reduced order processing burden on employees
- Reduced food wastage
- Minimized lost sales opportunities





About Japan DX Award

Launched to accelerate Japanese DX initiatives by identifying and sharing best practices. Sponsored by Digital Agency, Ministry of Internal Affairs and Communications, & IT Coordinators Association.

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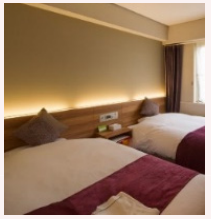
Growth Support for Ichigo REITs & Ichigo Green

	Ichigo Office 8975	Ichigo Hotel 3463	Ichigo Green 9282
Portfolio	JPY 209.2B (86 Assets)	JPY 52.5B (24 Hotels)	JPY 11.4B (15 Solar Plants)
Dividend Yield (as of July 11, 2022)	4.9%	1.9%	5.8%
Overview	  ・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 ・100% renewable energy for all assets with full Ichigo ownership (as of April 19, 2022, 74 assets, excluding partially-owned and co-owned assets)	  ・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 acquisitions & sales ・33% renewable energy (as of July 14, 2022)	  ・Solar power producers 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
Sponsor Support	・Sale of 4 assets to bridge fund ・Supporting REIT tenants & assets via inclusion in Ichigo's real-time natural disaster reporting system	・Provided subordinated debt (JPY 870M) ・Reduced operator risk by bringing in Hakata Hotels (5 hotels, 594 rooms)	・Operating all plants ・Providing ongoing performance guarantee
Ichigo-Wide Initiatives	UN Global Compact RE100 ESG & Value-Add	Includes Ichigo Office, Ichigo Hotel, & Ichigo Green Group-wide RE100 targets & strengthened environmental initiatives Accelerating ESG & sustainable value-add initiatives	

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Ichigo Office & Ichigo Hotel Acquisitions Driving Growth

Ichigo Office (8975)

Acquisition

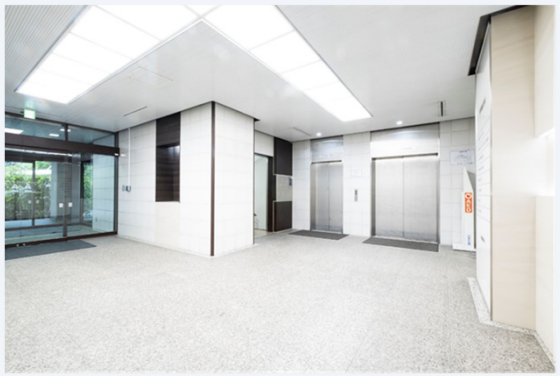
Ichigo Higashi Ikebukuro 3 Chome Building

Central Tokyo office with NOI growth potential

- New redevelopment project in the area to further increase attractiveness & tenant convenience
- Stable tenant demand across multiple industries

Acquisition price	JPY 3,840M
Appraisal value	JPY 3,930M





Ichigo Hotel (3463)

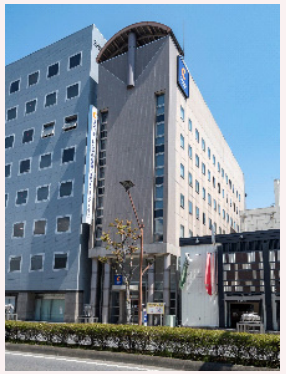
Acquisition

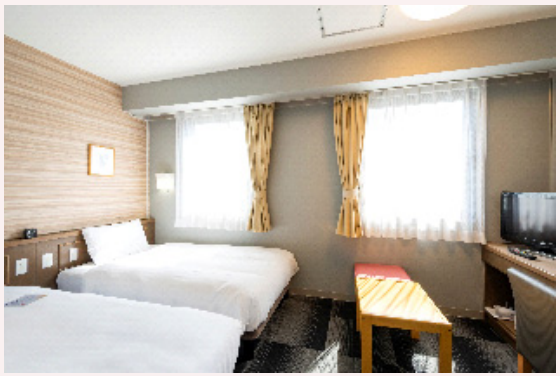
Comfort Hotel Nagano

Regional diversification & robust NOI

- Located near Nagano Station, Nagano Prefecture's largest rail hub, resulting in steady business demand
- Convenient access to popular tourist spots

Acquisition price	JPY 670M
Appraisal value	JPY 700M





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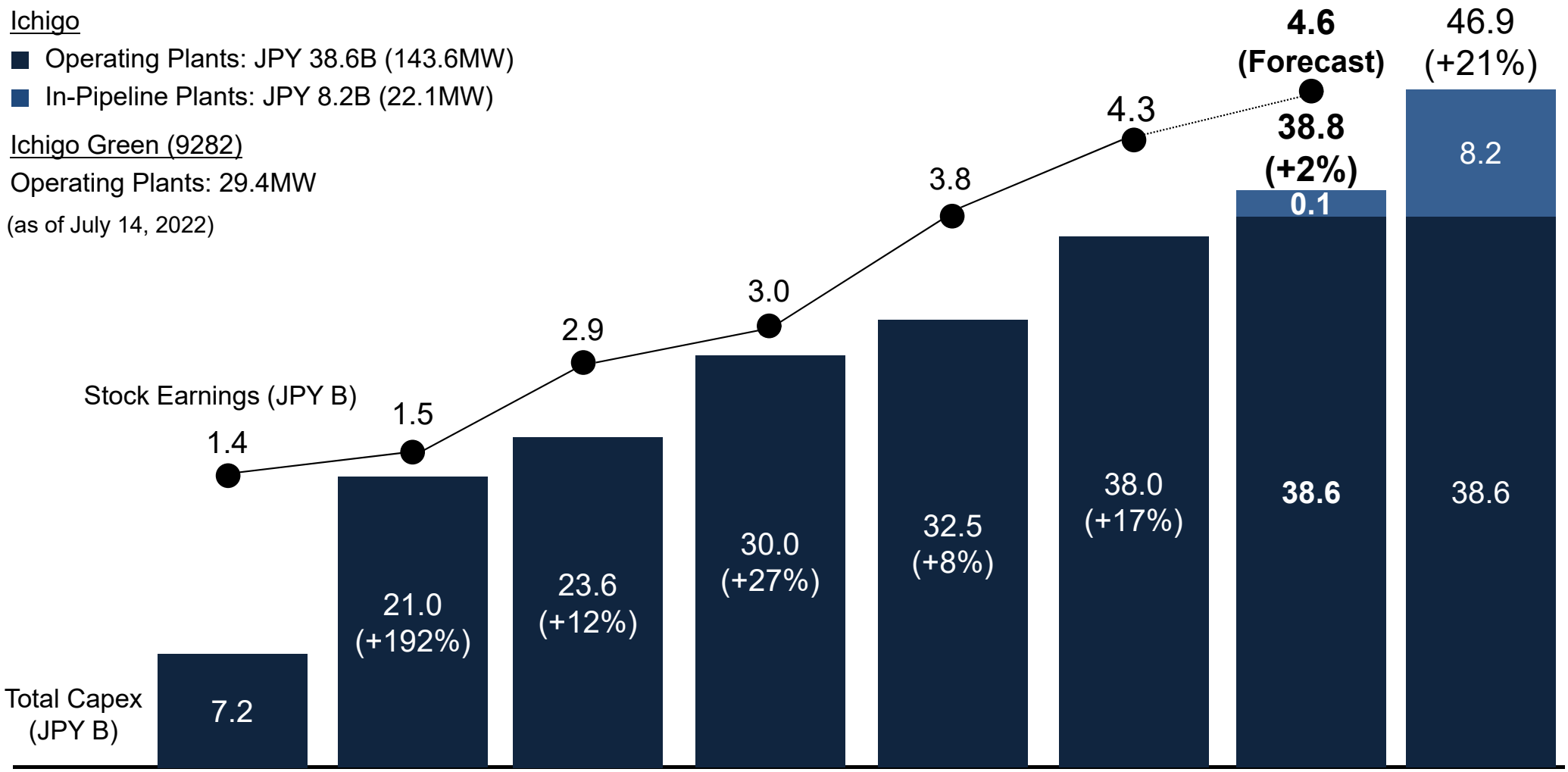
Scaling Rapidly

3 New Plants (Total 5.1MW) Forecast for FY23/2 Full-Year (2 Already Online)



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Share Buybacks – 6th Consecutive Year (JPY 15B, 8.4%)

Ichigo 2030: Flexible Deployment of Share Buybacks

Completed Q1 JPY 1.5B Share Buyback & Expect to Continue to Be Active

Share Buybacks

	Number of Shares Purchased (% of Shares Outstanding)	Average Purchase Price	Amount
FY23/2 Q1	5,105,800 (1.0%)	JPY 293	JPY 1.5 billion
FY22/2	4,363,500 (0.9%)	JPY 343	JPY 1.5 billion
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 (70,000 shareholders in total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

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

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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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ESG Initiatives: Environmental

Climate Positive & Sustainability-Driven

Ichigo ESG Environmental

Preserve & Improve Real Estate to End Wasteful Demolition

Ichigo's Sustainable Real Estate business has a proven track record of preserving and improving existing real estate. Ichigo will build on this long-standing commitment to sustainability by developing new technologies to extend the lives of buildings and other social infrastructure 100 years and beyond.

Ichigo's Sustainable Real Estate
Preserve & Create Value



Improve aesthetics and comfort
Seismic reinforcements
Regulatory compliance
Increase energy efficiency

Community-Based, 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.

Annual Power Production

208,861,776 kWh

Equivalent to annual energy consumption of 69,600 households

Annual CO2 Reduction

137,848,769 kg

Equivalent to annual CO2 emission of 50,400 cars

* FY22/2 Actuals

Pro-Active Environmental Certifications

By obtaining certifications such as GRESB, CASBEE, BELS, and DBJ Green Building, Ichigo is demonstrating our long-standing commitment to sustainability via initiatives that benefit investors, tenants, clients, and other stakeholders.

Ichigo Group-Wide

CASBEE 不動産 2021
Ichigo & Ichigo Office (8975)
Total 16 Assets

GRESB ★★★☆☆ 2021
Ichigo Office (8975)
3 Stars / Green Star

GRESB ★★☆☆☆ 2021
Ichigo Hotel (3463)
2 Stars / Green Star

BELS	2 Assets
DBJ Green Building	2 Assets

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ESG Initiatives: Social

Contributing to Society

Contributing to Regional Revitalization

Ichigo works to revitalize local communities and promote regional economic development. Ichigo's model of preserving and improving existing real estate creates jobs and supports businesses, and our renewable energy power plants also support their host communities by providing new and sustainable sources of income.



◂ Miyako City
Retail Asset / Miyazaki
www.miyakocity.com

THE KNOT TOKYO ▸ Shinjuku
Hotel / Tokyo
https://hotel-the-knot.jp/tokyoshinjuku/en



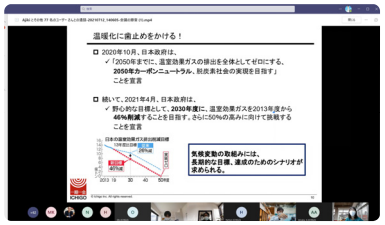
Ichigo University

Ichigo established Ichigo University in May 2013 to support employees' continuing education and personal growth.

Ichigo University courses are taught by employees and external professionals who are specialists in their fields and have deep experience.

Average Annual Number of Courses: 30

Ichigo University Classes



Online



In-Person

Sports Initiatives

As a top partner of the J.League professional soccer league, we support the league's mission to promote community development. Ichigo supports outstanding athletes in weightlifting, rifle shooting, and track and field.



Hiromi Miyake
(Weightlifting)



Chisato Kiyoyama
(Track and Field)

Ichigo Sports Site (Japanese only)
www.ichigo.gr.jp/ichigosports

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ESG Initiatives: Governance

Global-Best Practice Governance

Early Adopter of Global Best Practice Corporate Governance Structure

All Directors on Ichigo's Board of Directors are aware of their fiduciary responsibility towards shareholders and work collaboratively and appropriately with other stakeholders to ensure sustained value creation for shareholders.

Major Initiatives

- Adopted Independent Director-led, committee based governance system in 2006
- 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)

Majority Independent Director Board Underpins Strong Governance

Of 10 members of Ichigo's Board of Directors, 6 are Independent Directors Including former CEOs of TSE Prime (formerly 1st Section)

FY20/2 to Present



Masatoshi Matsuzaki (former CEO of Konica Minolta)



Nobuhide Nakaido (former CEO of SCSK)

FY16/2 to FY17/2

Takashi Kawamura (former CEO of Hitachi; stepped down from Ichigo's board upon appointment as Chairman of TEPCO)

FY16/2 to May 2019

Kosuke Nishimoto (former CEO of Meitec; stepped down from Ichigo's board upon appointment as EVP of Misumi Group)

Annual Board of Directors Evaluation

Board evaluations are conducted by having each Director assess the Board along the criteria shown below, with aggregate survey results collectively reviewed by the Board.

(1) Board Composition

(2) Board Operation

(3) Board Effectiveness

(4) Board Support Resources

(5) Engagement with Shareholders and Stakeholders

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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 on their environmental performance. Assessment is based on governance, risk management, business strategy, targets and performance, etc., and companies are scored from A to D-. Ichigo's score for 2021: A- (1 rank up from 2020)



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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Accelerated RE100 Target 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

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a net 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, targets and performance, and engagement, and are ranked from A to D-.

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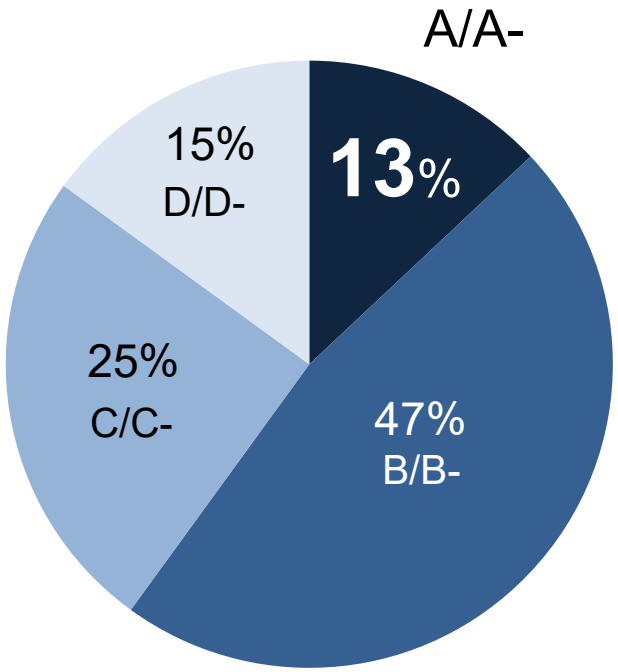
CDP Climate Change Assessment: Ichigo Highest Leadership Level

Ichigo Recognized for Global Best-Practice Climate Change Initiatives

- Further Accelerating Ichigo Environmental Initiatives via Launch of ReGeneration Group
- Ichigo Score: A- (Achieved A Score in 8 of 11 Categories)

Global Scores of Companies in CDP's "Land & Property Ownership & Development" Industry Group



CDP Score Categories

- **A/A- (Leadership) Ichigo**
  Implementing current best practices
- B/B- (Management)
  Taking coordinated action on climate issues
- C/C- (Awareness)
  Knowledge of impacts on, and of, climate issues
- D/D- (Disclosure)
  Transparent about climate issues

Global Average Score Across All Sectors: B-
Global Sector Average Score: B-

CDP DISCLOSER 2021

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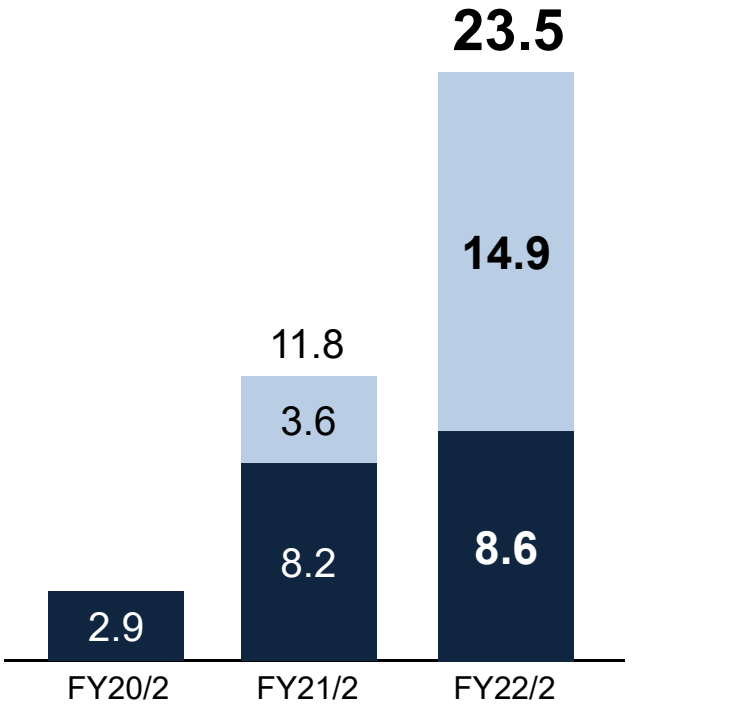
ESG Finance Supporting Sustainable Growth

Ichigo's ESG Execution Underpinning Attractive ESG Financing Terms

ESG Loans

- ESG loans and green bonds
- Remaining ESG commitment line

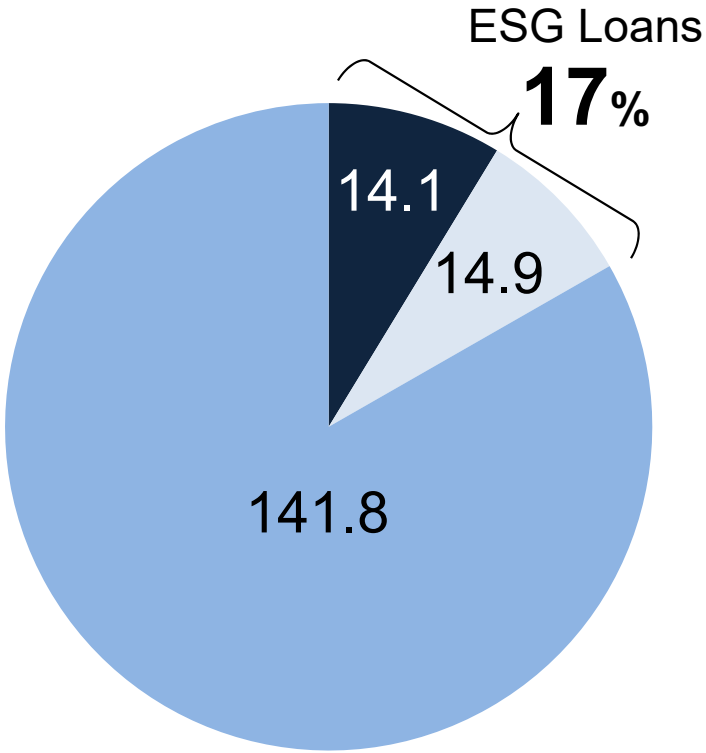
(JPY billion)



ESG Loans as % of Total Borrowings

- ESG loans and green bonds
- Remaining ESG commitment line
- Other corporate loans & bonds (excludes short-term loans)

(JPY billion)



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Rich ESG Content

ICHIGO Sustainable City



Introducing Ichigo's Vision for Society's Future

- Sustainable Infrastructure
- Sports
- Culture
- Smart Agriculture
- Regional Development
- ESG/SDGs

Ichigo Brand Site: ICHIGO Sustainable City
www.ichigo.gr.jp/company/brand (Japanese only)

Ichigo Sustainability Report



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

- Senior Management Message
- Sustainable Business Management
- Sustainability Policy
- ESG Initiatives
- Third-Party Assessments
- ESG Data

Ichigo Sustainability Report
www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_ENG.pdf

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Appendix: Financial & Operational Data

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Business Segments

Asset Management	Asset Management (AM) generates fee income via management of Ichigo Office (8975), Ichigo Hotel (3463), 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.

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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, 2022 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	86,002	5,263	6.1%	119,532	+33,530
Outside Tokyo	98,035	6,532	6.7%	124,734	+26,699
Total	184,036	11,795	6.4%	244,266	+60,230

Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 61.77B)

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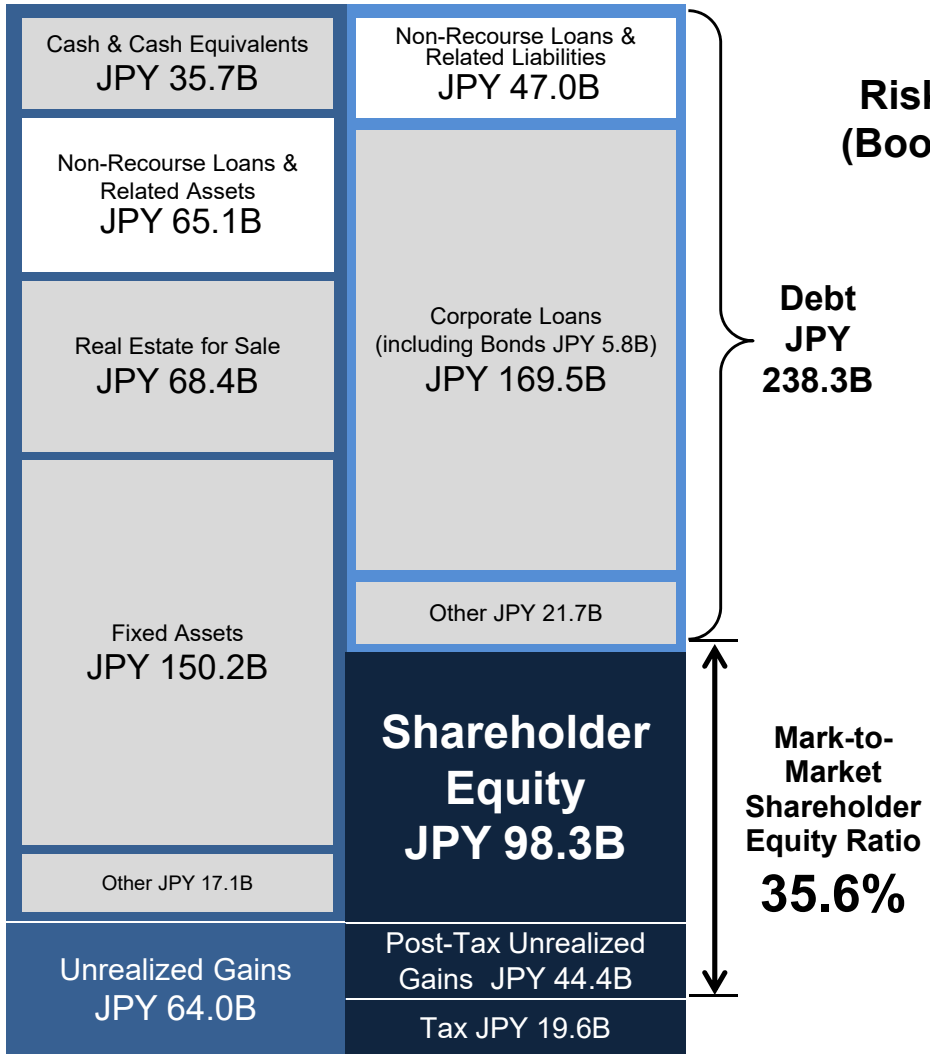
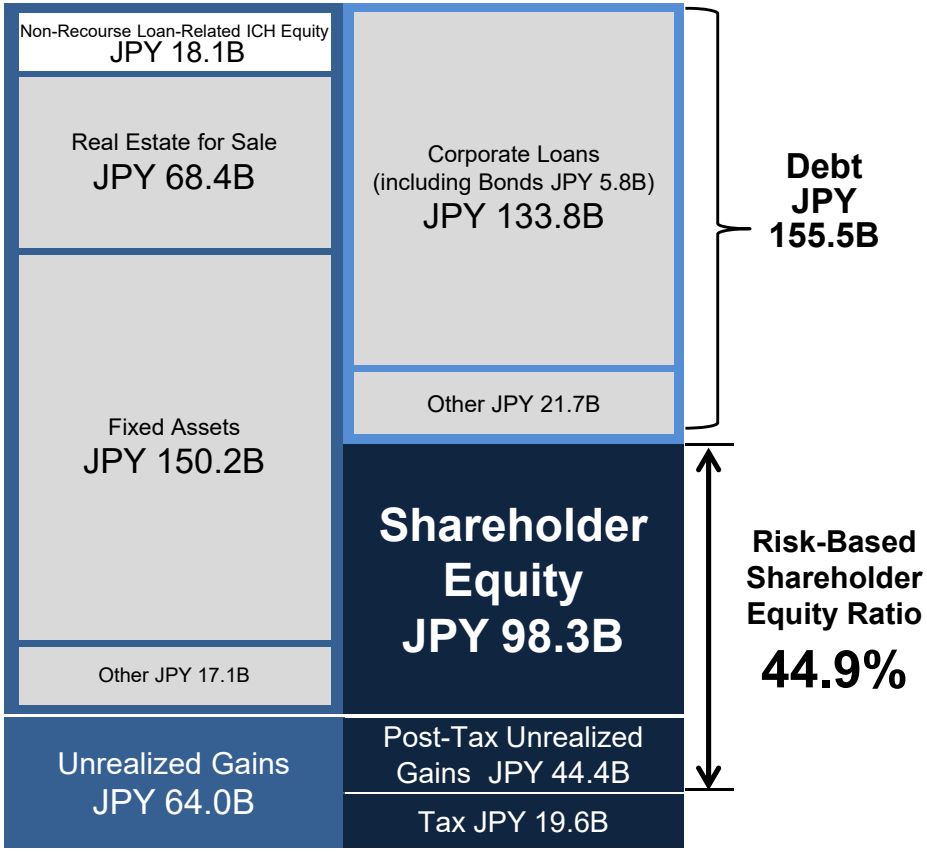
Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 400.7B
(Book Value JPY 336.6B + Unrealized Gains JPY 64.0B)



Risk-Based Consolidated Balance Sheet: JPY 317.9B
(Book Value JPY 253.8B + Unrealized Gains JPY 64.0B)



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

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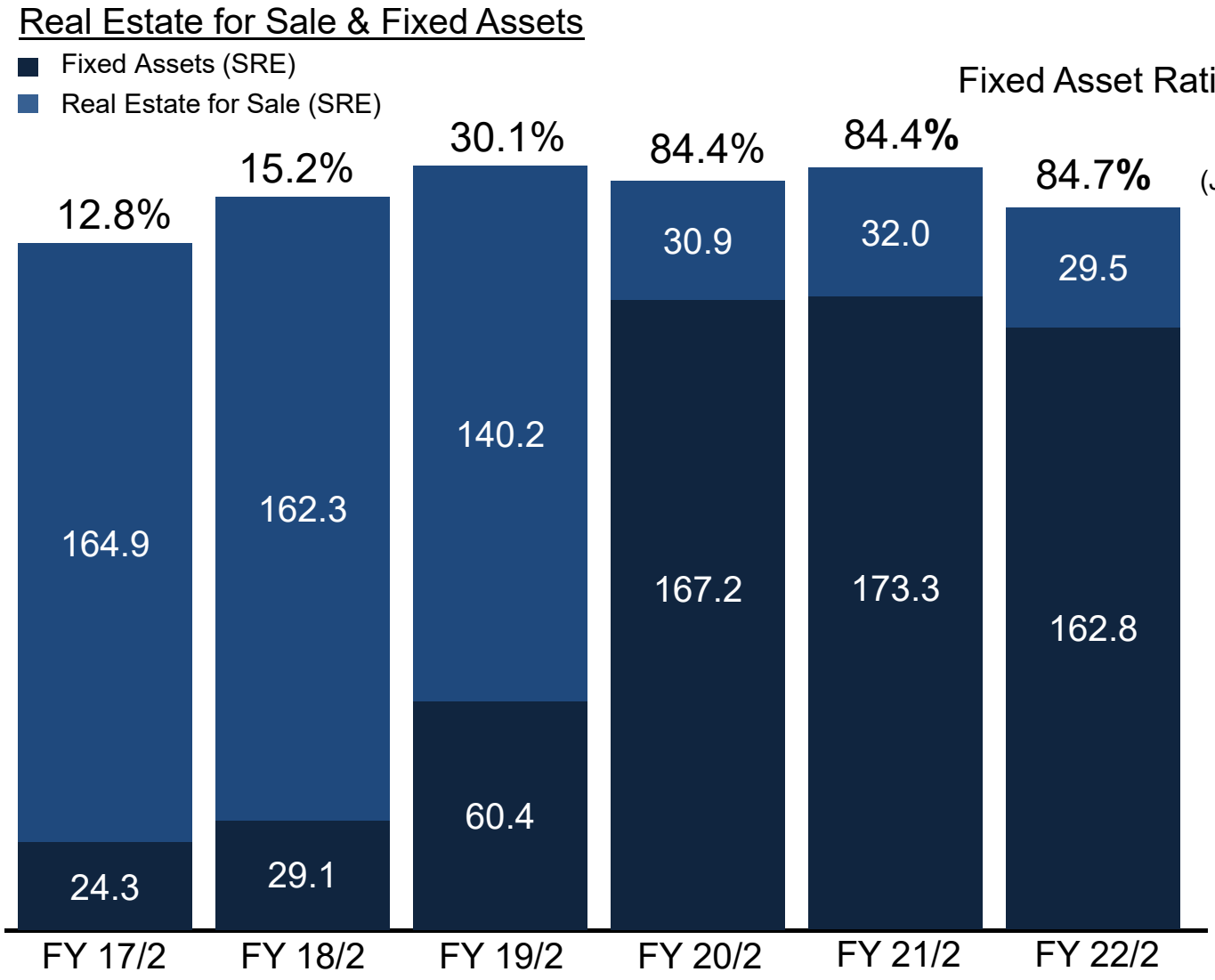
Cash Flow Maximization

Maximal Use of Depreciation to Increase Cash Flow



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

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

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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. 180%

(JPY million)

	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q1	FY23/2 Forecast
Stock Earnings (A)	14,502	14,939	18,485	18,450	15,065	14,912	3,547	13,141
Depreciation	716	967	1,632	2,507	4,603	5,278	1,280	5,027
Flow Earnings	14,139	13,015	15,273	18,567	5,850	9,793	2,050	11,256 – 14,297
Cash Earnings	28,641	27,953	33,759	37,016	20,915	24,705	5,598	24,397 – 27,438
Fixed Expenses (B)	6,502	6,371	7,071	7,877	7,723	7,819	1,972	8,207
Stock Earnings/ Fixed Expenses (A/B)	223%	234%	261%	234%	195%	191%	180%	160%

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

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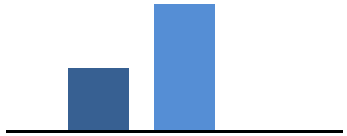
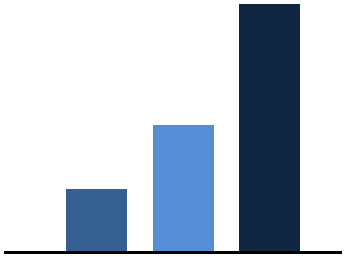
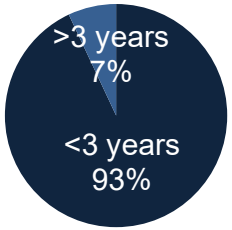
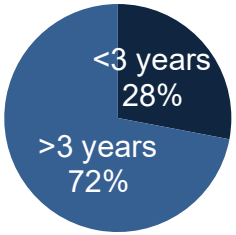
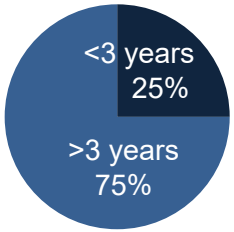
Post-GFC Shift in Earnings Base & Financial Position

	FY09/2 GFC	FY14/2 Start of Shift Up MTP	FY22/2	vs. GFC
Stock Earnings/ Fixed Expenses Coverage Ratio	75%	140%	191%	2.5X
Loan Maturity (Weighted avg., corporate + non-recourse loans)	2.8 years 	5.6 years 	10.1 years 	3.6X
% of <3 Year Loans (corporate + non-recourse loans)	93% 	28% 	25% 	-68%
Interest Rate (Weighted avg., corporate loans)	2.22%	1.96%	0.89%	-60% (Interest Rate -1.33%)

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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	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management (AM)	–	–	–	–	–	613	120	1,426	**2,160**
Sustainable Real Estate (SRE)	14,908	1,324	72	68,425	175,754	2,544	1,740	4,491	**269,261**
Clean Energy (CE)	3,831	–	–	–	31,065	169	–	1,843	**36,909**
Company-Wide Assets	24,122	–	–	–	82	97	1,849	2,175	**28,327**
Total	**42,862**	**1,324**	**72**	**68,425**	**206,902**	**3,424**	**3,710**	**9,936**	**336,658**

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Expense Allocation Adjustment

New segment forecasts reflect adjusted allocation of corporate expenses to subsidiaries to more accurately reflect their use of corporate resources

(JPY million)

Segment	All-In Operating Profit			
	FY22/2	FY23/2 Forecast After Adjustment	YOY	FY23/2 Forecast Before Adjustment
Asset Management (AM)	1,839	**1,300**	**-29.3%**	1,100
Sustainable Real Estate (SRE)	9,318	**9,200 – 12,100**	**-1.3% – +29.9%**	9,400 – 12,300
Multi-Asset	7,224	**6,300 – 9,200**	**-12.8% – +27.3%**	6,500 – 9,400
Ichigo Owners	2,093	**2,900**	**+38.5%**	2,900
Clean Energy	2,134	**2,200**	**+3.1%**	2,200
Adjustment (including offsets of cross-segment transactions)	-25	**–**	**–**	–
Total	13,266	**12,700 – 15,600**	**-4.3% – +17.6%**	12,700 – 15,600

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Consolidated P&L: Segment Breakdown

(JPY million)

Segment	All-In Gross Profit			All-In Operating Profit			
	FY22/2 Q1	FY23/2 Q1	YOY Change	FY22/2 Q1	FY23/2 Q1	YOY Change	FY23/2 Forecast
Asset Management (AM)	**503**	**471**	**-6.3%**	**353**	**322**	**-8.7%**	**1,300**
Base AM Fees	503	471	-6.3%	–	–	–	–
Acquisition/Disposition Fees	–	–	–	–	–	–	–
Sustainable Real Estate (SRE)	**3,359**	**2,998**	**-10.7%**	**2,061**	**1,751**	**-15.1%**	**9,200 – 12,100**
Rental Income	1,289	947	-26.5%	744	509	-31.6%	–
Asset Sales	2,075	2,046	-1.4%	1,317	1,241	-5.7%	–
Other Flow Earnings	-4	4	–	–	–	–	–
Clean Energy (CE)	**880**	**847**	**-3.7%**	**743**	**659**	**-11.3%**	**2,200**
Adjustment (including offsets of cross-segment transactions)	–	–	–	–	**-9**	–	–
Total	**4,743**	**4,317**	**-9.0%**	**3,159**	**2,723**	**-13.8%**	**12,700 – 15,600**

AM & CE All-In Gross Profit = Gross Profit; SRE All-In Gross Profit = Gross Profit (JPY 11,109M) + SRE Fixed Asset Gains on Sales (JPY 3,248M)
AM & CE All-In Operating Profit = Operating Profit; SRE All-In Operating Profit = Operating Profit (JPY 6,069M) + SRE Fixed Asset Gains on Sales (JPY 3,248M)

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Asset Management AUM Detail

		FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q1 (3M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 205.4B	JPY 205.4B
	Base AM Fee Gross Profit (Actual)	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 1,725M	JPY 369M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	JPY 50.9B	JPY 50.7B	JPY 50.8B	JPY 51.9B	JPY 51.9B	JPY 52.5B
	Base AM Fee Gross Profit (Actual)	JPY 450M	JPY461M	JPY 381M	JPY 42M	JPY 95M	JPY 16M
Ichigo Green (9282)	AUM (Fiscal Year End)	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	JPY 77M	JPY 85M	JPY 82M	JPY 79M	JPY 77M	JPY 23M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 12.3B	JPY 20.6B	JPY 36.8B	JPY 36.8B	JPY 36.8B	JPY 36.8B
	Base AM Fee Gross Profit (Actual)	JPY 12M	JPY 41M	JPY 116M	JPY 137M	JPY 139M	JPY 34M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 271.7B	JPY 285.8B	JPY 302.4B	JPY 306.4B	JPY 305.6B	JPY 306.3B
	Base AM Fee Gross Profit (Actual)	JPY 1,914M	JPY 2,014M	JPY 2,016M	JPY 1,782M	JPY 2,037M	JPY 444M

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

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Appendix: Sustainable Real Estate Details

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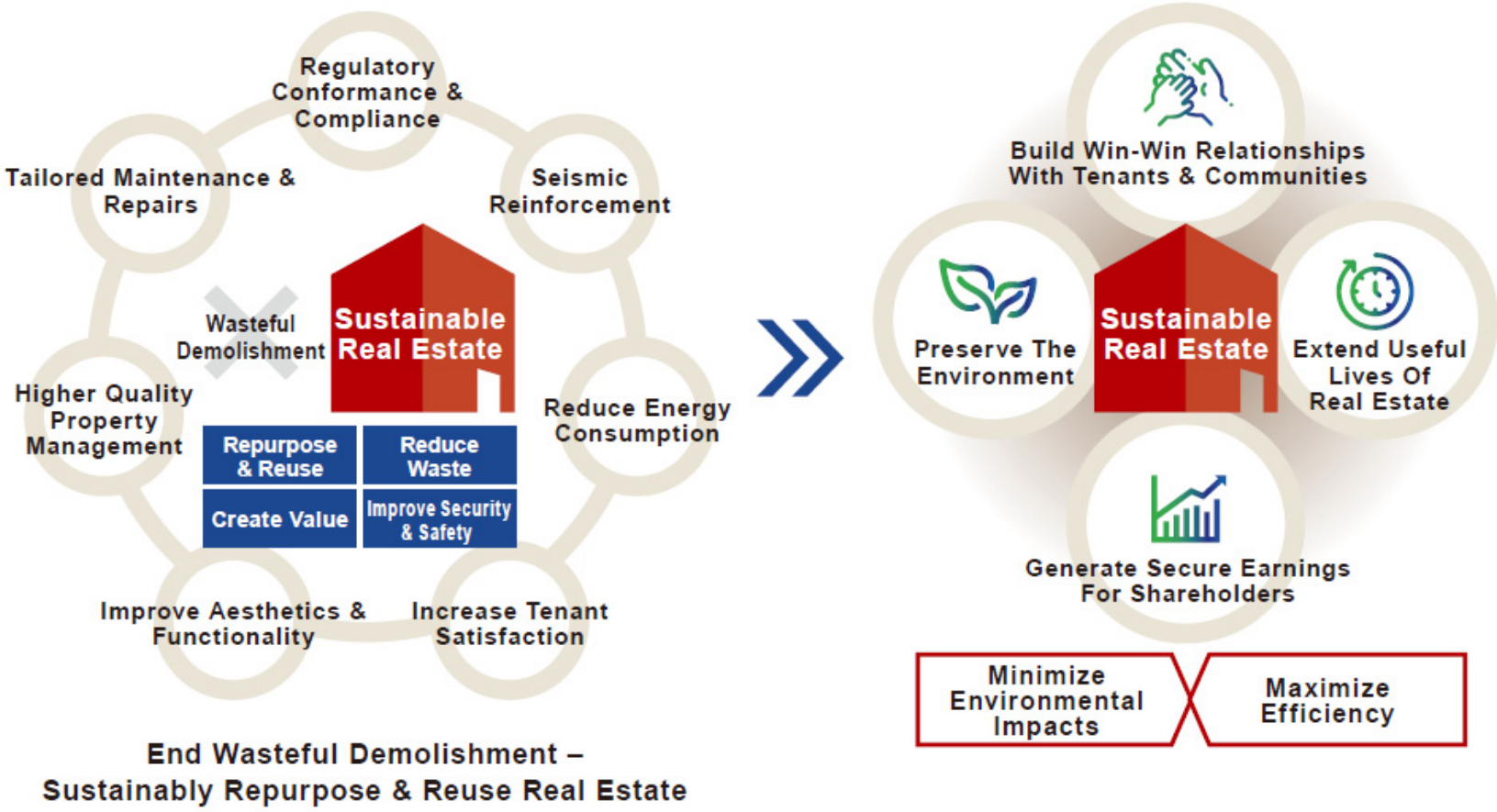
Sustainable Infrastructure for a Sustainable Society

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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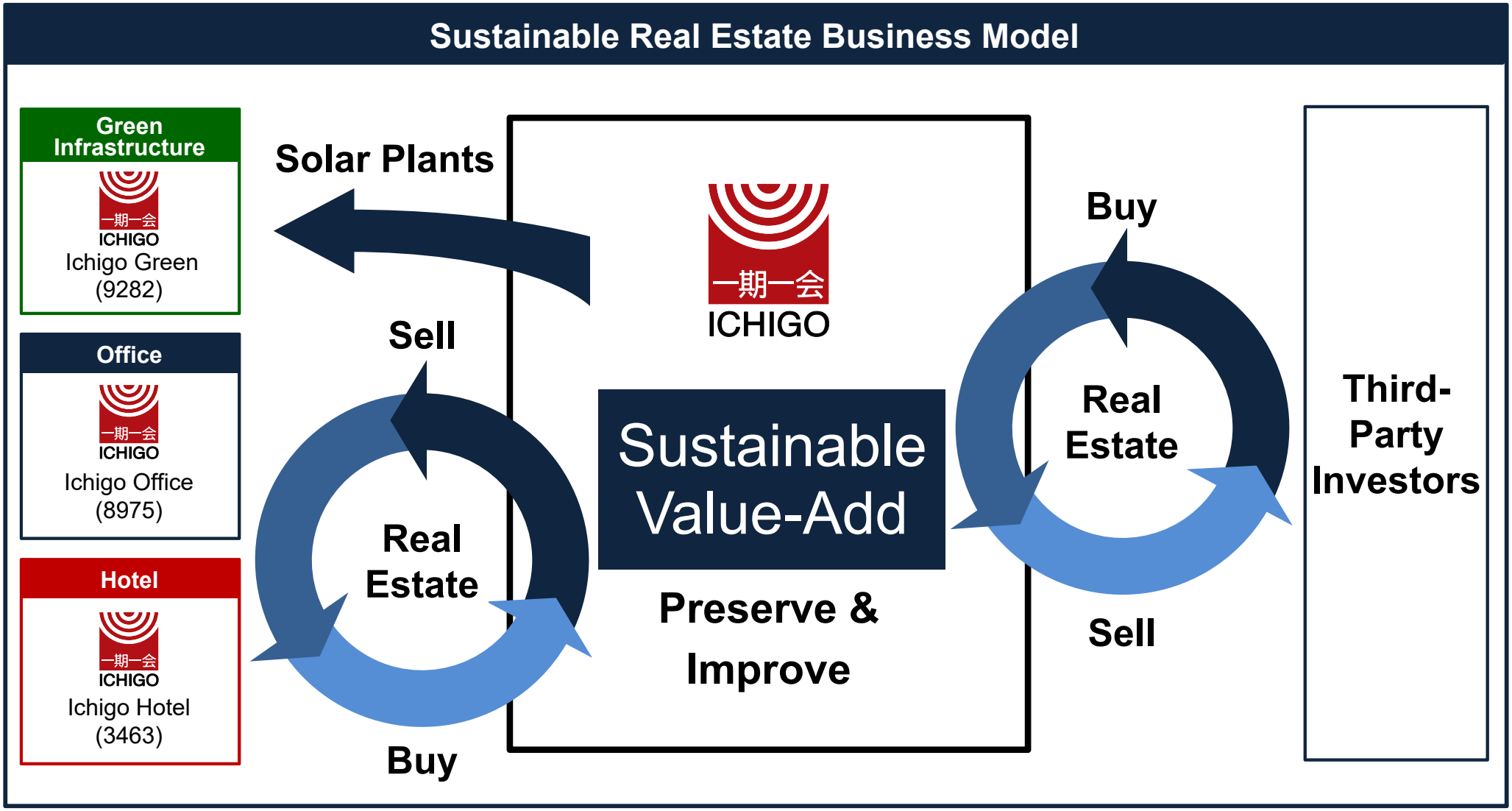
Powerful Sustainable Real Estate Business Model

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



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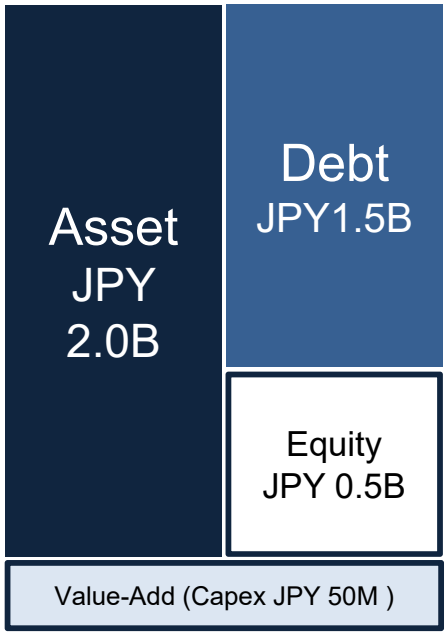
Ichigo Sustainable Real Estate Earnings Model Example

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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Value-Add Robust to Changes in Market Environment

Normal Market



Build strong tenant relationship
Improve assets
Improve soft services

	Multi-Asset	Ichigo Owners
NOI +25%	**GPM 32%**	**GPM 11%**
	Avg. Hold: 3.2 Years	Avg. Hold: 0.8 Years

Buy → Sustainable Real Estate Value-Add (avg. 2-5 years) → Complete Value-Add → Sell (or Continued Hold)

Market Downturn

Acquisition Criteria

Acquire assets with earnings upside driven by Ichigo value-add

(NOI +20～30%)

Value-Add Minimizes Downside Risk

Earnings Structure/ Financial Base

Stock Earnings/Fixed Expenses c. **180%**

Rental Income During Holding Period

Average Loan Period c. **10** years

Sell Asset at Optimal Timing

Note: NOI = FY18~FY20 Actual Office, Retail, Hotel NOI at acquisition vs. NOI at sale
Multi-Asset GPM = FY18~FY20 Actual Office, Retail, Hotel (weighted average)
Ichigo Owners GPM = FY18~FY21 Actual Residential (weighted average)

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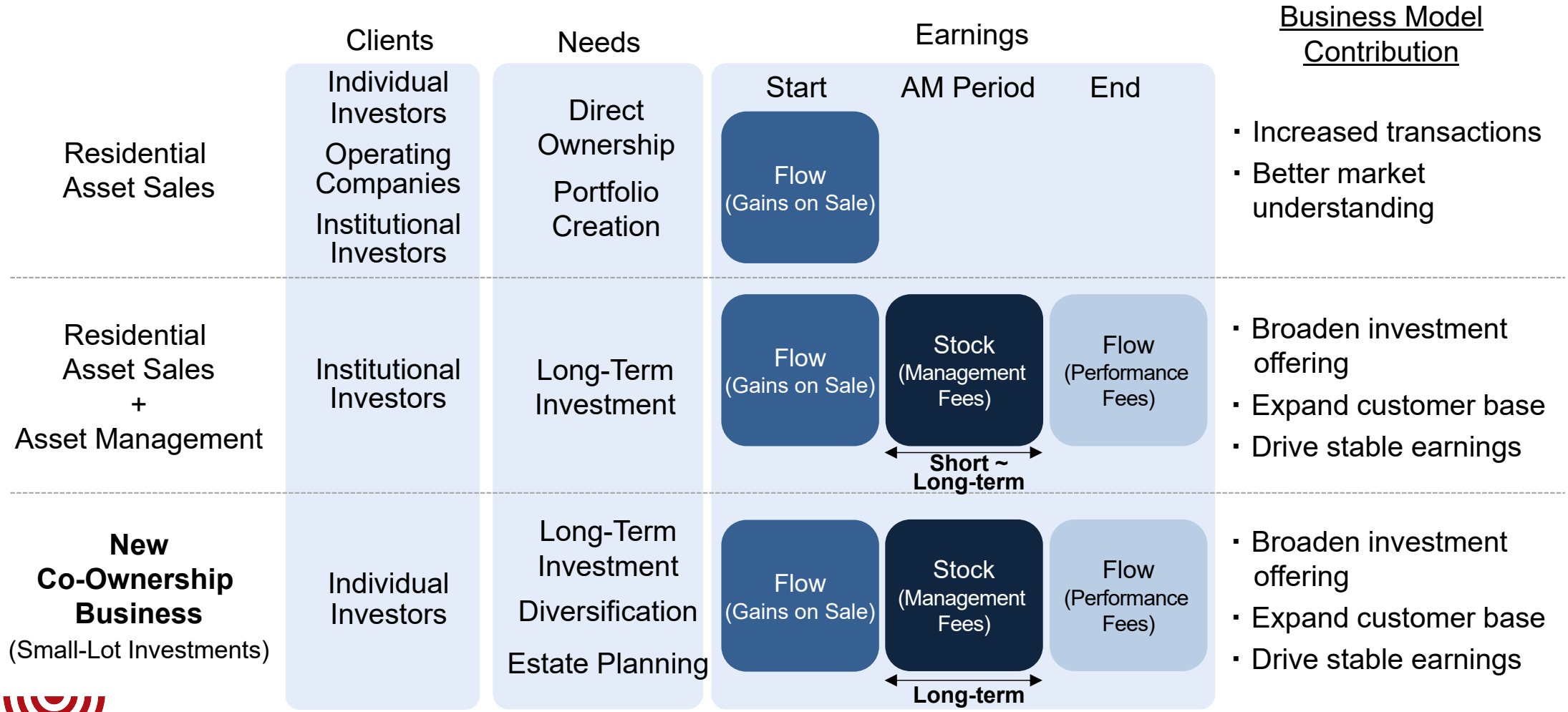
Ichigo Owners: Building Out Business & Earnings Model

Growing Stock Earnings via Ichigo Owners Core Capabilities & Client Base Expansion



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Sustainable Real Estate: Gross Profit Margin (GPM)

Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q1
GPM (vs. Revenue)	25.5%	28.3%	13.9%	20.6%	18.7%
GPM (vs. Book Value)	34.3%	39.5%	16.2%	26.2%	23.2%
Revenue (JPY M)	58,693	60,601	41,430	45,830	10,852
Gross Profit (JPY M)	14,986	17,158	5,762	9,421	2,032

Includes Fixed Asset Gains on Sales

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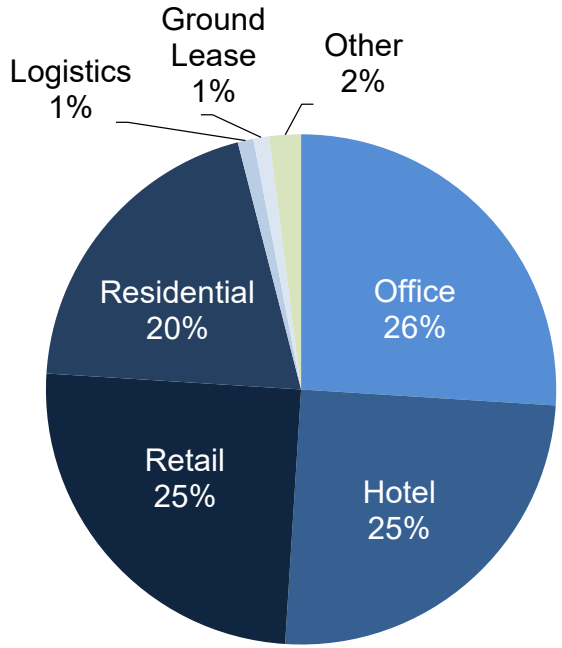
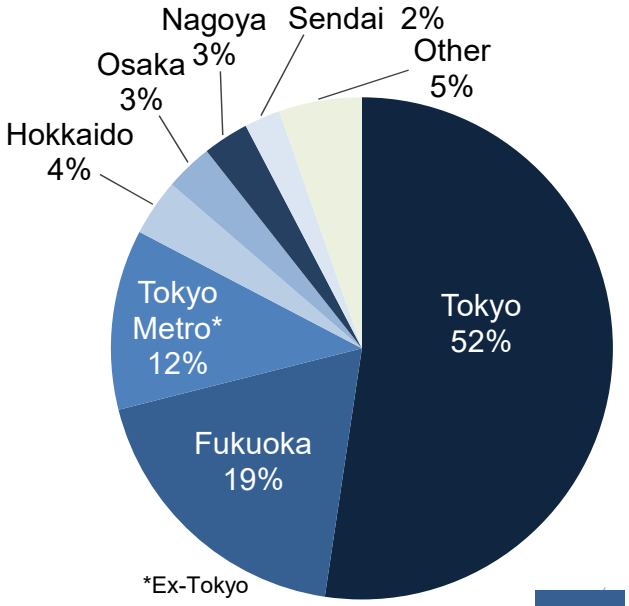
Ichigo-Owned Real Estate Portfolio

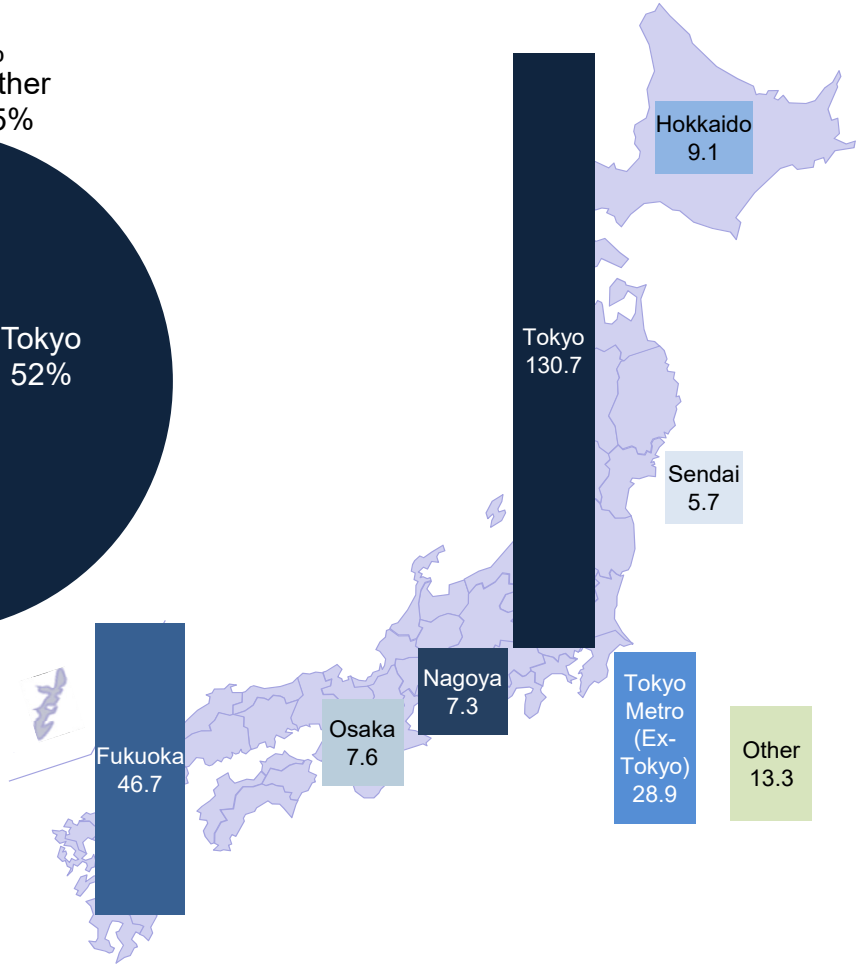
By Asset Type



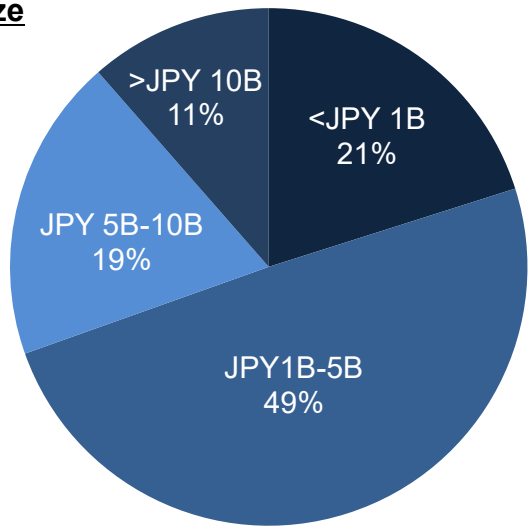
By Location



(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 249.7B

Including Ichigo-Managed AUM: JPY 556.0B

* Acquisition price basis
Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
Total Ichigo-Owned Assets Book Value: JPY 243.7B

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Sustainable Real Estate Asset Breakdown (1)

176 Assets, JPY 243.7B, Annual NOI JPY 11.7B (6.4% 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	Retail	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	50 years	–	JPY 1,900M	–	–
2	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2005/10	53 years	JPY 136M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2006/03	36 years	JPY 165M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	17 years	JPY 60M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	>JPY 3B	2006/10	14 years	JPY 240M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	>JPY 3B	2006/12	13 years	JPY 350M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	42 years	JPY 85M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	41 years	JPY 125M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 2B-3B	2011/06	–	JPY 172M	JPY 147M	–	–
15	Retail	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	26 years	JPY 75M	JPY 172M	–	–
16	Retail	Fixed Asset	Yokohama	<JPY 1B	2012/10	8 years	JPY 34M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	>JPY 3B	2013/03	11 years	JPY 243M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	35 years	JPY 57M	JPY 154M	–	–
19	Retail	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	37 years	JPY 136M	JPY 310M	–	–
21	Residential	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2013/06	6 years	JPY 47M	JPY 203M	–	–

Note: Annual NOI & 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.

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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	14 years	JPY 74M	JPY 92M	–	–
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	–	JPY 113M	JPY 273M	–	–
30	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2014/03	38 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	13 years	JPY 144M	JPY 434M	–	–
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	49 years	JPY 47M	JPY 77M	–	–
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	17 years	JPY 50M	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	21 years	JPY 59M	JPY 177M	–	–
43	Retail	Fixed Asset	Osaka	JPY 1B-2B	2014/09	19 years	JPY 114M	JPY 301M	–	–
45	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/11	19 years	JPY 92M	JPY 135M	–	–
57	Residential	Fixed Asset	Minato-ku, Tokyo	JPY 1B-2B	2014/12	18 years	JPY 56M	JPY 186M	–	–
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	18 years	JPY 41M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	15 years	JPY 85M	JPY 129M	–	–

[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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[3] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

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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 356M	–	–	–
66	Retail	Fixed Asset	Sendai	<JPY 1B	2015/02	18 years	JPY 65M	JPY 8M	–	–
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	20 years	JPY 48M	JPY 79M	–	–
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	19 years	JPY 174M	JPY 633M	–	–
71	Retail	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	6 years	JPY 100M	JPY 126M	–	–
110	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/03	36 years	JPY 273M	JPY 905M	–	–
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	38 years	JPY 207M	JPY 228M	–	–
112	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	34 years	JPY 319M	JPY 354M	–	–
113	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	34 years	JPY 288M	JPY 344M	–	–
114	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/04	32 years	JPY 182M	JPY 550M	–	–
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	33 years	JPY 63M	JPY 86M	–	–
118	Retail	Fixed Asset	Nagoya	JPY 1B-2B	2016/06	24 years	JPY 83M	JPY 102M	–	–
119	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2016/06	34 years	JPY 42M	JPY 136M	–	–
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	>JPY 3B	2016/09	42 years	JPY 554M	JPY 349M	–	–
121	Office	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2016/10	21 years	JPY 1,540M	JPY 3,450M	–	–

[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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[3] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

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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]
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	24 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	32 years	JPY 116M	–	–	–
145	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2018/03	4 years	JPY 194M	JPY 301M	–	–
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	31 years	JPY 31M	–	–	–
147	Hotel	Fixed Asset	Kyoto	>JPY 3B	2018/08	3 years	JPY 327M	JPY 1,666M	–	–
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	23 years	JPY 36M	JPY 38M	–	–
154	Residential	Fixed Asset	Kita Kyushu, Fukuoka	JPY 1B-2B	2019/03	8 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	–	–	–
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	42 years	JPY 123M	JPY 210M	–	–
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	27 years	JPY 354M	JPY 1,636M	–	–
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	23 years	JPY 353M	JPY 1,170M	–	–

[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.

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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]
164	Hotel	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2020/03	13 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	–	–	–
171	Office	Fixed Asset	Taito-ku, Tokyo	<JPY 1B	2022/02	42 years	JPY 71M	JPY 38M	–	–
172	Office	Fixed Asset	Sapporo	>JPY 3B	2022/02	–	JPY 624M	JPY 3,349M	–	–
			65 Fixed Assets	**JPY 171,566M** **JPY 165,771M (Book Value)**			**JPY 11,008M**	**JPY 32,877M**	**–**	**–**

[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.

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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	33 years	JPY 134M	JPY 670M	1.72X	13.3%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	37 years	JPY 105M	JPY 223M	3.78X	19.9%
153	Hotel	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/02	28 years	JPY 110M	–	5.00X	20.3%
156	Logistics	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/03	34 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	24 years	JPY 481M	JPY 1,146M	3.47X	17.0%
166	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2020/03	16 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 105M	–	3.17X	53.6%
169	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/10	36 years	JPY 54M	JPY 109M	2.70X	170.5%
170	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/11	13 years	JPY 64M	JPY 270M	1.68X	23.9%
173	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2022/05	14 years	JPY 75M	JPY 121M	5.02X	74.2%
			11 Real Estate For Sale	**JPY 22,743M JPY 23,898M (Book Value)**			**JPY 1,436M**	**JPY 3,330M**	**3.18X**	**41.4%**
			Subtotal 76 Assets	**JPY 194,310M JPY 189,669M (Book Value)**			**JPY 12,444M**	**JPY 36,208M**	**–**	**–**

[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 (7)

No.	Asset Type		Acquisition Price	vs. FY21/2 Q4	Expected NOI/Year[1]	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR
A	Ichigo Owners (Residential)	39 Assets	JPY 40,498M	+JPY 6,069M	JPY 1,676M	JPY 12,362M	–	–
B	Ichigo Owners (Other)	4 Assets	JPY 3,308M	–	JPY 204M	JPY 1,463M	–	–
C	Centro (Primarily Office & Residential)	21 Assets	JPY 7,302M	-JPY 774M	JPY 533M	JPY 1,560M	–	–
D	Self-Storage	36 Assets	JPY 4,295M	–	JPY 433M	JPY 896M	–	–
		Total 176 Assets	**JPY 249,710M** **JPY 243,771M (Book Value)**		**JPY 15,291M**	**JPY 52,491M**	**–**	**–**
	Assets acquired in FY23/2 Q1 (3M)	**Total 10 Assets**	**JPY 7,796M**		**JPY 335M**	**JPY 1,987M**	**–**	**–**

[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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Appendix: Clean Energy Details

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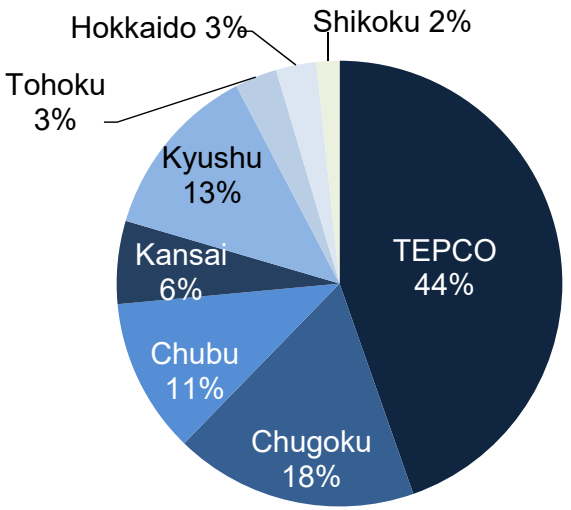
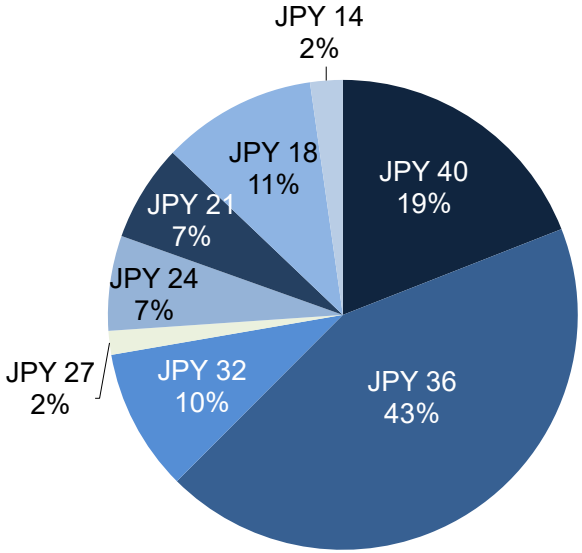
Ichigo Solar Power Plant Portfolio

Total Operating and In-Pipeline Ichigo-Owned Solar Power Plants: 48 Plants (151.4MW)

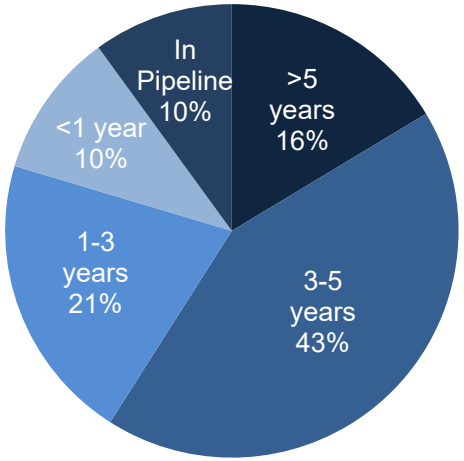
By Customer (Electric Power Utility Co)



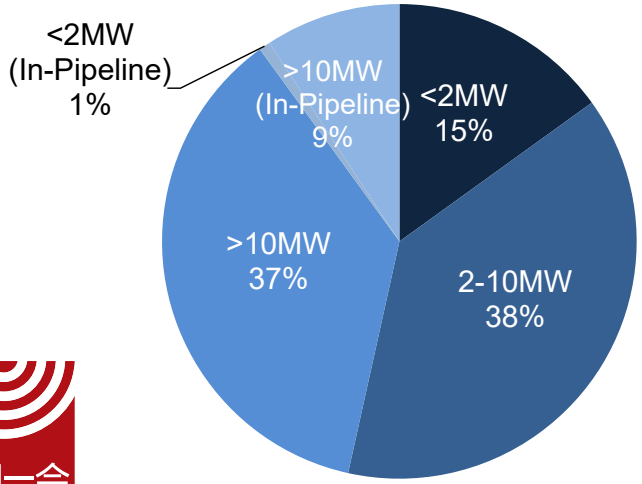
By Feed-In Tariff



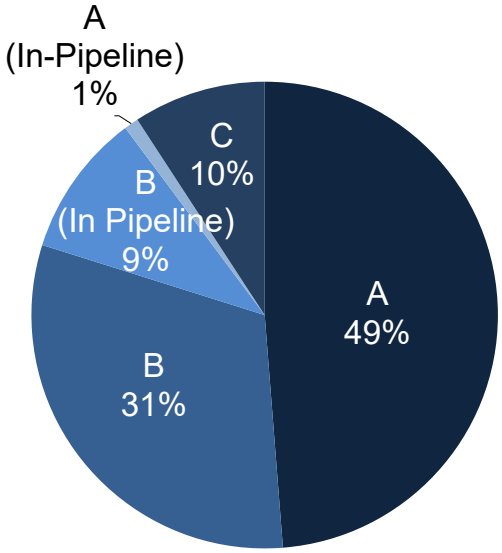
By Years in Operation



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	67.4	14-40	–	–
Chugoku	26.6	18-40	–	–
Kyushu	5.3	32-40	13.9	40
Chubu	15.9	14-36	1.1	18
Kansai	9.3	18-32	–	–
Tohoku	4.6	36	–	–
Hokkaido	4.4	40	–	–
Shikoku	2.5	40	–	–
Total	136.2		15.1	

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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Ichigo Solar Power Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	2013/08
2	Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	2014/03
3	Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	2014/04
4	Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	2014/04
5	Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	2014/04
6	Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	2014/10
7	Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	2014/10
8	Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	2015/01
9	Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	2015/03
10	Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	2015/12
11	Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	2016/01
12	Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	2016/03
13	Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	2016/06
14	Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	2016/07
15	Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	2016/07
16	Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	2016/10
17	Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	2017/02
18	Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	2017/08
19	Ichigo Showamura Ogose	Kanto	43.34	JPY 36	2017/09
20	Ichigo Memuro Nishi-Shikari	Hokkaido	1.32	JPY 40	2018/02
21	Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	JPY 36	2018/03
22	Ichigo Tsu	Chubu	2.94	JPY 24	2018/03
23	Ichigo Kasaoka Iwanoike	Chugoku	2.64	JPY 24	2018/03
24	Ichigo Toki Tsurusatocho Kakino	Chubu	1.31	JPY 24	2018/04
25	Ichigo Itoshima Iwara	Kyushu	1.48	JPY 36	2019/01
26	Ichigo Sakahogi Fukagaya	Chubu	2.89	JPY 21	2019/05
27	Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	2019/07
28	Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	2020/01
29	Ichigo Takashima Kutsuki	Kansai	3.74	JPY 32	2020/01
30	Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.67	JPY 21	2020/02

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Ichigo Solar Power Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
31	Ichigo Hitachiomiya	Kanto	2.99	JPY 24	2020/03
32	Ichigo Hokota Aoyagi	Kanto	2.48	JPY 27	2020/04
33	Ichigo Kasaoka Osakaike	Chugoku	2.66	JPY 21	2020/04
34	Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.29	JPY 18	2020/09
35	Ichigo Seto Jokojicho	Chubu	1.45	JPY 18	2020/10
36	Ichigo Toride Shimotakai Nishi	Kanto	2.84	JPY 18	2021/01
37	Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	2021/09
38	Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	2021/10
39	Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	2021/11
40	Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	2021/11
41	Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	2021/11
42	Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	2021/12
43	Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	2021/12
44	Ichigo Kobe Pompuike	Kansai	2.73	JPY 18	2022/01
45	Ichigo Obu Yoshidamachi	Chubu	1.00	JPY 18	2022/03
46	Ichigo Sera Shimozuta	Chugoku	2.93	JPY 18	2022/03
Total (Operating)		**46 Plants**	**136.2MW**		

In-Pipeline

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
47	Ichigo Ueda Yoshidaike	Chubu	1.16	JPY 18	2022/11
48	Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	2024/01
Total (Operating)		**2 Plants**	**15.1MW**		

Total (Operating & In-Pipeline)	**48 Plants**	**151.4MW**

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Ichigo Wind Power Plant Portfolio

Operating

No.	Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	2021/03
Total (Operating)		**1 Plant**	**7.3MW**		

In-Pipeline

No.	Wind Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
2	Ichigo Takashinoyama	Tohoku	6.99	JPY 21	TBD
Total (In-Pipeline)		**1 Plant**	**6.9MW**		
Total (Operating & In-Pipeline)		**2 Plants**	**14.3MW**		

Ichigo Solar & Wind Power Plant (Operating/In-Pipeline) Total: **50 Plants 165.8MW**

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, 2018 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020, 2021, 2022 FIT for >0.25MW non-residential solar power production

[2] 2021 FIT for >0.25MW wind power generation
2022 FIT for >0.05MW wind power generation

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Ichigo Green (9282) Solar Plant Portfolio

Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
1	Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	2013/09
2	Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	2014/02
3	Ichigo Muroran Hatchodaira	Hokkaido	1.24	JPY 40	2014/03
4	Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	2014/03
5	Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	2014/04
6	Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	2014/11
7	Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	2014/12
8	Ichigo Toyokoro	Hokkaido	1.02	JPY 40	2014/12
9	Ichigo Nago Futami	Okinawa	8.44	JPY 40	2015/02
10	Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	2015/02
11	Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	2015/06
12	Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 36	2015/07
13	Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	2015/09
14	Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	2015/12
15	Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	2016/04
Total (Operating)		**15 Plants**	**29.4MW**		

Ichigo & Ichigo Green Power Plant (Operating/In-Pipeline) Total: **195.2MW**

Solar Power Plants: 151.4MW
Wind Power Plants: 14.3MW
Ichigo Green Plants: 29.4MW

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Green Biomass Entry

Fully Local Green Biomass as Ichigo's 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 idle 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 ・Requires stable supply of biomass energy sources	No

Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

Purposeful Use of Japan’s Abundant Forest Resources

- Japan’s forest ratio is 68% (3rd highest amongst OECD countries), 8th largest cultivated forest area in the world
- Productive use of unused domestic wood materials as biomass energy source

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Appendix: Financial Statements

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Consolidated Balance Sheet: Assets

(JPY million)

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q1	vs. FY22/2
Assets						
Current Assets						
Cash and cash equivalents	50,225	41,067	50,832	46,458	42,862	-3,596
Trade notes and accounts receivable	1,344	2,308	1,382	1,819	2,464	+645
Operational loan investments	1,324	1,324	1,324	1,324	1,324	–
Operational securities investments	1,218	902	590	2,547	72	-2,475
Real estate for sale	161,322	68,290	64,109	68,666	68,425	-241
Other	2,156	3,721	2,698	2,613	3,294	+681
Less: allowance for doubtful accounts	-2	-6	-167	-633	-49	+584
Total Current Assets	217,590	117,608	120,771	122,798	118,395	-4,403
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	20,338	55,050	60,673	56,208	55,768	-440
Solar and wind power plants (net)	19,058	23,425	24,191	27,953	27,937	-16
Land	49,924	122,114	122,592	116,079	119,336	+3,257
Other (net)	5,655	5,607	6,935	3,796	3,859	+63
Total Property, Plant, and Equipment	94,976	206,198	214,392	204,038	206,902	+2,864
Intangible Assets						
Goodwill	1,346	1,090	968	1,580	1,536	-44
Leasehold rights	316	687	1,272	1,365	1,365	–
Other	331	705	1,797	605	521	-84
Total Intangible Assets	1,993	2,482	4,038	3,551	3,424	-127
Investments and Other Assets						
Securities investments	2,455	4,321	5,147	3,463	3,710	+247
Long-term loans receivable	10	510	10	270	262	-8
Deferred tax assets	177	568	605	883	781	-102
Other	2,231	2,128	2,202	3,013	3,198	+185
Less: allowance for doubtful accounts	-91	-91	-91	-131	-16	+115
Total Investments and Other Assets	4,782	7,436	7,874	7,498	7,936	+438
Total Fixed Assets	101,752	216,118	226,305	215,089	218,263	+3,174
Total Assets	**319,343**	**333,726**	**347,076**	**337,887**	**336,658**	**-1,229**

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Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2 Q1	vs. FY22/2
Liabilities						
Current Liabilities						
Short-term loans	3,275	3,086	4,879	2,382	4,800	+2,418
Bonds (due within one year)	112	274	274	274	274	–
Long-term loans (due within one year)	7,881	12,277	9,751	9,888	8,988	-900
Long-term non-recourse loans (due within one year)	1,666	1,178	1,358	1,375	4,258	+2,883
Income taxes payable	3,760	2,416	573	1,888	714	-1,174
Accrued bonuses	31	33	9	39	173	+134
Other current liabilities	5,178	5,013	5,527	5,012	3,654	-1,358
Total Current Liabilities	21,905	24,280	22,374	20,861	22,863	+2,002
Long-Term Liabilities						
Bonds	538	6,082	5,878	5,603	5,563	-40
Long-term loans	131,569	151,483	156,890	150,389	149,937	-452
Long-term non-recourse loans	51,068	39,156	40,974	39,489	39,465	-24
Deferred tax liabilities	2,164	1,890	1,868	1,795	1,641	-154
Long-term security deposits received	8,292	8,118	7,795	6,749	6,774	+25
Other long-term liabilities	946	1,107	1,039	805	666	-139
Total Long-Term Liabilities	194,579	207,838	214,446	204,833	204,048	-785
Total Liabilities	**216,484**	**232,119**	**236,820**	**225,695**	**226,912**	**+1,217**
Net Assets						
Shareholders' Equity						
Capital	26,820	26,885	26,888	26,888	26,888	–
Capital reserve	11,207	11,272	11,275	11,268	11,268	–
Retained earnings	66,730	71,505	73,160	76,310	74,570	-1,740
Treasury shares	-5,988	-8,988	-11,988	-13,423	-14,520	-1,097
Total Shareholders' Equity	98,769	100,674	99,335	101,043	98,206	-2,837
Accumulated Other Comprehensive Income						
Valuation gains (losses) on other securities	386	158	90	25	285	+260
Deferred gains (losses) on long-term interest rate hedges	-408	-397	-375	-254	-190	+64
Total Accumulated Other Comprehensive Income	-21	-239	-285	-228	95	+323
Stock Options	827	988	1,007	961	974	+13
Minority Interests	3,283	184	10,197	10,415	10,470	+55
Total Net Assets	**102,859**	**101,607**	**110,255**	**112,191**	**109,746**	**-2,445**
Total Liabilities and Net Assets	**319,343**	**333,726**	**347,076**	**337,887**	**336,658**	**-1,229**

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Consolidated P&L

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q1 (3M)	FY22/2 Q1 (3M)	Change (YOY)	FY23/2 Full-Year Forecast	vs. Forecast
Revenue	**83,540**	**87,360**	**61,368**	**56,934**	**16,638**	**12,674**	**+3,964**	**–**	**–**
Cost of Goods Sold	51,413	52,851	45,776	40,757	12,320	7,931	+4,389	–	–
Gross Profit	**32,126**	**34,509**	**15,591**	**16,177**	**4,317**	**4,743**	**-426**	**–**	**–**
SG&A	5,847	6,787	5,923	6,159	1,593	1,583	-10	–	–
Operating Profit	**26,279**	**27,721**	**9,668**	**10,018**	**2,723**	**3,159**	**-436**	**9,700 – 10,600**	**25.7% – 28.1%**
Non-Operating Income									
Interest income	3	8	17	29	11	5	+6	–	–
Dividend income	68	78	78	30	8	5	+3	–	–
Mark-to-market gains on long-term interest rate hedges	5	–	243	98	186	8	+178	–	–
Other	70	62	78	202	35	43	-8	–	–
Total Non-Operating Income	147	150	417	361	242	62	+180	–	–
Non-Operating Expenses									
Interest expense	2,328	2,293	2,338	2,341	534	593	-59	–	–
Mark-to-market losses on long-term interest rate hedges	491	336	29	53	–	175	-175	–	–
Debt financing-related fees	327	538	279	157	16	24	-8	–	–
Other	203	307	258	355	48	44	+4	–	–
Total Non-Operating Expenses	3,350	3,476	2,906	2,908	599	837	-238	–	–
Recurring Profit	**23,076**	**24,395**	**7,179**	**7,471**	**2,367**	**2,384**	**-17**	**6,700 – 7,600**	**31.1% – 35.3%**
Extraordinary Gains									
Gains on sales of fixed assets	–	–	720	3,248	–	–	–	–	–
Gains on sales of securities investments	2	11	–	15	–	–	–	–	–
Gains on sales of subsidiary shares	–	169	–	–	–	–	–	–	–
Other	–	35	–	120	–	–	–	–	–
Total Extraordinary Gains	2	215	720	3,383	–	–	–	–	–
Extraordinary Losses									
Loss on disposal of fixed assets	–	27	–	5	–	–	–	–	–
Valuation losses on securities investments	–	229	114	43	–	–	–	–	–
Impairment loss	–	319	27	716	–	–	–	–	–
Covid writedown of real estate for sale	–	7,487	–	–	–	–	–	–	–
Other	–	–	146	493	–	–	–	–	–
Total Extraordinary Losses	–	8,065	288	1,259	–	–	–	–	–
Pre-Tax Income	23,079	16,545	7,610	9,595	2,367	2,384	-17	–	–
Total Income Taxes	7,333	7,406	2,564	2,901	776	782	-6	–	–
Pre-Minority Interest Net Income	15,746	9,139	5,046	6,694	1,590	1,601	-11	–	–
Net Income Attributable to Minority Interests	373	938	18	220	56	55	+1	–	–
Net Income	**15,373**	**8,201**	**5,027**	**6,473**	**1,534**	**1,546**	**-12**	**6,500 – 8,500**	**18.0% – 23.6%**

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Consolidated Cash Flows: Operations

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q1 (3M)
Cash Flows from Operations					
Pre-tax income	23,079	16,545	7,610	9,595	2,367
Depreciation	1,696	2,630	4,797	5,644	1,334
Share-based compensation expenses	213	194	21	73	–
Amortization of goodwill	254	174	121	149	44
Increase (decrease) in accrued bonuses	-3	2	-24	29	134
Increase (decrease) in allowance for doubtful accounts	-26	4	161	505	–
Interest and dividend income	-71	-86	-96	-60	-20
Interest expense	2,328	2,293	2,338	2,341	534
Losses (gains) on sales of subsidiary shares	–	-169	–	–	–
Losses (gains) on sales of securities investments	-2	-11	–	-15	–
Losses (gains) on disposal of fixed assets	–	–	–	5	–
Losses (gains) on sales of fixed assets	–	–	-720	-3,248	–
Impairment loss	–	319	27	716	–
Valuation losses on securities investments	–	229	114	43	–
Decrease (increase) in trading notes and receivables	-247	-903	925	-437	-644
Decrease (increase) in operational securities	3,509	11,682	343	1,279	1,890
Decrease (increase) in real estate for sale	-3,163	-17,447	5,342	-3,873	240
Covid writedown of real estate for sale	–	7,487	–	–	–
Valuation losses on SPC capital contributions	–	–	4	2	–
Decrease (increase) in advances paid	-333	16	61	-60	-25
Decrease (increase) in accounts receivable	-399	29	16	-74	-22
Increase (decrease) in accounts payable	-332	201	-437	-113	-738
Increase (decrease) in accrued expenses	25	-36	94	25	-4
Increase (decrease) in advances received	269	-285	-57	795	-938
Increase (decrease) in security deposits received	-264	-169	-323	-1,045	24
Other	1,887	600	1,550	-877	73
Sub-Total	28,420	23,304	21,870	11,403	4,249
Interest and dividend income received	71	86	96	60	20
Interest expenses paid	-2,118	-2,068	-2,119	-2,174	-471
Income taxes paid and refunded	-4,610	-9,430	-4,384	-1,350	-2,781
Net Cash from (Used for) Operations	**21,762**	**11,892**	**15,463**	**7,939**	**1,017**

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Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 Q1 (3M)
Cash Flows from Investments					
Payments into time deposits	-118	-113	-7	-7	–
Proceeds from withdrawal from time deposits	1,060	5,033	–	30	20
Payments for securities investments	-539	-2,361	-547	-606	-29
Proceeds from sales of securities investments	32	111	10	569	–
Acquisitions of property, plant, and equipment	-15,440	-11,244	-16,447	-5,798	-4,170
Proceeds from sale of property, plant, and equipment	–	–	2,850	12,757	–
Acquisitions of intangible assets	-425	-562	-1,468	-195	-4
Payments of SPC capital contributions	-6	-2	-3	-4	-6
Redemptions of SPC capital contributions	32	–	15	–	–
Payments of security deposits	-16	-34	–	-16	–
Acquisitions of consolidated subsidiary	–	-187	–	–	–
Other	-181	-902	-30	-223	-21
Net Cash from (Used for) Investments	**-15,602**	**-10,263**	**-15,630**	**6,502**	**-4,214**
Cash Flows from Financing					
Net increase (decrease) in short-term loans	2,232	426	1,793	-2,497	2,417
Net increase (decrease) in short-term non-recourse loans	–	–	–	–	–
Proceeds from bond issuance	129	5,828	70	–	–
Repayment of maturing bond principal to bondholders	-112	-193	-274	-274	-40
Proceeds from long-term loans	43,062	49,957	51,877	26,552	10,984
Repayment of long-term loans	-20,352	-26,475	-48,996	-32,940	-12,354
Proceeds from long-term non-recourse loans	3,500	5,300	3,300	–	3,000
Repayment of long-term non-recourse loans	-18,473	-17,701	-1,301	-1,467	-141
Proceeds from employee exercise of stock options	143	95	4	–	–
Share buyback	-2,999	-2,999	-2,999	-1,499	-1,096
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	-2	–
Dividends paid	-2,972	-3,416	-3,298	-3,230	-3,148
Net Cash from (Used for) Financing	**4,346**	**9,537**	**10,167**	**-15,360**	**-380**

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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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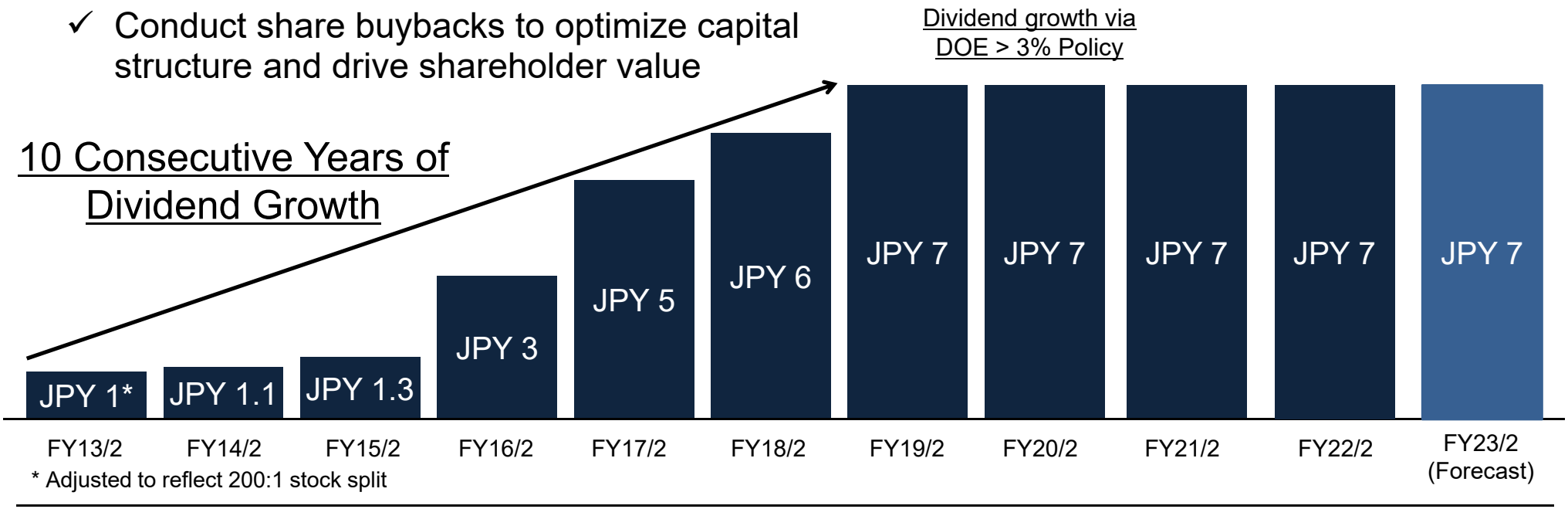
Shareholder Return Policy

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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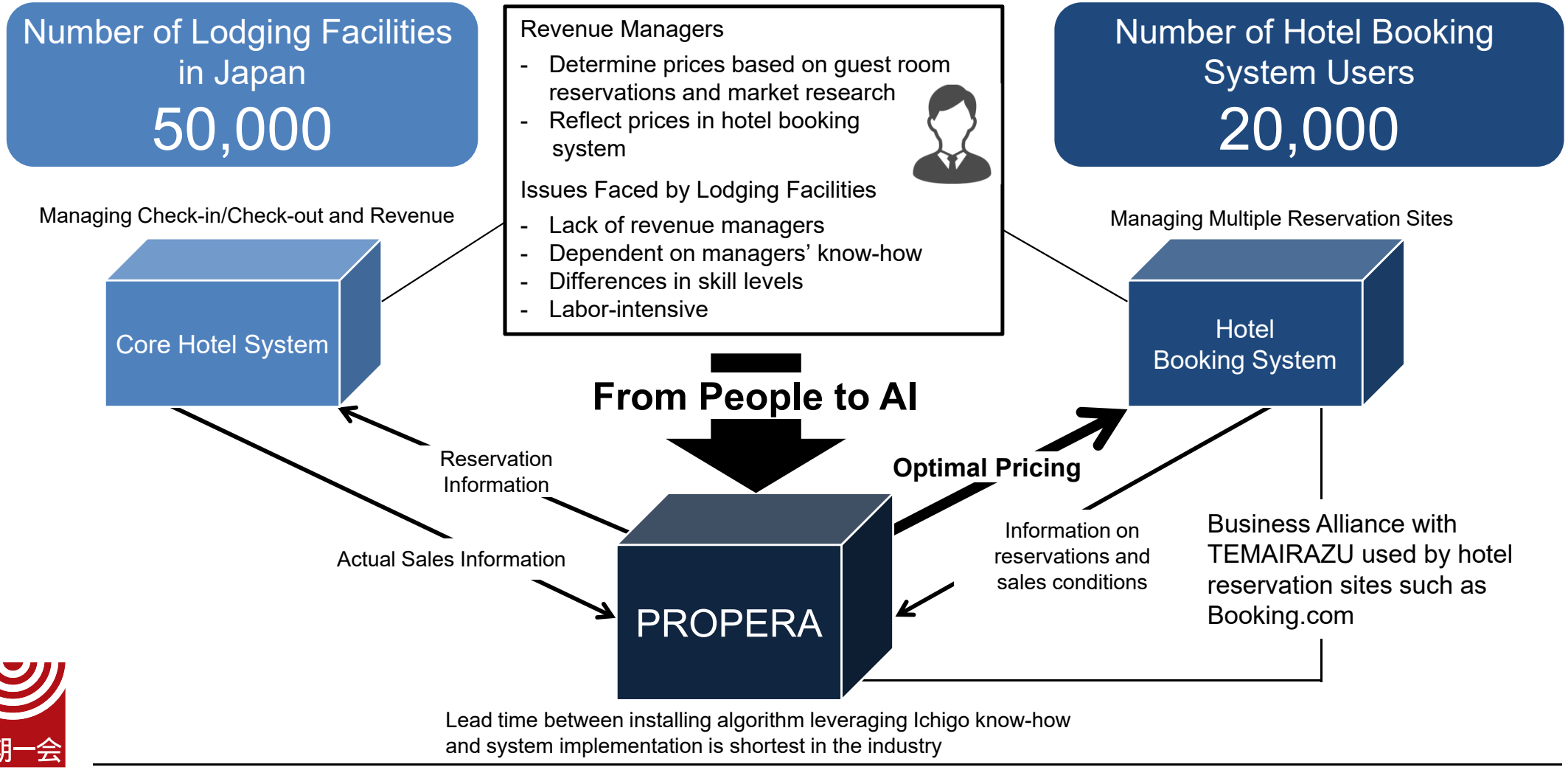
PROPERA: Ichigo's AI Hotel Revenue Management System

- 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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PROPERA: 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 26K monthly per hotel

2. Tightly Integrate With Site Controllers

PROPERA Site Controller Integration
Will Give Access to **c. 18,000 Hotels**
(90% 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 (monthly per hotel)*

*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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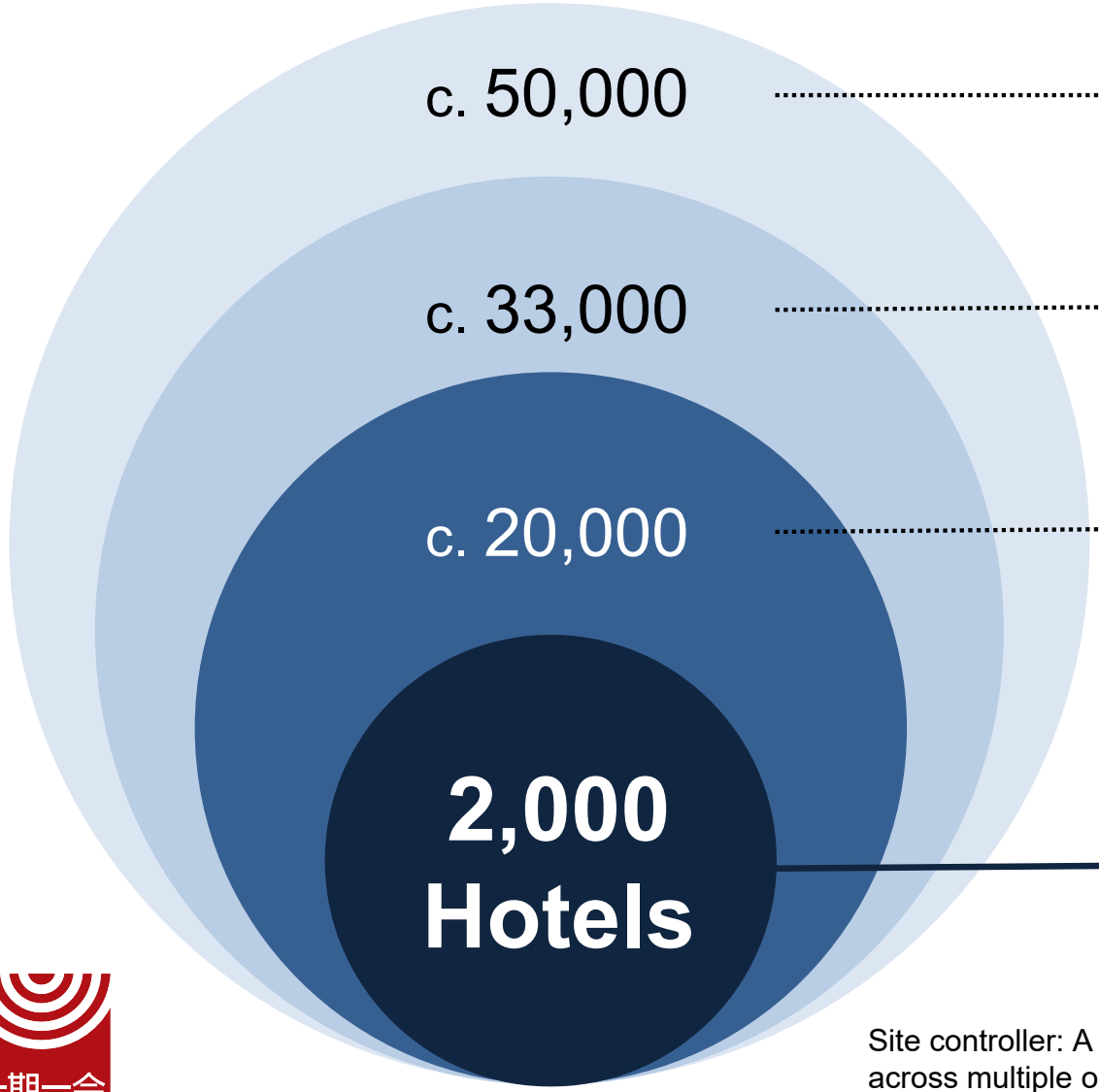
PROPERA: Market Size & Customer Acquisition Target

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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PROPERA: Ichigo's AI Hotel Revenue Management System

Increasing Share to Drive Non-Asset Stock Earnings

Launch of Third-Party Sales | **Increase Market Share** | **Drive Non-Asset Stock Earnings**

Customer Acquisition

Product & Service Improvements

- Site controller integration (90% of all Japanese hotels with site controllers)[1]
- Core hotel system integration[2]

Promotional Initiatives

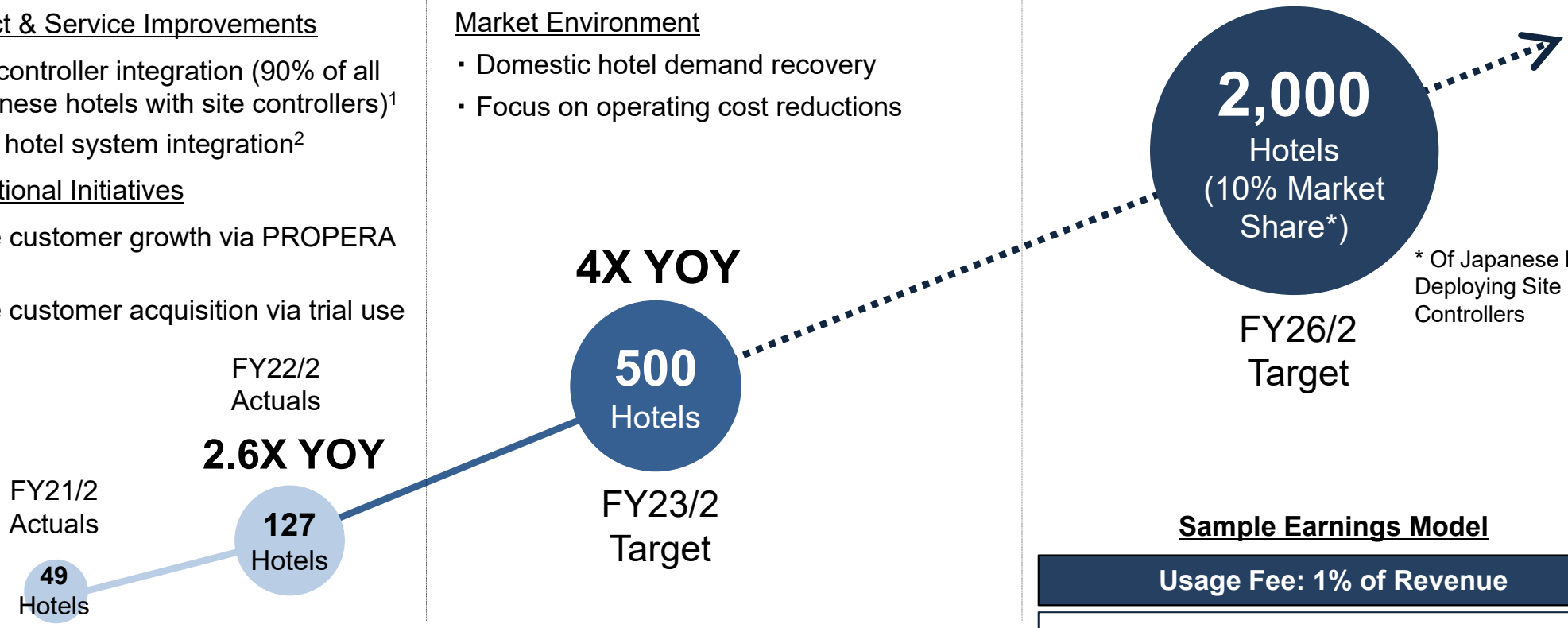
- Drive customer growth via PROPERA Lite[3]
- Drive customer acquisition via trial use

Earnings Upside from Participation in Hotel Earnings Growth

Market Environment

- Domestic hotel demand recovery
- Focus on operating cost reductions

Long-Term Earnings Growth



Sample Earnings Model

Usage Fee: 1% of Revenue

Hotel with RevPAR JPY 6,000 & 100 Rooms

Annual Ichigo Earnings: **JPY 2M**

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

[2] In-house hotel system that manages check-in/check-out & revenue

[3] PROPERA Lite: Price trend visualization only

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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 & currently operating 16 hotels

PROPERA Deployment

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

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



The OneFive Terrace Fukuoka (Fukuoka)

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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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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