



JPX-NIKKEI 400



FY22/2 Q3 Corporate Presentation

January 13, 2022

Ichigo (2337)



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.



**Make The World
More Sustainable**



World-Class Excellence

Ichigo's
Hiromi Miyake



Ichigo

Ichigo is a J.League Top Partner



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Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

Ichigo 2030: New Initiatives

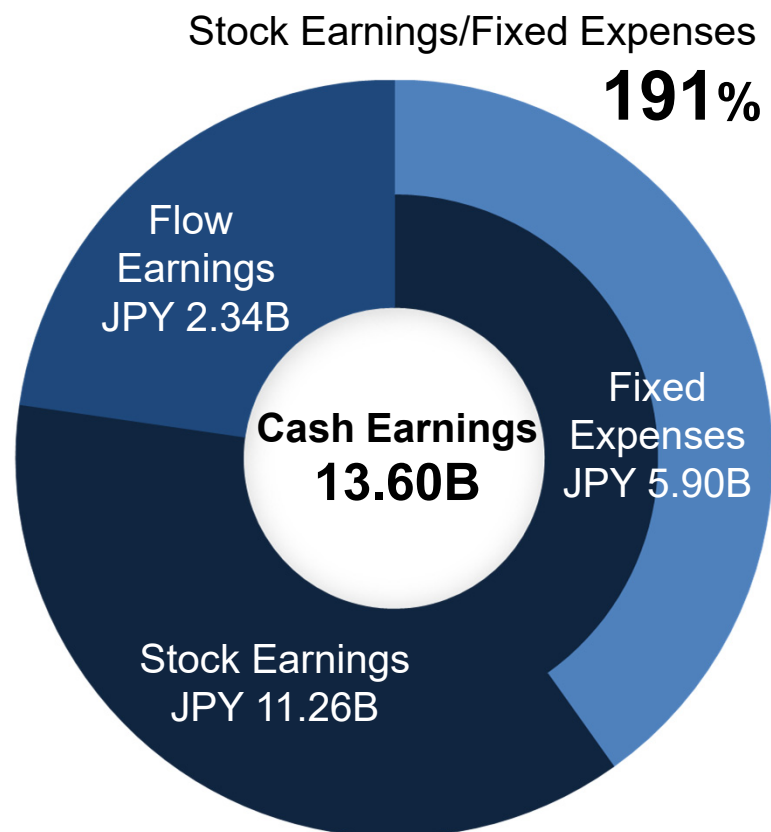
FY22/2 Q3 Earnings

FY22/2 Q3 Summary

- Real Estate Market & Prices of Many Assets Recovering to Pre-Covid Levels
- Some Recovery in Domestic Travel Demand, but Full Recovery, Including Inbound, Expected to Take Time
- Clean Energy Business: Stable Earnings Driver, Growth on Track
 - ✓ 6 New Plants Online through Q3 – Power Generation Revenue +10% YOY
- Ichigo Owners Co-Ownership Business Expansion
 - ✓ Started Management of First Co-Ownership Asset on Dec 1, 2021
 - ✓ Launched Second Sale Today
- Continued Ichigo Sustainability Execution
 - ✓ Achieved Highest Leadership Level in CDP Climate Change Assessment
 - ✓ Rapid ESG Financing Growth: JPY 20B Loans (Uncollateralized: JPY 13B)

FY22/2 Q3 Summary

Durable Earnings Model

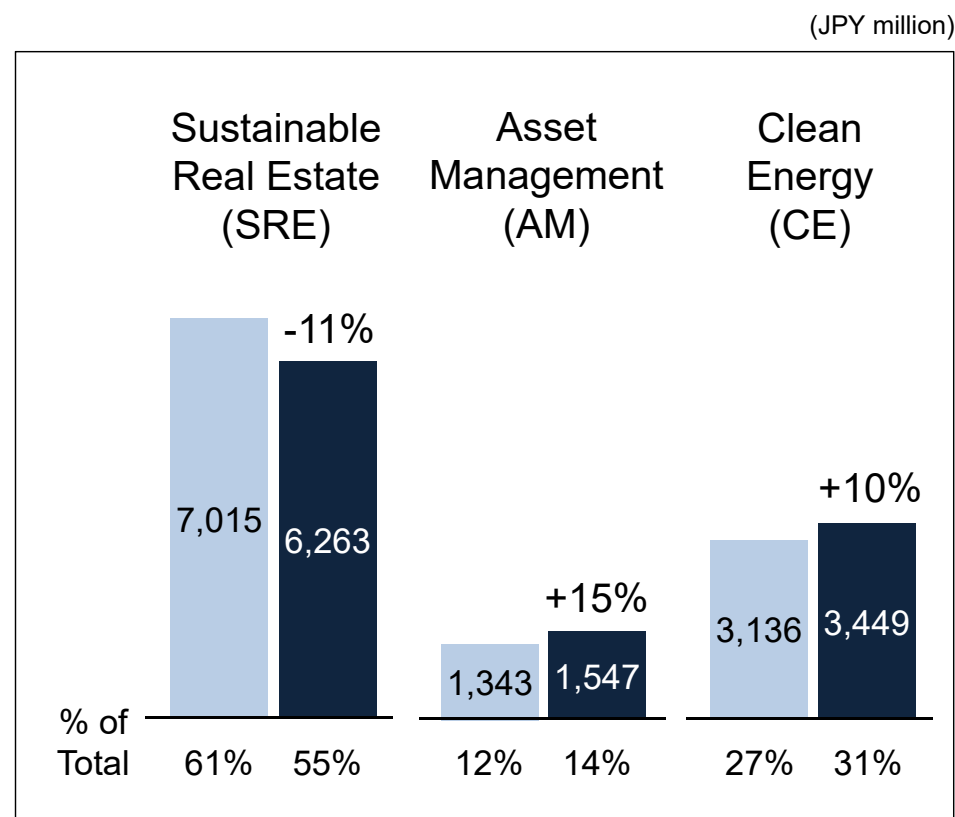
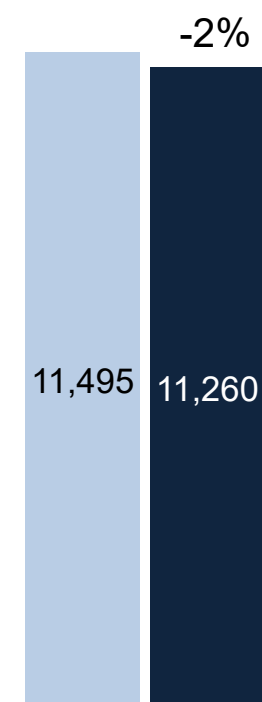


Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

Robust Stock Earnings

■ FY21/2 Q3 (Cumulative)

■ FY22/2 Q3 (Cumulative)



OP -41%, Net Income -54%, Cash EPS -9% (YOY)

- Decreased Flow Earnings through Q3, but Q4 Expected to Be Strong On Track vs. FY22/2 Forecast
- Cash Earnings Significantly Exceed Accounting Earnings Due to Focus on Cash Generation

(JPY million)

	FY21/2 Q3 (9M)	FY22/2 Q3 (9M)	YOY	Full-Year Forecast		
Operating Profit	8,551	5,036	-41.1%	9,100	–	12,000
Recurring Profit	6,535	3,030	-53.6%	6,000	–	8,900
Net Income	4,265	1,969	-53.8%	5,000	–	8,000
Cash Net Income	6,801	6,051	-11.0%	11,400	–	14,400
EPS	JPY 8.86	JPY 4.20	-52.6%	JPY 10.69	–	JPY 17.10
Cash EPS	JPY 14.13	JPY 12.90	-8.7%	JPY 24.37	–	JPY 30.78

Cash Net Income = Net Income + Non-Cash Expenses (e.g., Depreciation, Goodwill Amortization)

Cash EPS = Cash Net Income / Average Number of Shares Outstanding in FY22/2 Q3

Segment Earnings Details

- Asset Management: Increase in Ichigo Office (8975) & Ichigo Hotel (3463) Base AM Fees
- Sustainable Real Estate
Stock Earnings: Lower on Temporary Downtime at Re-Tenancing
Flow Earnings: Actively Marketing Assets – Expect Strong Q4
- Clean Energy: 6 New Plants Online Through Q3 Driving Continued Stock Earnings Growth

(JPY million)

Segment	Operating Profit				Gross Profit			Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY21/2 Q3 (9M)	FY22/2 Q3 (9M)	YOY	Full-Year Forecast	FY21/2 Q3 (9M)	FY22/2 Q3 (9M)	YOY	
Asset Management (AM)	944	1,124	+19.1%	1,300	1,445	1,547	+7.1%	Base AM Fees 1,477 (+242) Acquisition/Disposition Fees 0 (-22) Ichigo Office Cash Flow Performance Fees 0 (-79) Ichigo Green Operator Fees 32 (0) Rental Income 3,531* (-1,248) * After Depreciation Expense of 2,731 (+495)
Sustainable Real Estate (SRE)	6,069	2,091	-65.5%	5,700 – 8,600	9,748	5,836	-40.1%	Gains on Sales 2,304 (-2,663)* * Excludes Gains of Sales of Fixed Assets (Extraordinary Gains) 33
Clean Energy (CE)	1,621	1,814	+12.0%	2,100	2,080	2,229	+7.2%	Power Generation Revenue 2,229* (+149) * After Depreciation Expense of 1,219 (+163)
Adjustments (including offsets of cross-segment transactions)	-82	5	–	–	–	–	–	
Total	8,551	5,036	-41.1%	9,100 – 12,000	13,273	9,613	-27.6%	

Covid Impacts

Stock Earnings

Asset Type	Earnings Impact			
	Q1	Q2	Q3	
Office	Low	Low	Low	Decrease in demand for large offices in central Tokyo, but mid-size office demand continues to be strong
Hotel	High	High	High	Domestic travel demand recovering, but inadequate to trigger variable rent income Upfront costs on accelerating Hakata Hotels' growth with new operator contracts
Retail	Low	Low	Low	Variability among tenant categories, but leasing activity gradually picking up and successfully re-tenanting
Residential	None	None	None	Robust performance
Clean Energy	None	None	None	Growth on track, stable earnings driver

Flow Earnings

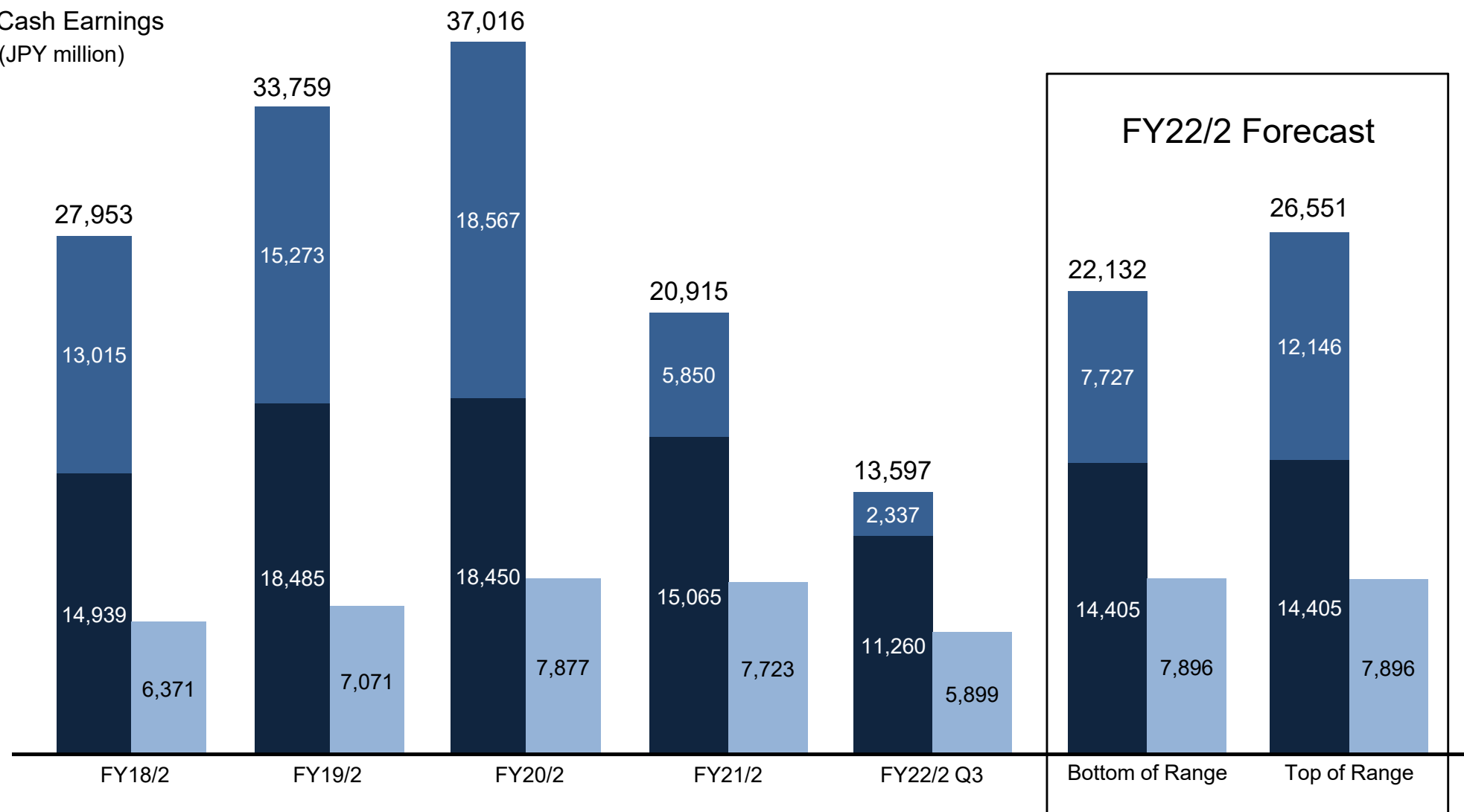
Asset Type	Earnings Impact			
	Q1	Q2	Q3	
Office	High	Low	Low	Transactions & pricing normalized to pre-Covid level
Hotel	High	High	Medium	Investment demand gradually increasing. Investor dependent, but closing the gap in price expectations between buyers and sellers
Retail	High	Medium	Medium	High demand for Ichigo assets in prime locations. Asset dependent, but closing the gap in price expectations between buyers and sellers
Residential	None	None	None	High earnings stability driving high transaction activity
Logistics	None	None	None	High earnings stability driving high transaction activity

Powerful Value-Add Business Model Underpins Growth

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)

Cash Earnings
(JPY million)



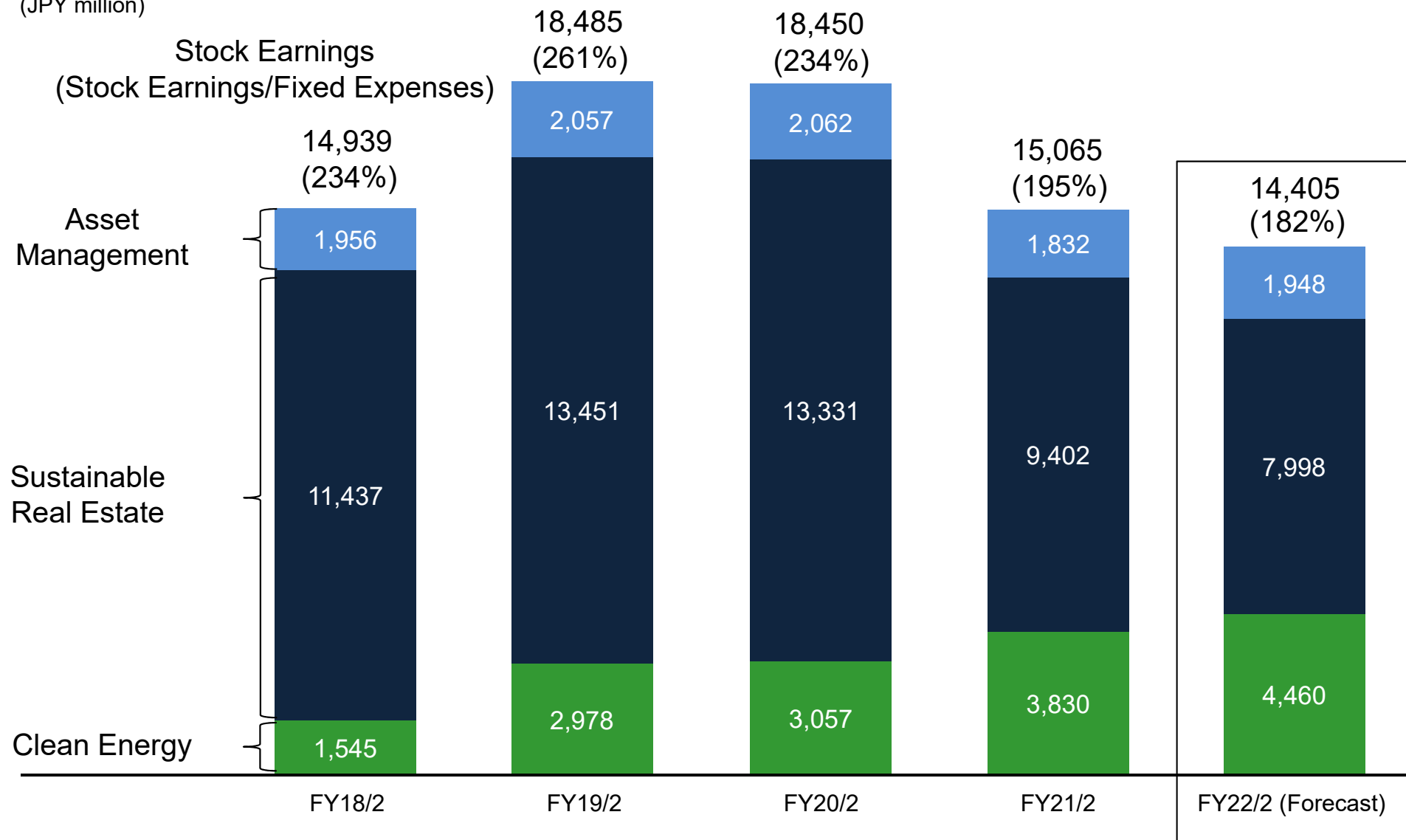
Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

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Business Model (2) Stable Stock Earnings

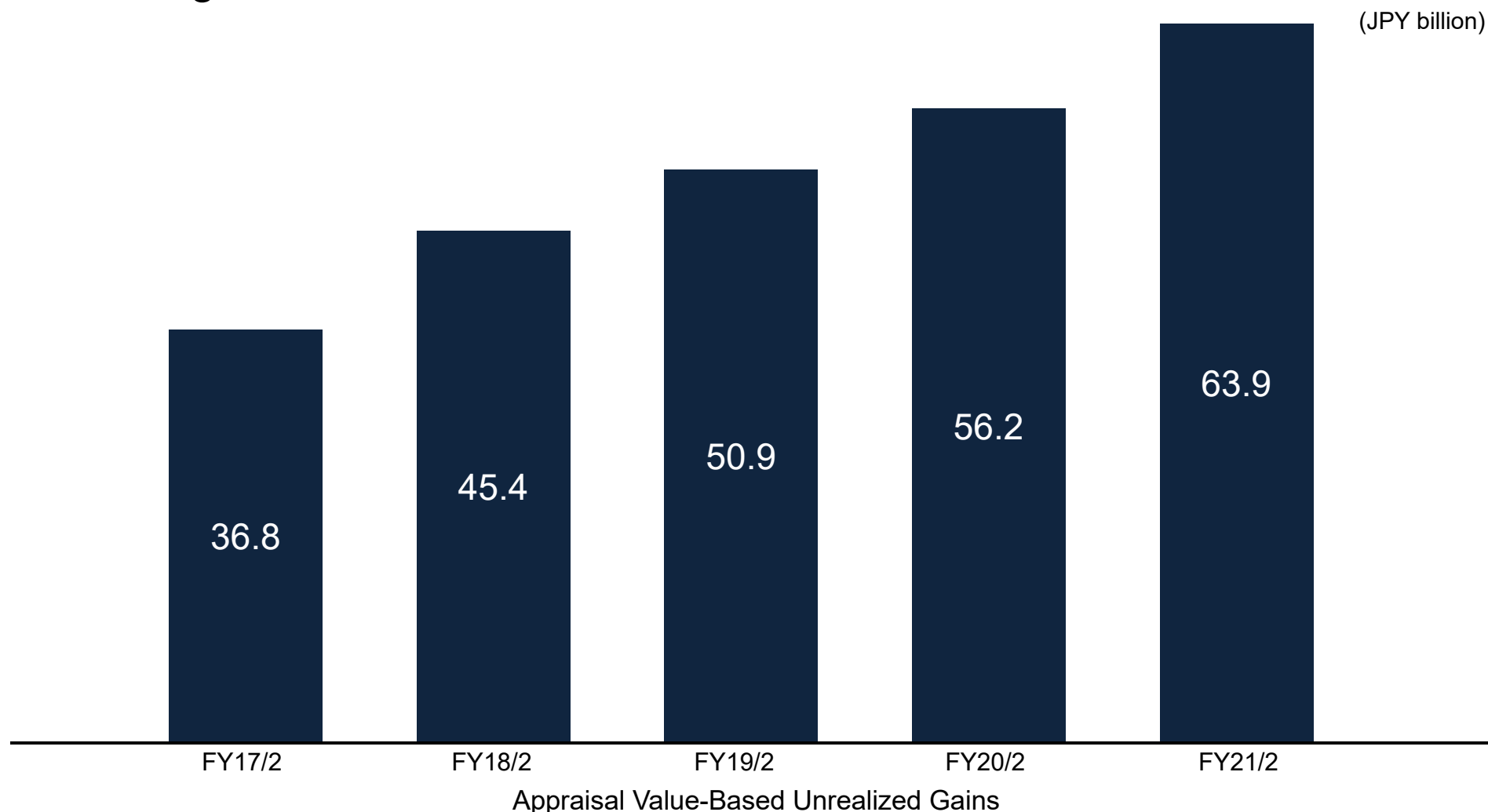
Stock Earnings by Segment

(JPY million)



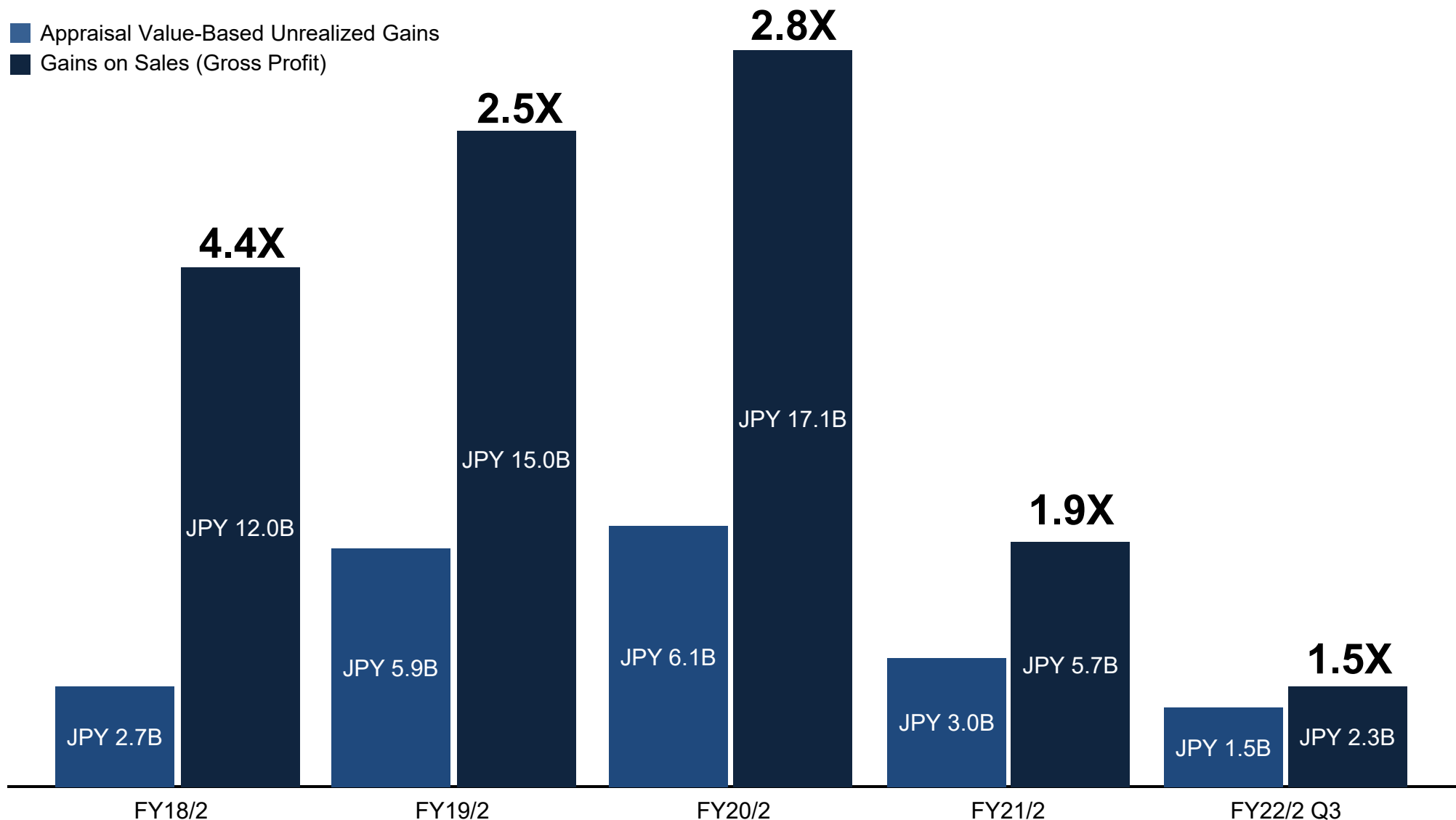
Business Model (3) Embedded Forward Earnings

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



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

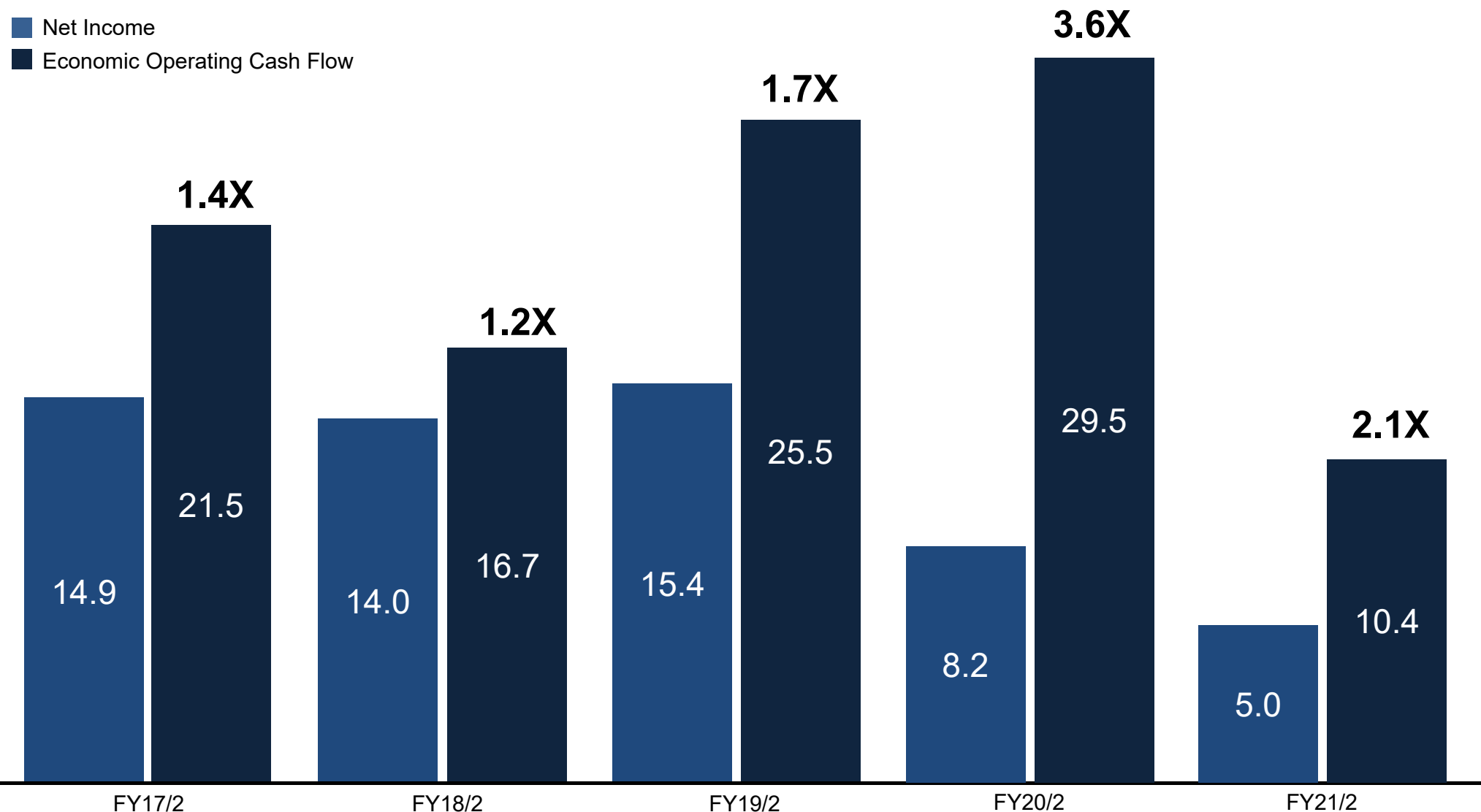
Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains



Business Model (5) Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income

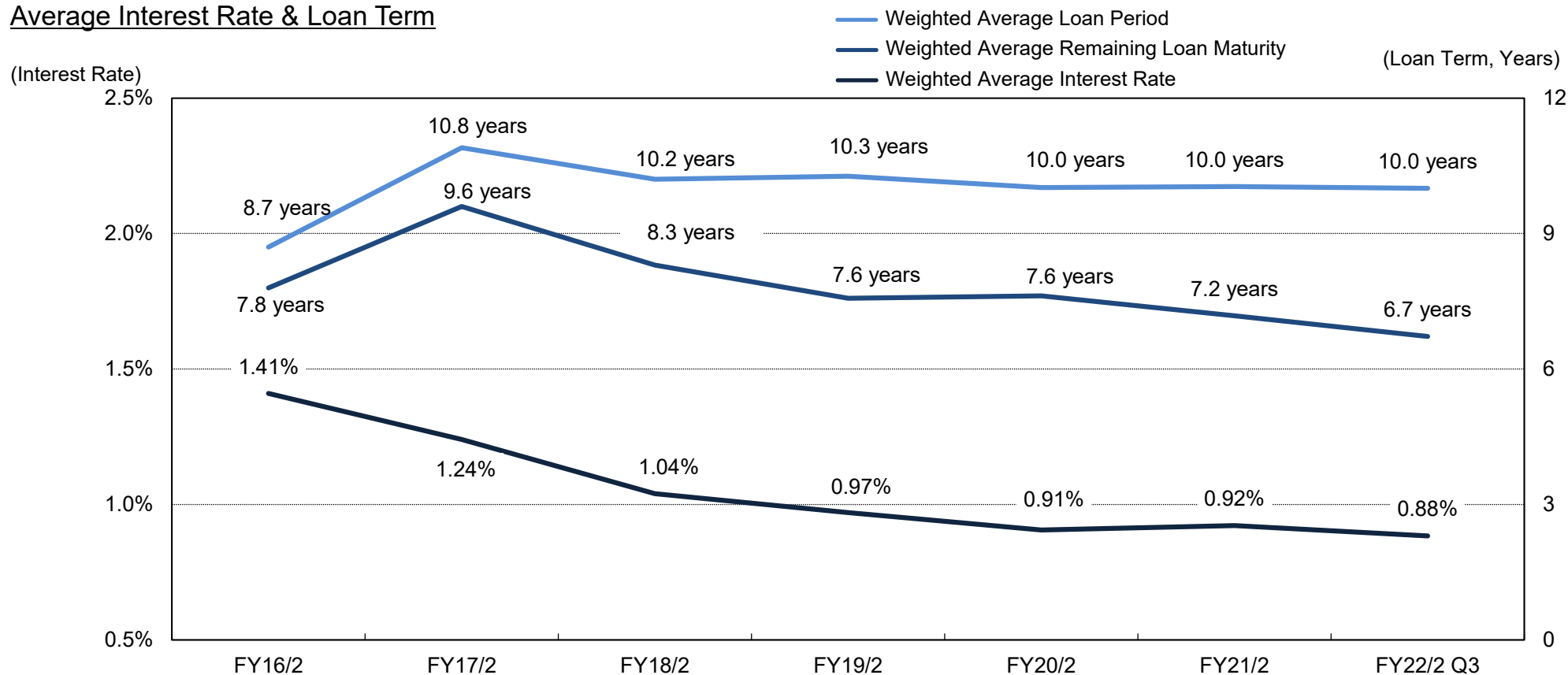
(JPY billion)



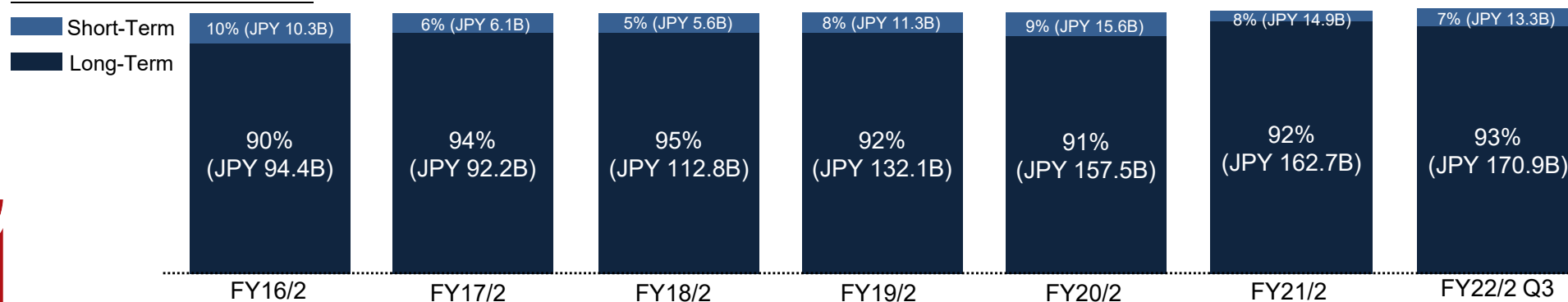
Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale

Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans



Ichigo's Sustainability Execution

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-.

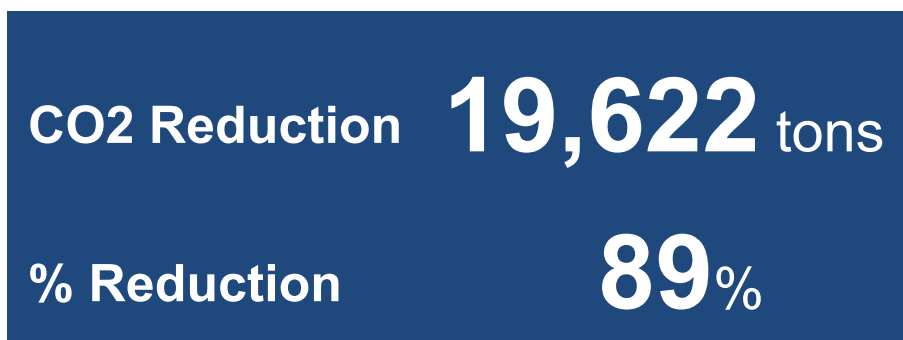


Ichigo Office RE100 Achievement by April 2022

Ichigo Office Will Complete Transition to Using Electricity Sourced From Renewable Energy Across All of its Assets by April 2022

- Renewable Energy Ratio: 92% (65 of 73 Assets)
- Also Transitioning Ichigo and Ichigo Hotel (3463) Assets to Renewable Energy

Impact of Ichigo Office's Renewable Energy Transition



CO2 Emissions
of Cars



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

Note: Ichigo Office RE100 excludes partially-owned and co-owned assets

Reduction rate = Amount of CO2 reduction / 2019 CO2 emissions (Scope 1 + Scope 2)

Scope 1: Direct greenhouse gas emissions by Ichigo Office

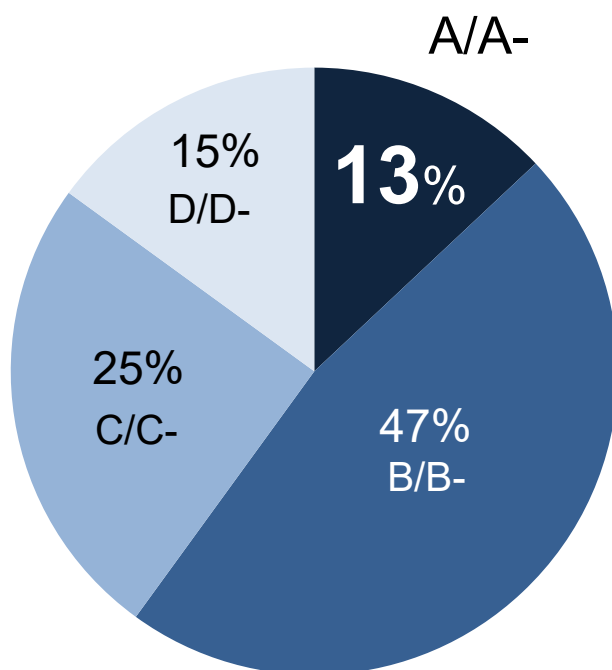
Scope 2: Indirect gas emissions via use of electricity, heat, and steam supplied by other companies

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-



ESG Finance Supporting Sustainable Growth (1)

JPY 20B ESG Financing (Uncollateralized Portion: JPY 13B) in Recognition of Ichigo's Outstanding ESG Execution

ESG/SDGs Finance

Lenders: SMBC-led syndicate

Loan Amount: JPY 6.9B

Overview: Financed based on a comprehensive analysis and evaluation of the environmental, social, and economic impacts of Ichigo's business activities.



Ichigo contributing to achieving SDG 7 & SDG 11
(Japan Research Institute assessment)

Sustainability-Linked Loan

Lenders: Mizuho, Asahi Shinkin Bank, Shiga Bank, Shizuoka Bank, Hiroshima Bank, Fukuho Bank

Loan Amount: JPY 13B (Uncollateralized)

Overview: Financed based on third-party assessment of Ichigo's alignment with the Sustainability Linked Loan Principles and its sustainability performance

SPT (Sustainability Performance Target): Ichigo's achievement of RE100 target

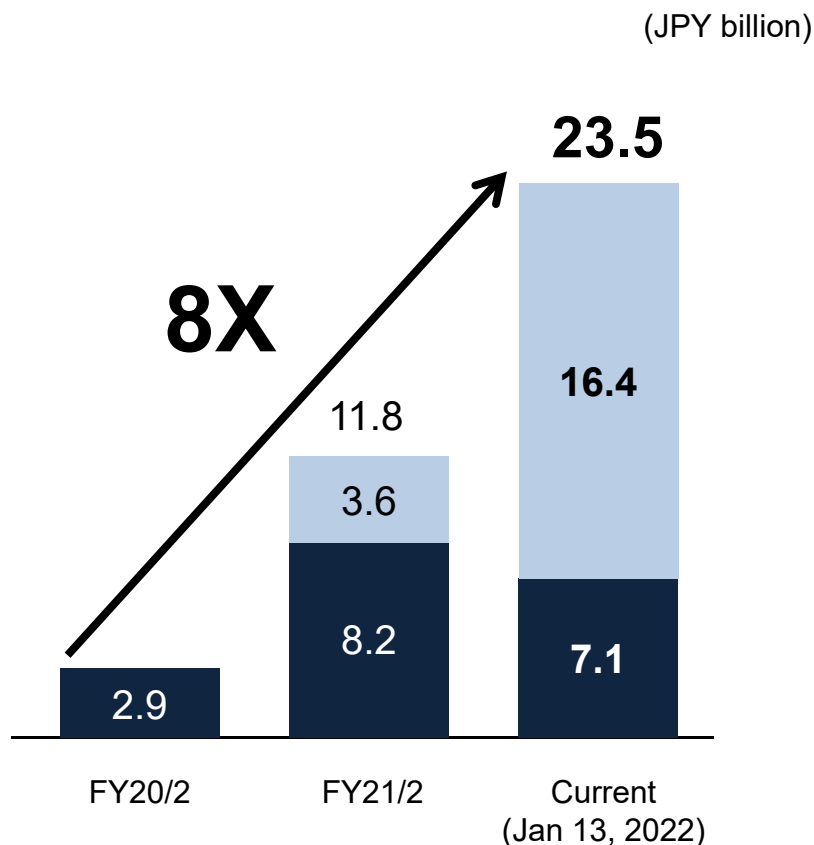
Ichigo's RE100 target: To source 100% renewable electricity across all of its operations, including Ichigo Office (8975) and Ichigo Hotel (3463), by 2025.

ESG Finance Supporting Sustainable Growth (2)

Ichigo's ESG Execution Underpinning Attractive ESG Financing Terms

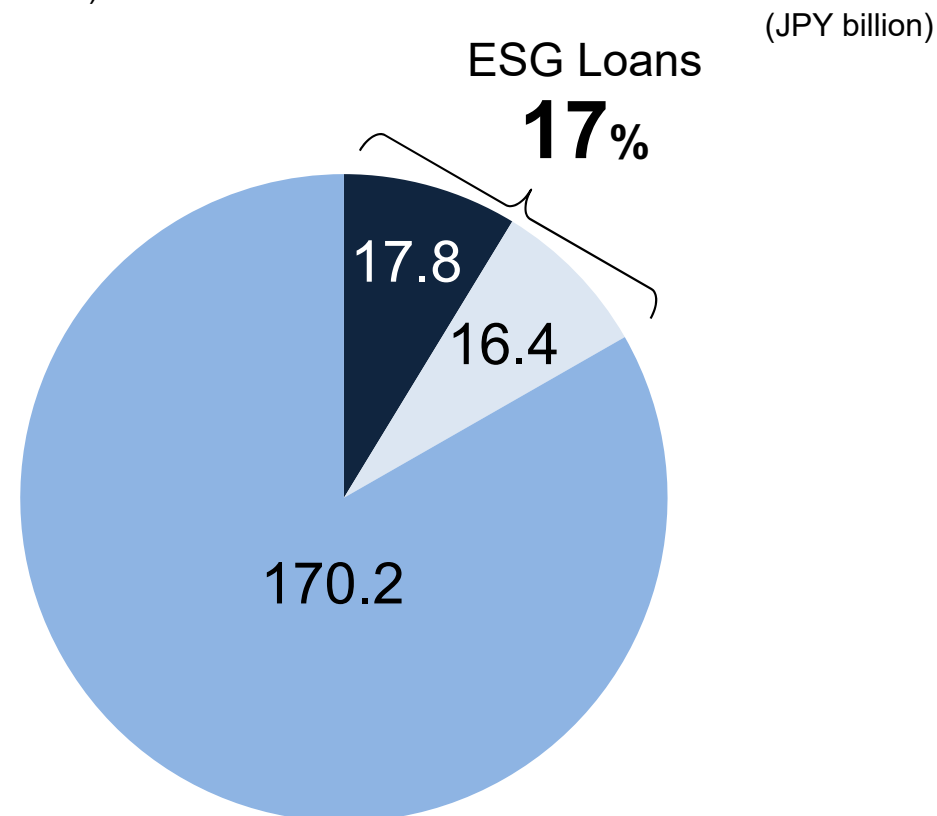
ESG Loans

- ESG loans and green bonds
- Remaining ESG commitment line



ESG Loans as % of Total Borrowings

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



Sustainable Growth as a Sustainable Infrastructure Company

Selective on Acquisitions & Sales

Q3 Acquisitions: JPY 25.6B

- 2 Office Assets (JPY 2.8B, 11% of Total)
- Ichigo Owners Acquisitions: 20 Residential Assets (JPY 22.2B, 87% of Total)

Q3 Sales: JPY 12.4B

- Also, JPY 17.7B Sale to Domestic Institutional Investor to Close in Q4

FY 22/2 Q3 (9M) Net Acquisitions: JPY 1.3B

(JPY million)

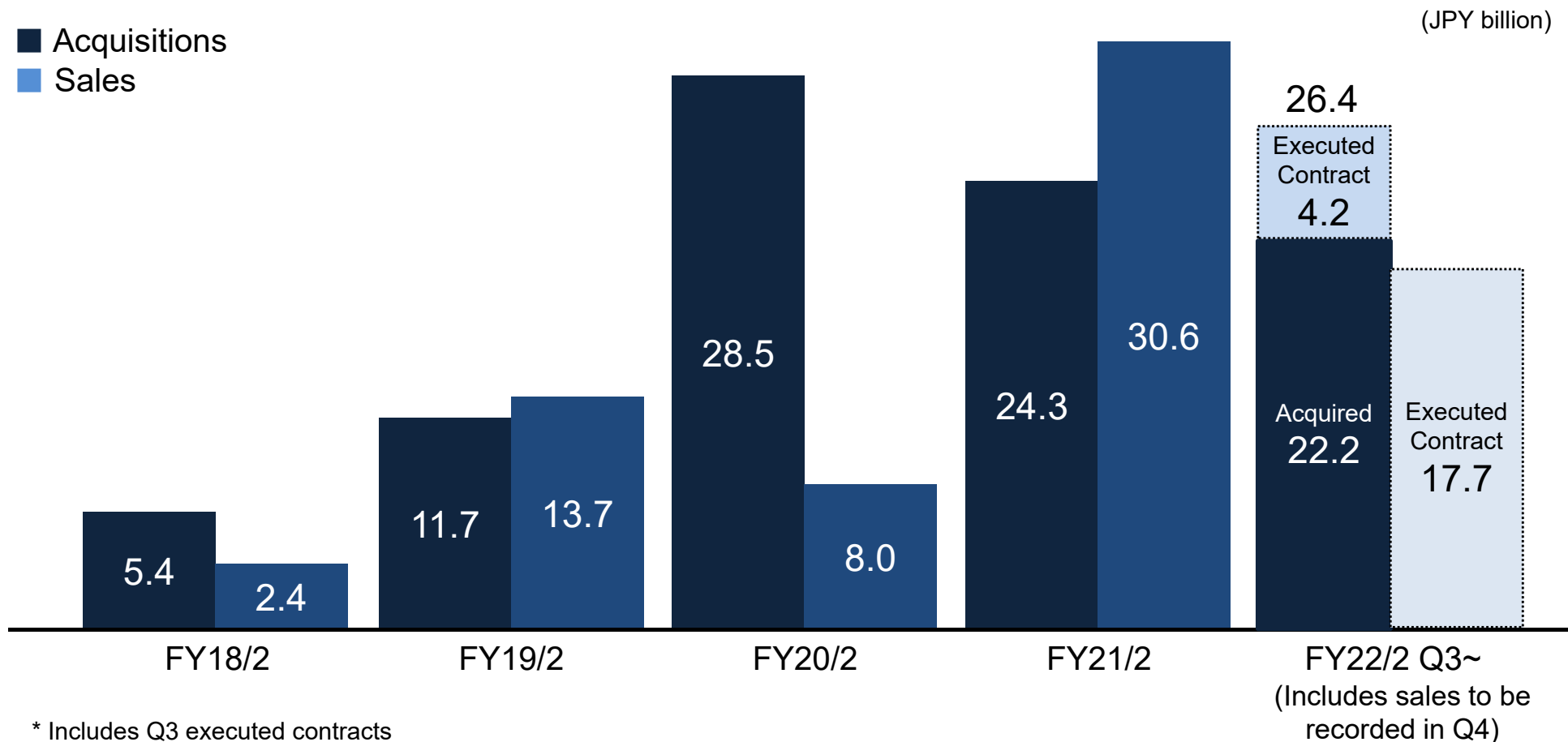
	Acquisitions		Sales		Difference (A) - (B)
	No. Of Assets	Book Value (A)	No. Of Assets	Sales Price (B)	
Residential	22	22,463	33	5,610	+16,853
Office/Hotel/Retail	2	2,785	–	–	+2,785
Logistics	–	–	2	6,011	-6,011
Other	3	311	3	798	-487
Total	27	25,559	38	12,418	+13,141

Note: Book Value of Sales: JPY 9.9B

Ichigo Owners: Driving Long-Term Growth

On Track to Meet JPY 30B FY22/2 Acquisition Target – 88% of Full-Year Target Contracted through Q3-End

Ichigo Owners Residential Acquisitions & Sales Since Launch



Ichigo Owners: New Co-Ownership Business

New Business with Diverse Earnings Streams & Generating Both Flow Earnings & Stock Earnings

- Expand Client Base: Grow individual investor client base
- Broaden Sales Channel: Working with accountants & financial institutions
- Drive Stock Earnings: Driving stable long-term earnings growth

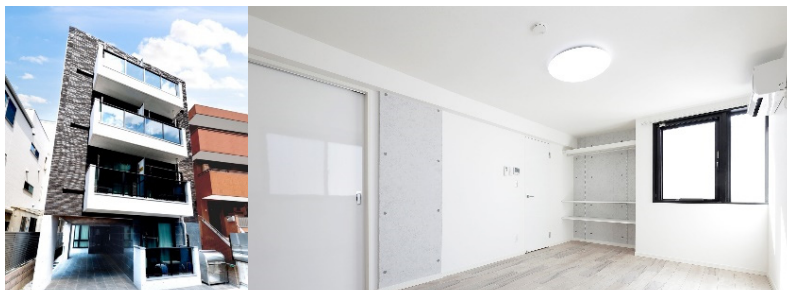
Ichigo Owners Co-Ownership Business Overview

- (1) Acquire quality assets and sell to LP
- (2) Offer small-lot investments to individual investors via LP and operate LP
- (3) Asset management during investment term (currently 12 years)
- (4) Asset sale at end of investment term

Addressing Individual Investors' Investment Needs

Long-term real estate investment, asset diversification, & estate planning needs

Asset Sale #1 (Meguro, Central Tokyo)



In Operation (12-year investment term)

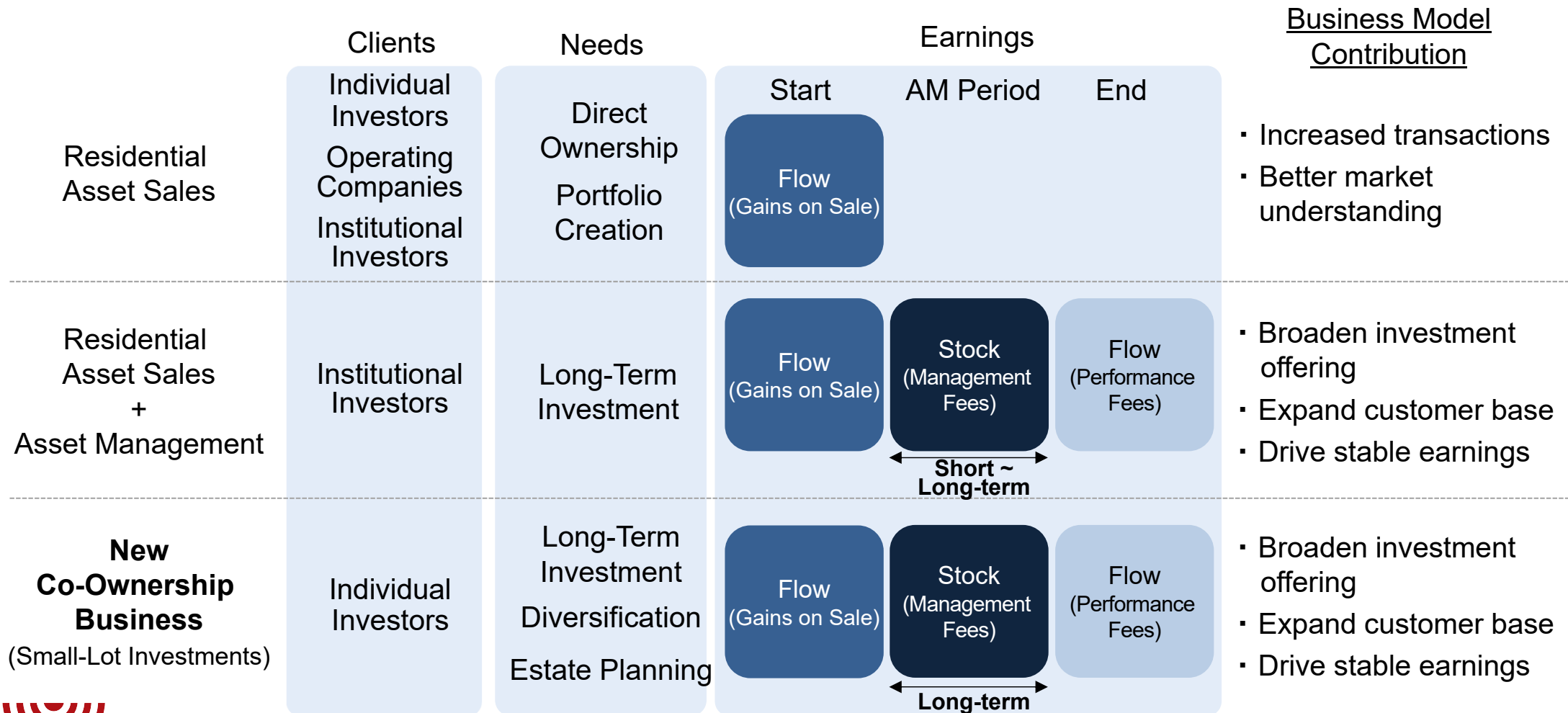
Asset Sale #2 (Meguro, Central Tokyo)



Sale Start: Today (12-year investment term)

Ichigo Owners: Building Out Business & Earnings Model

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



Growth Support for Ichigo REITs & Ichigo Green

Office



Ichigo Office (8975)

Portfolio

86 Assets JPY 206.1B

Dividend Yield (as of 2022/1/7)
5.1%

- 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 13 partially-owned and co-owned assets)



Ichigo Growth Support

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

Hotel



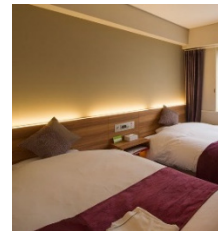
Ichigo Hotel (3463)

Portfolio

23 Hotels JPY 51.9B

Dividend Yield (as of 2022/1/7)
1.8%

- 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 870M) to support IHR's financial base & reduced operator risk by bringing in Hakata Hotels at 4 hotels

Green Infrastructure



Ichigo Green (9282)

Portfolio

15 Solar Power Plants JPY 11.4B

Dividend Yield (as of 2022/1/7)
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
RE100
ESG & Value-Add

Includes Ichigo Office, Ichigo Hotel, & Ichigo Green
Group-wide RE100 targets & strengthened environmental initiatives
Accelerating ESG & sustainable value-add initiatives

Scaling Rapidly

Ichigo's First Wind Power Plant (7.3MW) Online in H1

Total 9 New Plants (Total 19.1MW) Online FY22/2 (+3 in Q4) **4.4**
(Forecast)

Ichigo

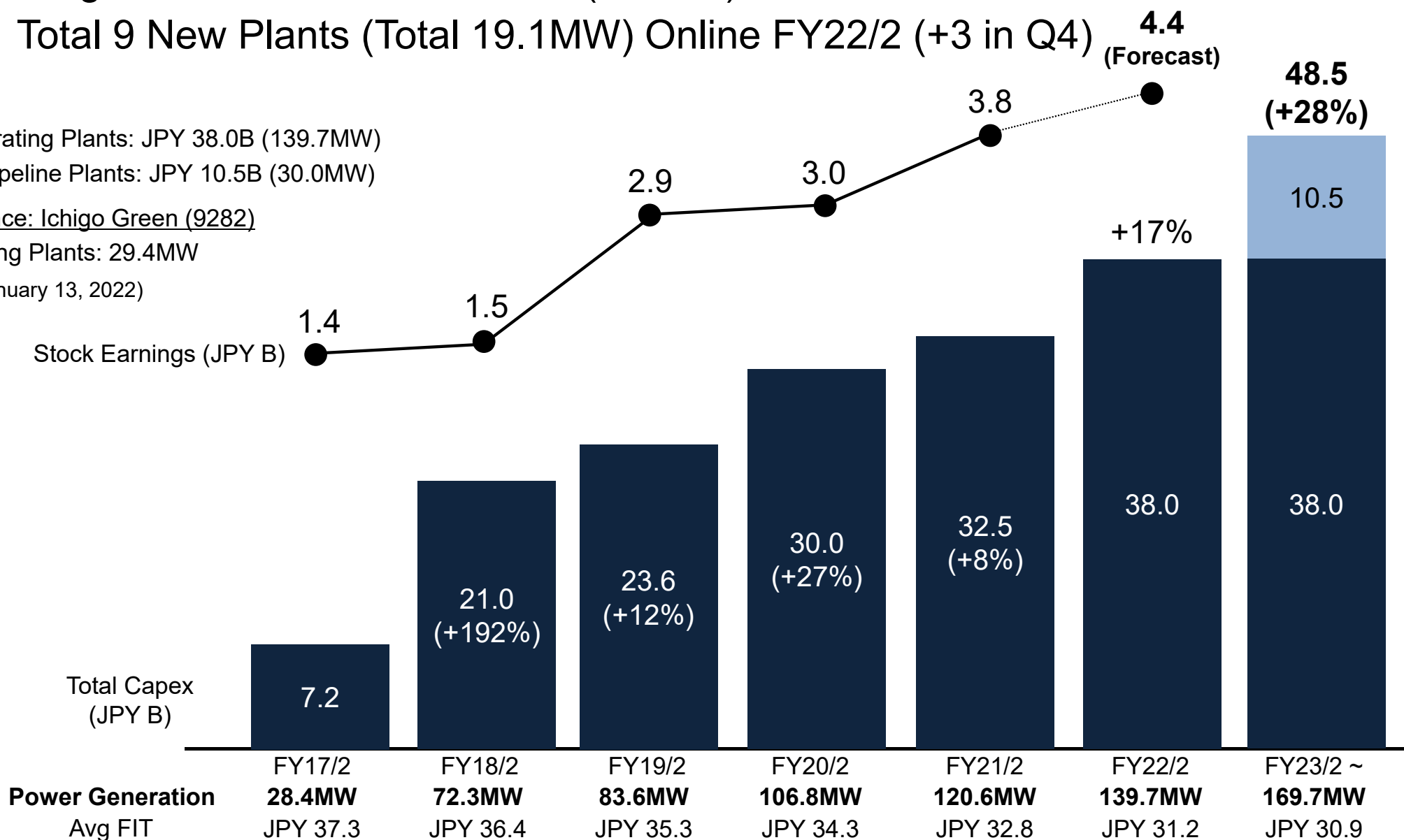
■ Operating Plants: JPY 38.0B (139.7MW)

■ In-Pipeline Plants: JPY 10.5B (30.0MW)

Reference: Ichigo Green (9282)

Operating Plants: 29.4MW

(as of January 13, 2022)



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 1.5B (Average share price: JPY 343)

Number of Shares 4,363,500
(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

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

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



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

Appendix: Ichigo's Sustainability Commitment (ESG)



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.

Sustainability Initiatives

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

WE SUPPORT



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 performance, etc., and companies are scored from A to D-. Ichigo's score for 2021 (1st year): A- (1 rank up from 2020)

RE100

**CLIMATE
GROUP**



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

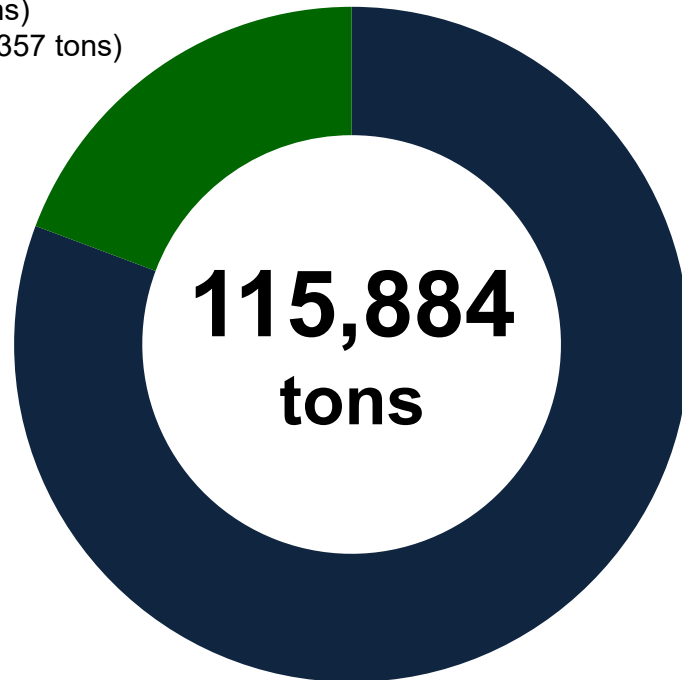
Fun to Share is the Ministry of Environment's campaign to promote the achievement of a low-carbon society by sharing the most up-to-date information openly and broadly.

Delivering on Sustainability

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

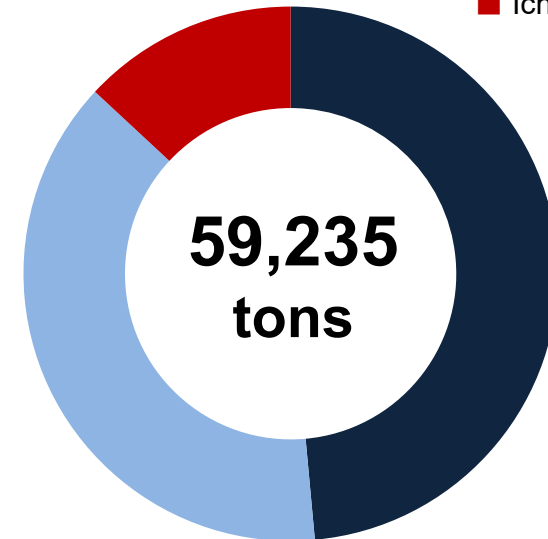
Total Ichigo Power Plant CO2 Reductions

■ Ichigo (93,526 tons)
■ Ichigo Green (22,357 tons)



Total Ichigo CO2 Emissions

■ Ichigo (28,763 tons)
■ Ichigo Office (22,727 tons)
■ Ichigo Hotel (7,745 tons)



FY21/2 Actuals

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

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

ESG Initiatives: Environmental

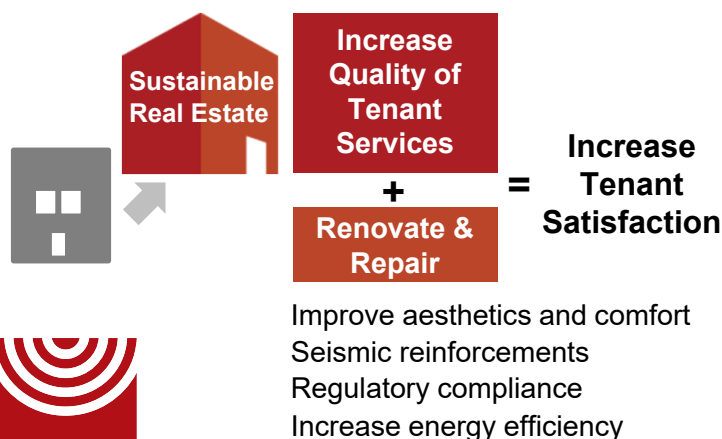
Climate Positive & Sustainability-Driven



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



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



175,581,824 kWh

Equivalent to annual energy consumption of 58,500 households

Annual CO2 Reduction



115,884,001 kg

Equivalent to annual CO2 emission of 50,400 cars

* FY21/2 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



Ichigo & Ichigo Office (8975)
Total 15 Assets



Ichigo Office (8975)
3 Stars / Green Star



Ichigo Hotel (3463)
2 Stars / Green Star

BELS

2 Assets

DBJ Green Building

2 Assets

ESG Initiatives: Social

Contributing to Society



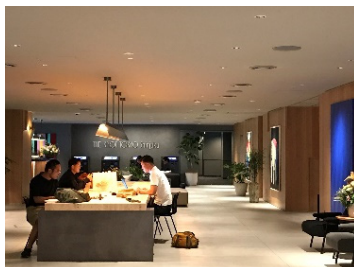
Contributing to Regional Revitalization

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 clean energy 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>



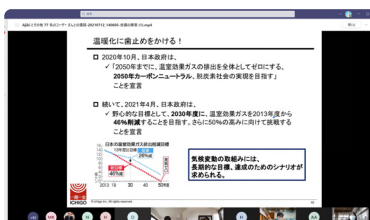
Ichigo University

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

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 9 members of Ichigo's Board of Directors, 5 are Independent Directors Including former CEOs of TSE 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

Appendix: Financial & Real Estate Data

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

みんなの
安全安心
のために



私たち「いちご」は、新型コロナウイルス対策として
ご来館いただいた皆さま、そのご家族の安全安心を最優先し、
衛生環境の維持をはじめとするさまざまな取組みに努めています。
皆さまのご理解・ご協力をお願い申し上げます。

3つの「密」を
避けましょう





換気の悪い
密閉空間
 大勢が集まる
密集場所
 間近で接する
密接場面

基本的な感染対策を
徹底しましょう





感染予防
手洗い
 咳エチケット
マスク着用
 体調管理
検温

感染が疑われる症状が出た場合は、速やかに管理会社までご連絡をお願いいたします。





一期一会
ICHIGO

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Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

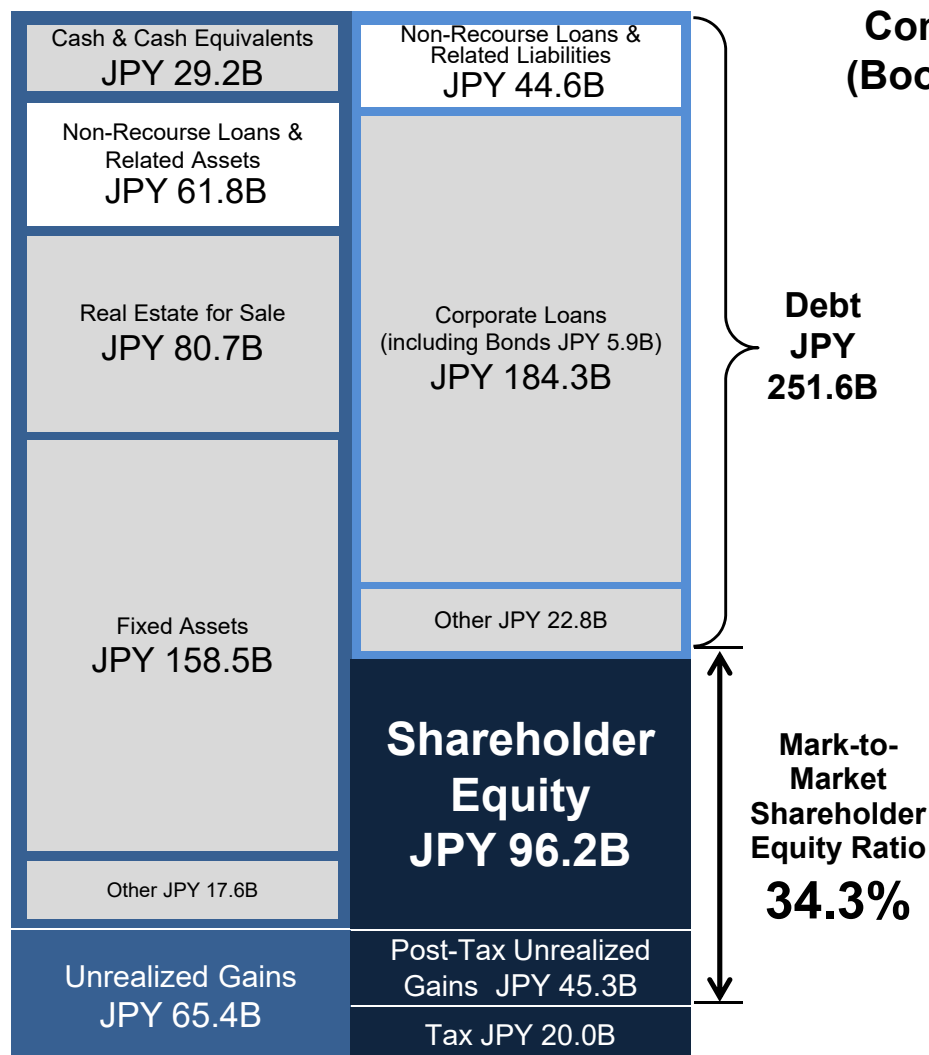
(JPY million)

Location	Book Value as of November 30, 2021 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	92,932	5,330	5.7%	126,972	+34,040
Outside Tokyo	106,790	6,981	6.5%	133,824	+27,034
Total	199,723	12,311	6.2%	260,796	+61,073

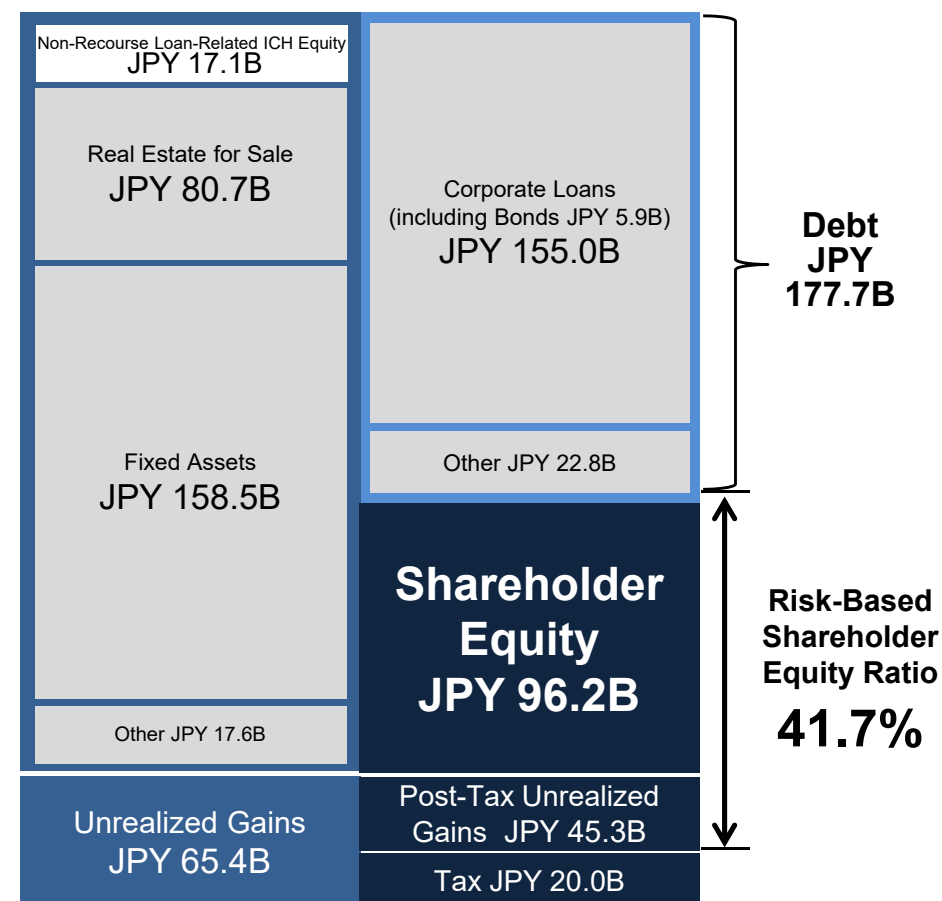
Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 64.28B)

Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 413.5B
(Book Value JPY 348.1B + Unrealized Gains JPY 65.4B)



Consolidated Risk-Based Balance Sheet: JPY 339.5B
(Book Value JPY 274.1B + Unrealized Gains JPY 65.4B)



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

Cash Flow Maximization

Maximal Use of Depreciation to Increase Cash Flow

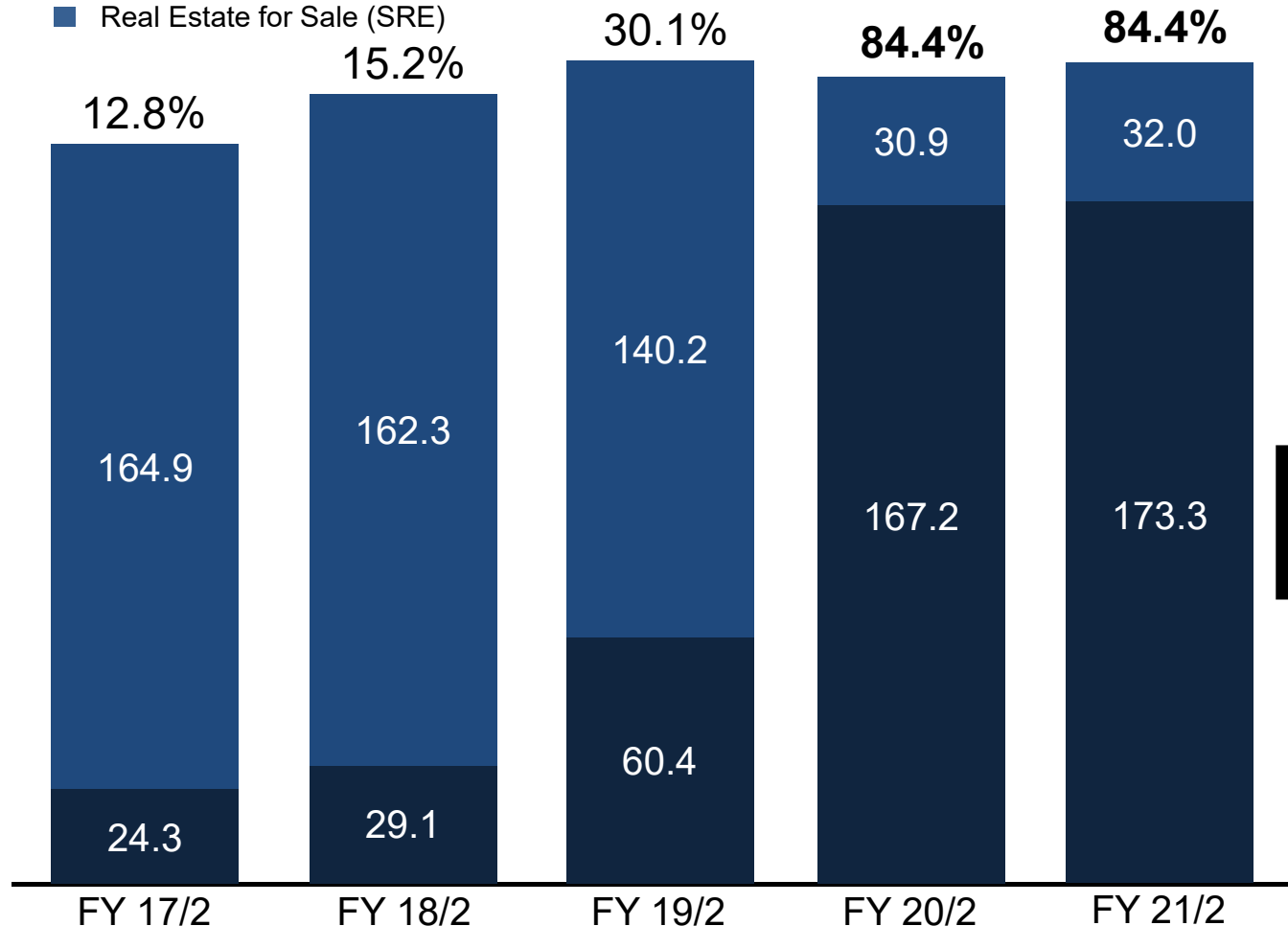
Real Estate for Sale & Fixed Assets

■ Fixed Assets (SRE)

■ Real Estate for Sale (SRE)

Fixed Asset Ratio

(JPY billion)



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

Robust Cash Flow Generation & Strong Earnings Base

Key Ichigo Strength: Robust Cash Generation to Fund Growth



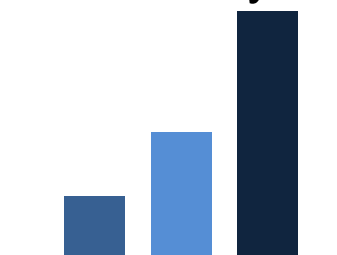
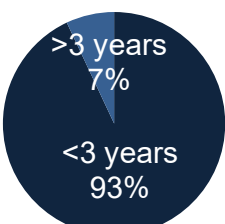
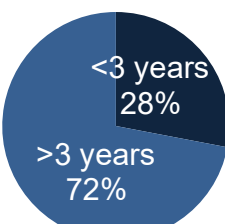
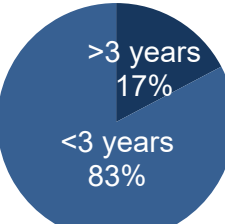
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 200%

(JPY million)

	FY16/2	FY17/2	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q3 (9M)	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	11,260	14,405	14,405
Depreciation	731	716	967	1,632	2,507	4,603	3,951	5,518	5,518
Flow Earnings	8,986	14,139	13,015	15,273	18,567	5,850	2,337	7,727	12,146
Cash Earnings	21,563	28,641	27,953	33,759	37,016	20,915	13,597	22,132	26,551
Fixed Expenses (B)	5,846	6,502	6,371	7,071	7,877	7,723	5,899	7,896	7,896
Stock Earnings/ Fixed Expenses (A/B)	215%	223%	234%	261%	234%	195%	191%	182%	182%

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

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%	<u>2.6X</u>
Loan Maturity (Weighted avg., corporate + non-recourse loans)	2.8 years 	5.6 years 	10.2 years 	<u>3.6X</u>
% of <3 Year Loans (corporate + non-recourse loans)	93% 	28% 	17% 	<u>-76%</u>
Interest Rate (Weighted avg., corporate loans)	2.22%	1.96%	0.92%	<u>-59%</u> (Interest Rate -1.3%)

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.

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)	-	-	-	-	-	648	119	1,169	1,938
Sustainable Real Estate (SRE)	14,869	1,324	864	80,728	181,464	2,703	2,539	3,977	288,472
Clean Energy (CE)	3,618	-	-	-	30,952	177	-	1,660	36,407
Company-Wide Assets	17,717	-	-	-	95	101	1,724	1,446	21,085
Total	36,205	1,324	864	80,728	212,512	3,631	4,383	8,254	347,903

Consolidated P&L: Segment Breakdown

(JPY million)

Segment	Gross Profit			Operating Profit			
	FY21/2 Q3	FY22/2 Q3	YOY Change	FY21/2 Q3	FY22/2 Q3	YOY Change	FY22/2 Forecast
Asset Management (AM)	1,445	1,547	+7.1%	944	1,124	+19.1%	1,300
Base AM Fees	1,343	1,547	+15.2%	—	—	—	—
Acquisition/Disposition Fees	101	—	—	—	—	—	—
Sustainable Real Estate (SRE)	9,748	5,836	-40.1%	6,069	2,091	-65.5%	5,700 – 8,600
Rental Income	4,779	3,531	-26.1%	—	—	—	—
Asset Sales	4,977	2,318	-53.4%	—	—	—	—
Other Flow Earnings	- 8	-13	—	—	—	—	—
Clean Energy (CE)	2,080	2,229	+7.2%	1,621	1,814	+12.0%	2,100
Adjustment (including offsets of cross-segment transactions)	—	—	—	-82	5	—	—
Total	13,273	9,613	-27.6%	8,551	5,036	-41.1%	9,100 – 12,000

Asset Management AUM Detail

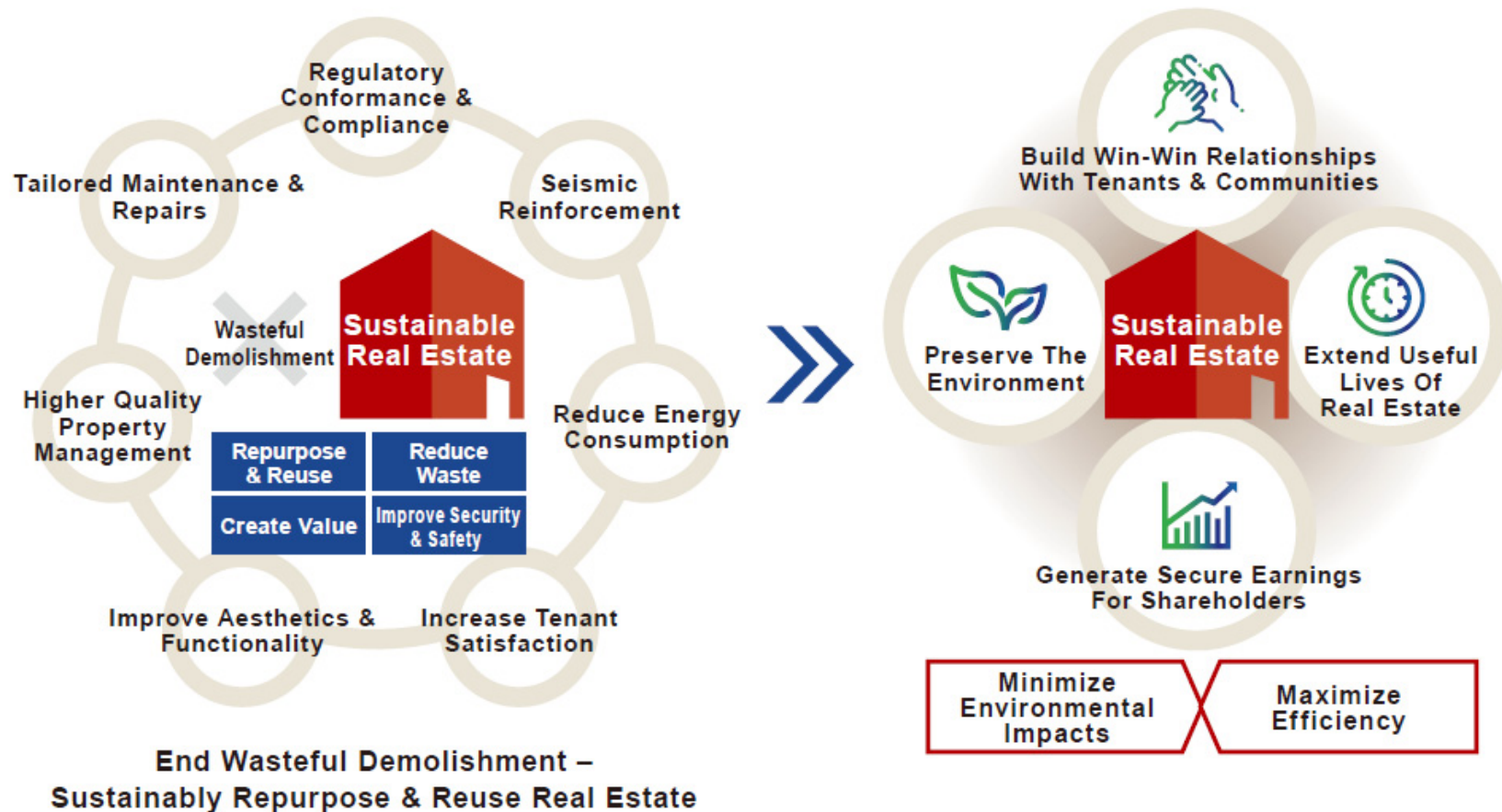
		FY17/2 (12M)	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q3 (9M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 194.5B	JPY 196.9B	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 206.1B
	Base AM Fee Gross Profit (Actual)	JPY 1,291M	JPY 1,373M	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 1,276M
Ichigo Hotel (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	JPY 461M	JPY 381M	JPY 42M	JPY 65M
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 64M
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 104M
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 1,510M

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

Sustainable Infrastructure for a Sustainable Society

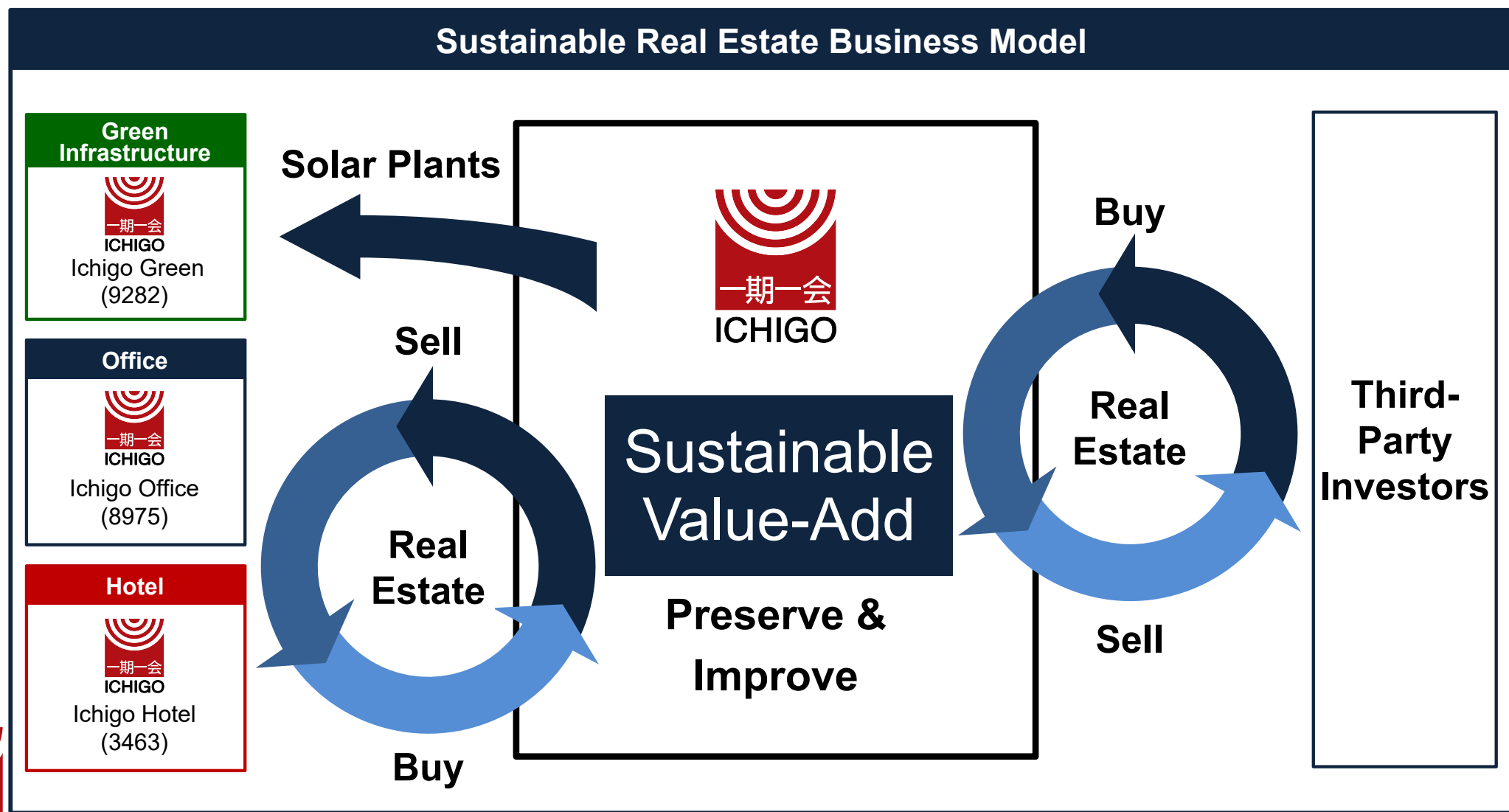
End Wasteful Demolishment and Embrace Sustainable Real Estate

- 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

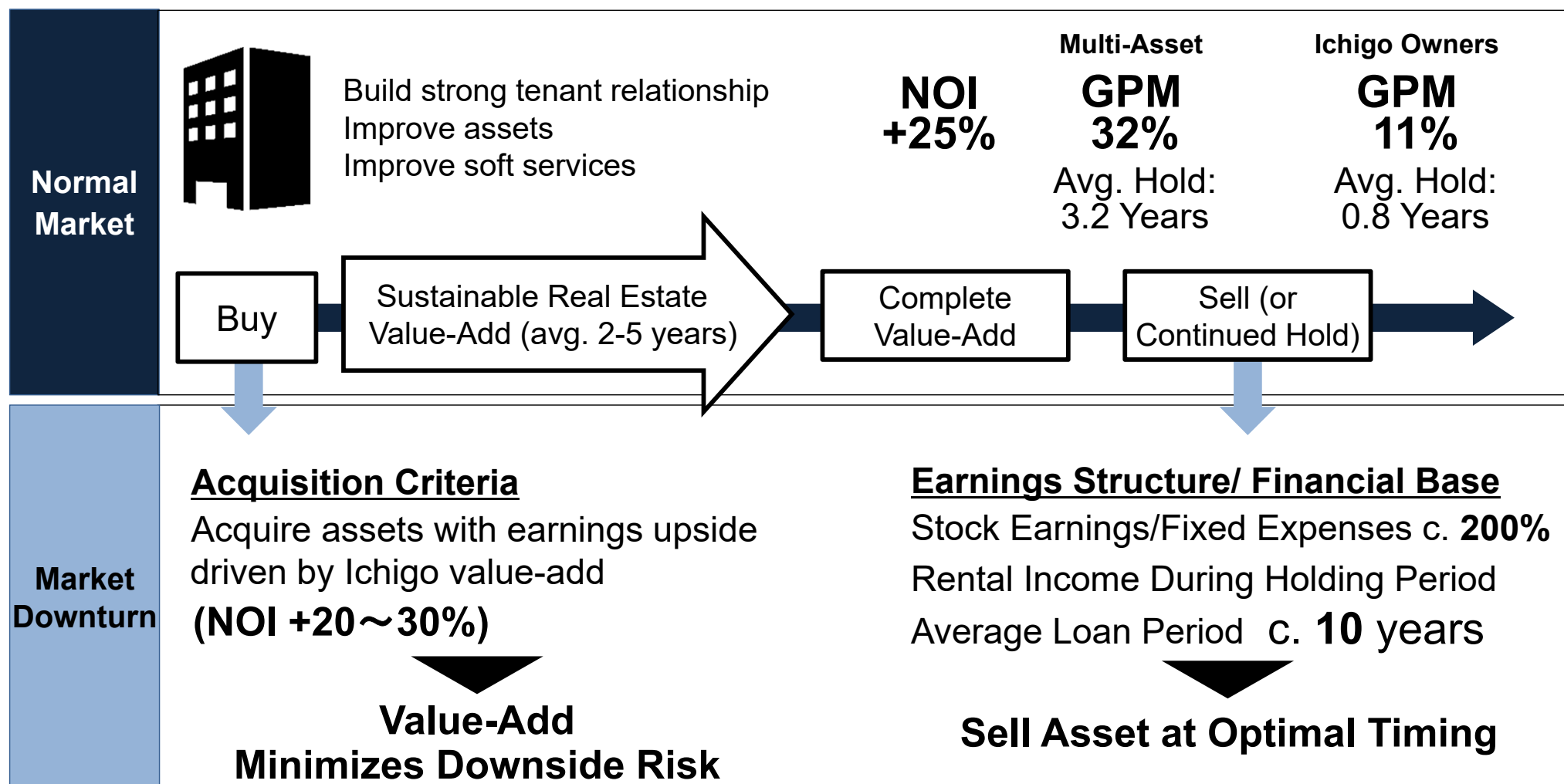


Powerful Sustainable Real Estate Business Model

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



Value-Add Robust to Changes in Market Environment



Note: NOI = FY18~FY20 Actual Office, Retail, Hotel NOI at acquisition vs. NOI at sale

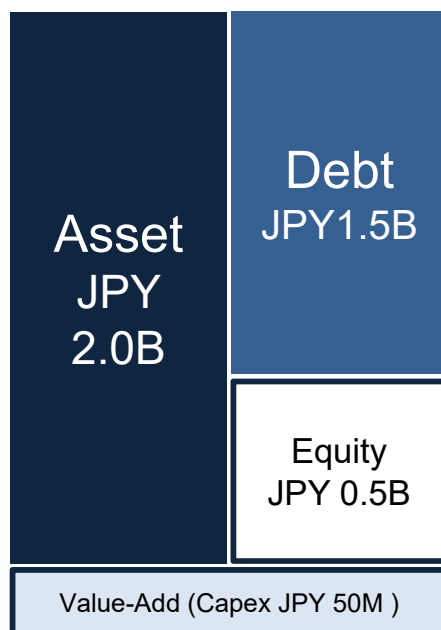
Multi-Asset GPM = FY18~FY20 Actual Office, Retail, Hotel (weighted average)

Ichigo Owners GPM = FY18~FY21 Actual Residential (weighted average)

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

$(\text{JPY } 110\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 87.5\text{M NOI/year}$
 $\text{NOI} \div \text{Initial Investment} = 17.5\% \text{ NOI return during investment period}$

NOI after Value-Add

$(\text{JPY } 126.5\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 104\text{M NOI/year}$
 $\text{NOI} \div \text{Total Investment (JPY } 500\text{M} + \text{JPY } 50\text{M}) = 18.9\% \text{ NOI return during investment period}$

Capital Gain

The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: $\text{JPY } 2\text{B} \times 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Outcome

JPY 550M investment generates JPY 512M over 3 years $\rightarrow 31.1\% \text{ p.a.}$

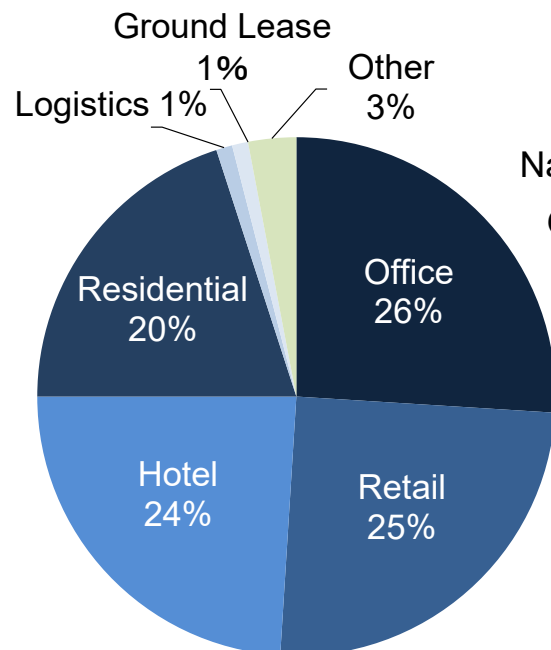
Sustainable Real Estate: Gross Profit Margin (GPM)

Ichigo Sustainable Value-Add Supports Ongoing High GPM

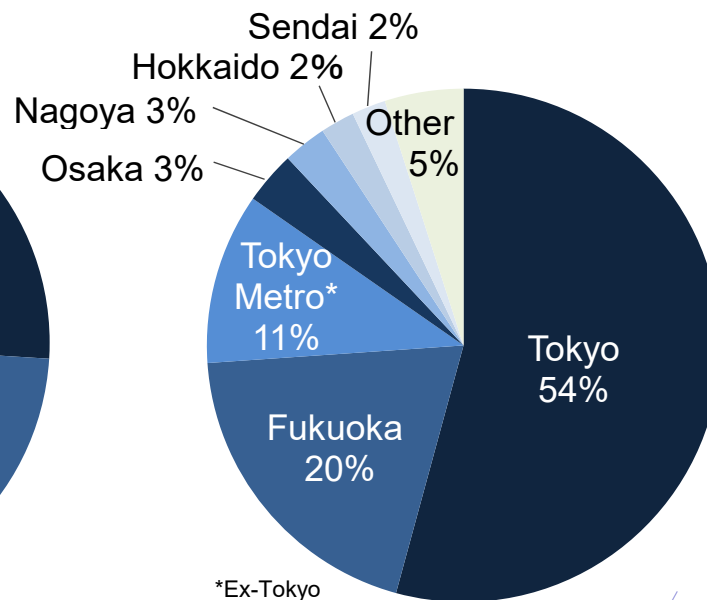
	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 Q3
GPM (vs. Revenue)	33.7%	25.5%	28.3%	13.9%	18.6%
GPM (vs. Book Value)	50.9%	34.3%	39.5%	16.2%	23.4%
Revenue (JPY M)	35,733	58,693	60,601	41,430	12,418
Gross Profit (JPY M)	12,050	14,986	17,158	5,762	2,314

Ichigo-Owned Real Estate Portfolio

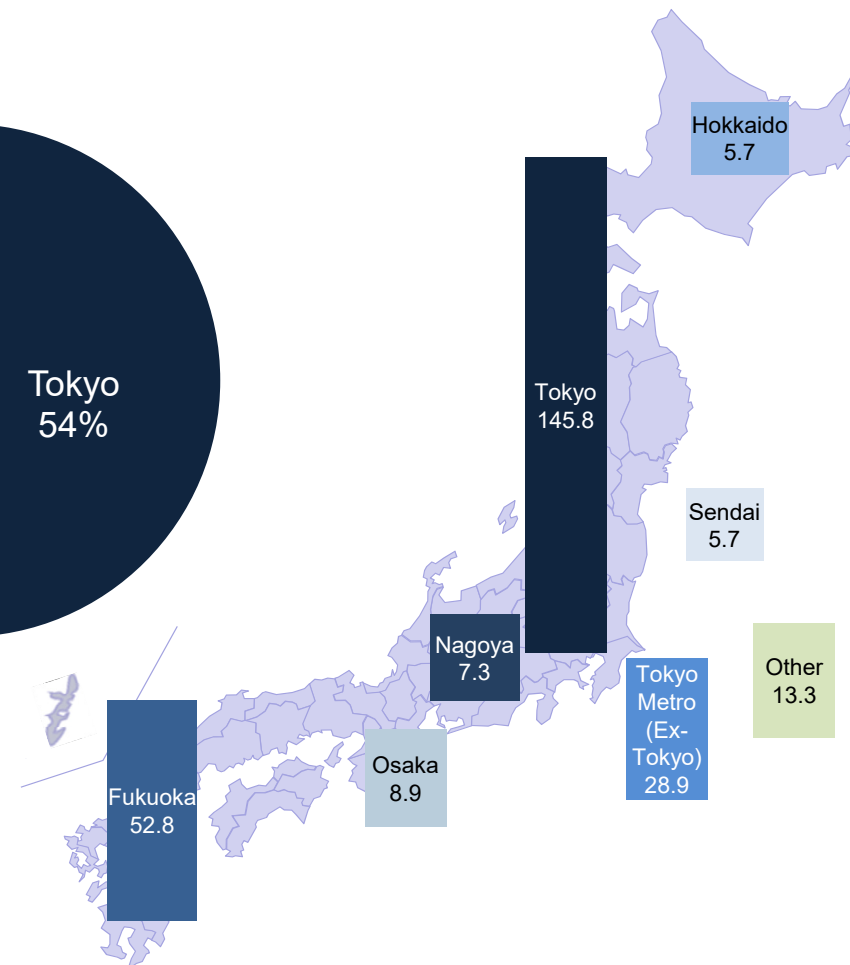
By Asset Type



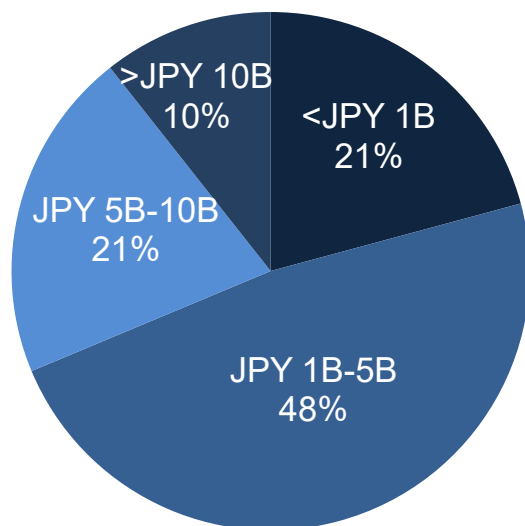
By Location



(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 268.8B
Including Ichigo-Managed AUM: JPY 575.2B

* Acquisition price basis

Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.

Total Ichigo-Owned Assets Q3-End Book Value: JPY 261.9B

Sustainable Real Estate Asset Breakdown (1)

184 Assets, JPY 268.8 B, Annual NOI JPY 12.3B (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	36 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	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	40 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 77M	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	10 years	JPY 244M	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	36 years	JPY 135M	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. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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 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	49 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	21 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	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.

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.

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	20 years	JPY 46M	JPY 79M	–	–
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	19 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	36 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	34 years	JPY 239M	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	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	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	–	–

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.

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	32 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 3B	2018/03	3 years	JPY 194M	JPY 301M	—	—
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	31 years	JPY 32M	—	—	—
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 33M	JPY 38M	—	—
152	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/02	34 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	—	—	—
158	Other	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2019/05	—	JPY 12M	—	—	—

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.

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	
159	Retail	Fixed Asset	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	42 years	JPY 123M	JPY 210M	—	—	
160	Office	Fixed Asset	Fukuoka	JPY 2B-3B	2019/06	24 years	JPY 129M	JPY 248M	—	—	
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	27 years	JPY 368M	JPY 1,636M	—	—	
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	23 years	JPY 353M	JPY 1,170M	—	—	
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	—	—	—	
67 Fixed Assets				JPY 176,736M				JPY 10,476M	JPY 30,662M	—	—
				JPY 170,883M (Q3-End Book Value)							

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.

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	14 years	JPY 85M	JPY 353M	1.82X	17.7%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	37 years	JPY 106M	JPY 223M	3.78X	19.9%
150	Retail	Real Estate for Sale	Chuo-ku, Tokyo	>JPY 3B	2018/10	34 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 2B-3B	2019/03	33 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	24 years	JPY 479M	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 100M	—	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	12 years	JPY 59M	JPY 270M	1.68X	23.9%
12 Real Estate For Sale				JPY 30,943M			JPY 1,791M	JPY 4,722M	3.81X	39.6%
				JPY 31,127M (Q3-End Book Value)						
Subtotal 79 Assets				JPY 207,680M			JPY 12,268M	JPY 35,384M	—	—
				JPY 202,010M (Q3-End Book Value)						

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.

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 ²	Forecast IRR ³
A	Ichigo Owners (Residential)	44 Assets	JPY 45,511M	+JPY 23,552M	JPY 1,932M	JPY 12,943M	–	–
B	Ichigo Owners (Other)	4 Assets	JPY 3,308M	-JPY 5,211M	JPY 204M	JPY 1,463M	–	–
C	Centro (Primarily Office & Residential)	21 Assets	JPY 8,076M	+JPY 279M	JPY 590M	JPY 1,927M	–	–
D	Self-Storage	36 Assets	JPY 4,295M	+JPY 544M	JPY 433M	JPY 896M	–	–
Total 184 Assets		JPY 268,871M			JPY 15,428M	JPY 52,615M	–	–
		JPY 261,974M (Q3-End Book Value)						
Assets acquired in FY22/2 Q1 (3M)		Total 11 Assets	JPY 8,368M		JPY 358M	JPY 2,120M	–	–
Assets acquired in FY22/2 Q2 (3M)		Total 6 Assets	JPY 4,574M		JPY 205M	JPY 1,161M	–	–
Assets acquired in FY22/2 Q3 (3M)		Total 10 Assets	JPY 4,183M		JPY 175M	JPY 1,128M	–	–
Assets acquired in FY22/2 Q3 (9M)		Total 27 Assets	JPY 17,125M		JPY 738M	JPY 4,410M	–	–
Assets acquired and sold in FY22/2*		Total 3 Assets	JPY 129M		–	–	–	–

* Sold 3 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.

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 Saijochi 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 Osakaie	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
Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	Sep 2021
Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	Oct 2021
Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	Nov 2021
Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	Nov 2021
Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	Nov 2021
Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	Dec 2021
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	Dec 2021
Ichigo Kobe Pompuike	Kansai	2.73	JPY 18	Jan 2022
Total (Operating)		44 Plants	132.3MW	

Ichigo Solar Power Plants (In-Pipeline)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Obu Yoshidamachi	Chubu	1.10	JPY 18	Mar 2022
Ichigo Sera Shimotsuda	Chugoku	2.93	JPY 18	Mar 2022
Ichigo Ueda Yoshidaie	Chubu	1.01	JPY 18	May 2022
Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	Jan 2024
Total (In-Pipeline)		4 Plants	19.0MW	
Total (Operating & In-Pipeline)		48 Plants	151.1MW	

48 Ichigo Solar Power Plants (Operating/In-Pipeline) 151.4MW

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 (Operating)		1 Plant	7.3MW	

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 (In-Pipeline)		3 Plants	10.9MW	

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

Total 52 Ichigo Solar & Wind Power Plants 169.7MW

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 36	Jul 2015
Ichigo Toyokawa Mitocho Sawakihama	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: 199.1MW (Operating/In-pipeline)

Solar Power Plants 151.4MW

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	—

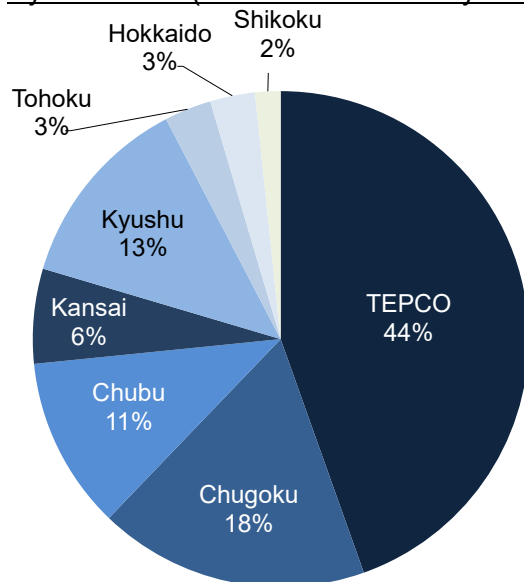
¹ 2017 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020~ FIT >0.25MW non-residential solar power production

² FIT for >0.25MW wind power generation

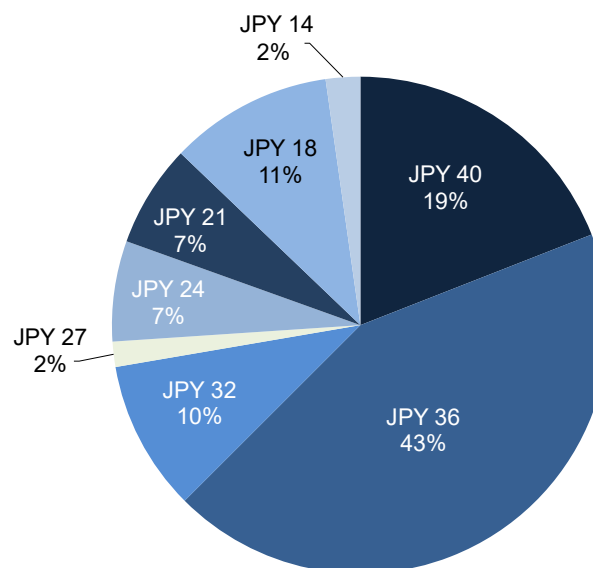
Ichigo-Owned Solar Power Plant Portfolio

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

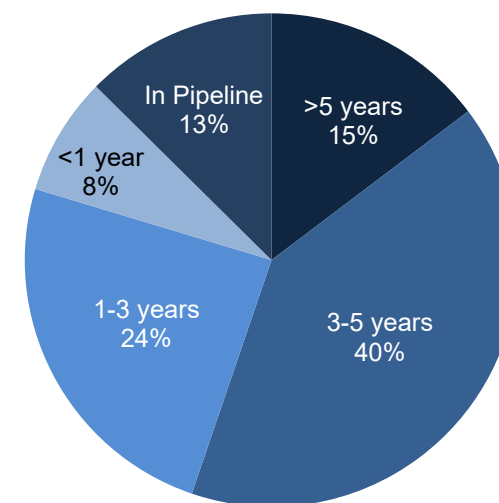
By Customer (Electric Power Utility Co)



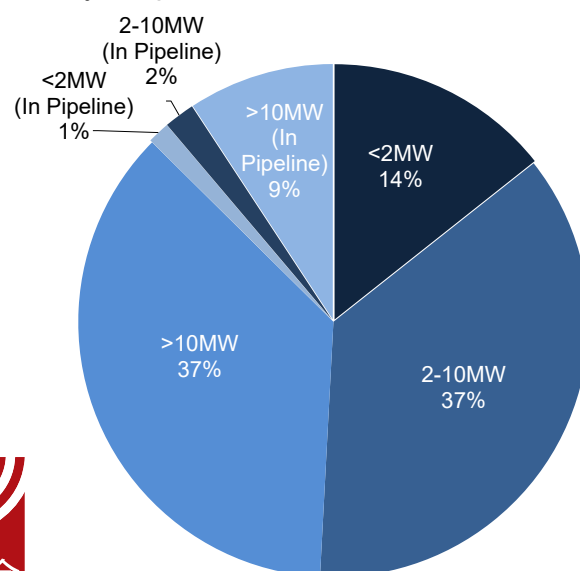
By Feed-In Tariff



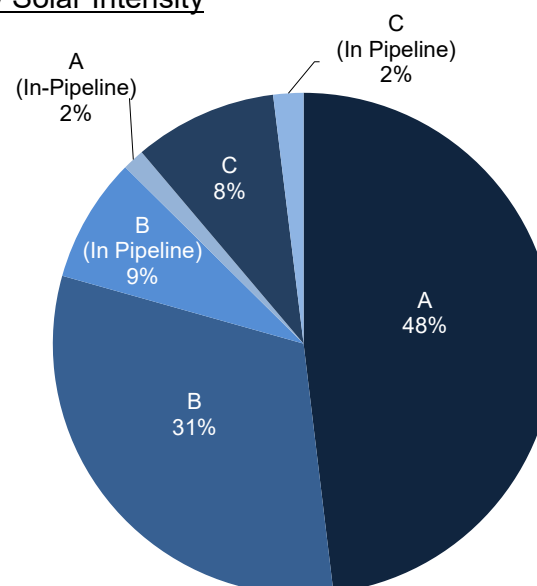
By Years in Operation



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	23.7	18 – 40	2.9	18
Kyushu	5.3	36 – 40	13.9	40
Chubu	14.8	18 – 36	2.1	18
Kansai	9.3	21 – 32	–	18
Tohoku	4.6	36	–	–
Hokkaido	4.4	40	–	–
Shikoku	2.5	40	–	–
Total	132.3		19.0	

Solar Intensity Rank

A: ≥ 4.00 B: $\geq 3.75, < 4.00$ C: $\geq 3.50, < 3.75$ D: < 3.5

Unit: kWh/m² per day

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	<ul style="list-style-type: none">▪ Lots of potential plant site candidates, able to make effective use of idle land	Yes
Wind Power	<ul style="list-style-type: none">▪ Night time power production capability	Yes
Biomass	<ul style="list-style-type: none">▪ 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

Consolidated Balance Sheet: Assets

(JPY million)

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 H1	FY22/2 Q3	vs. FY22/2 H1
Assets							
Current Assets							
Cash and cash equivalents	45,510	50,225	41,067	50,832	45,381	36,205	-9,176
Trade notes and accounts receivable	1,097	1,344	2,308	1,382	1,583	1,958	+375
Operational loan investments	1,324	1,324	1,324	1,324	1,324	1,324	—
Operational securities investments	2	1,218	902	590	1,973	864	-1,109
Real estate for sale	180,789	161,322	68,290	64,109	67,876	80,728	+12,852
Deferred tax assets	342	—	—	—	—	—	—
Other	2,643	2,156	3,721	2,698	2,183	2,842	+659
Less: allowance for doubtful accounts	-28	-2	-6	-167	-168	-168	—
Total Current Assets	231,681	217,590	117,608	120,771	120,154	123,756	+3,602
Fixed Assets							
Property, Plant, and Equipment							
Buildings and structures (net)	10,600	20,338	55,050	60,673	59,695	59,125	-570
Solar and wind power plants (net)	19,773	19,058	23,425	24,191	26,869	27,168	+299
Land	26,993	49,924	122,114	122,592	122,597	121,911	-686
Other (net)	1,190	5,655	5,607	6,935	4,476	4,307	-169
Total Property, Plant, and Equipment	58,558	94,976	206,198	214,392	213,639	212,512	-1,127
Intangible Assets							
Goodwill	1,600	1,346	1,090	968	869	844	-25
Leasehold rights	135	316	687	1,272	1,272	1,365	+93
Other	233	331	705	1,797	1,552	1,420	-132
Total Intangible Assets	1,968	1,993	2,482	4,038	3,695	3,631	-64
Investments and Other Assets							
Securities investments	2,184	2,455	4,321	5,147	5,494	4,383	-1,111
Long-term loans receivable	10	10	510	10	285	277	-8
Deferred tax assets	68	177	568	605	585	571	-14
Other	2,132	2,231	2,128	2,202	2,048	2,863	+815
Less: allowance for doubtful accounts	-91	-91	-91	-91	-91	-91	—
Total Investments and Other Assets	4,303	4,782	7,436	7,874	8,322	8,004	-318
Total Fixed Assets	64,831	101,752	216,118	226,305	225,656	224,147	-1,509
Total Assets	296,512	319,343	333,726	347,076	345,811	347,903	+2,092

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2 H1	FY22/2 Q3	vs. FY22/2 H1
Liabilities							
Current Liabilities							
Short-term loans	1,042	3,275	3,086	4,879	4,458	3,294	-1,164
Bonds (due within one year)	112	112	274	274	274	274	—
Long-term loans (due within one year)	4,449	7,881	12,277	9,751	9,682	9,780	+98
Long-term non-recourse loans (due within one year)	3,921	1,666	1,178	1,358	1,367	1,367	—
Income taxes payable	1,609	3,760	2,416	573	849	169	-680
Deferred tax liabilities	494	—	—	—	—	—	—
Accrued bonuses	34	31	33	9	157	316	+159
Other current liabilities	4,652	5,178	5,013	5,527	3,709	3,913	+204
Total Current Liabilities	16,316	21,905	24,280	22,374	20,499	19,117	-1,382
Long-Term Liabilities							
Bonds	520	538	6,082	5,878	5,740	5,700	-40
Long-term loans	112,366	131,569	151,483	156,890	161,795	165,289	+3,494
Long-term non-recourse loans	63,588	51,068	39,156	40,974	40,254	40,120	-134
Deferred tax liabilities	1,744	2,164	1,890	1,868	1,764	1,763	-1
Long-term security deposits received	8,492	8,292	8,118	7,795	7,075	7,168	+93
Other long-term liabilities	758	946	1,107	1,039	1,253	1,038	-215
Total Long-Term Liabilities	187,470	194,579	207,838	214,446	217,884	221,080	+3,196
Total Liabilities	203,787	216,484	232,119	236,820	238,383	240,198	+1,815
Net Assets							
Shareholders' Equity							
Capital	26,723	26,820	26,885	26,888	26,888	26,888	—
Capital reserve	11,113	11,207	11,272	11,275	11,268	11,268	—
Retained earnings	54,324	66,730	71,505	73,160	71,582	71,820	+238
Treasury shares	-2,995	-5,988	-8,988	-11,988	-13,423	-13,423	—
Total Shareholders' Equity	89,165	98,769	100,674	99,335	96,315	96,553	+238
Accumulated Other Comprehensive Income							
Valuation gains (losses) on other securities	543	386	158	90	139	48	-91
Deferred gains (losses) on long-term interest rate hedges	-372	-408	-397	-375	-372	-313	+59
Total Accumulated Other Comprehensive Income	171	-21	-239	-285	-233	-265	-32
Stock Options	666	827	988	1,007	1,039	1,056	+17
Minority Interests	2,722	3,283	184	10,197	10,306	10,361	+55
Total Net Assets	92,725	102,859	101,607	110,255	107,427	107,705	+278
Total Liabilities and Net Assets	296,512	319,343	333,726	347,076	345,811	347,903	+2,092

Consolidated P&L

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q3 (9M)	FY21/2 Q3 (9M)	Change (YOY)	FY22/2 Full-Year Forecast	vs. Forecast
Revenue	57,846	83,540	87,360	61,368	29,386	55,188	-25,802	–	–
Cost of Goods Sold	30,860	51,413	52,851	45,776	19,773	41,915	-22,142	–	–
Gross Profit	26,986	32,126	34,509	15,591	9,613	13,273	-3,660	–	–
SG&A	5,067	5,847	6,787	5,923	4,576	4,721	-145	–	–
Operating Profit	21,919	26,279	27,721	9,668	5,036	8,551	-3,515	9,100 – 12,000	42.0% – 55.3%
Non-Operating Income									
Interest income	3	3	8	17	17	12	+5	–	–
Dividend income	57	68	78	78	27	75	-48	–	–
Mark-to-market gains on long-term interest rate hedges	–	5	–	243	51	158	-107	–	–
Other	100	70	62	78	121	43	+78	–	–
Total Non-Operating Income	161	147	150	417	218	290	-72	–	–
Non-Operating Expenses									
Interest expense	2,249	2,328	2,293	2,338	1,772	1,752	+20	–	–
Mark-to-market losses on long-term interest rate hedges	270	491	336	29	192	55	+137	–	–
Debt financing-related fees	207	327	538	279	40	268	-228	–	–
Other	168	203	307	258	218	229	-11	–	–
Total Non-Operating Expenses	2,895	3,350	3,476	2,906	2,224	2,306	-82	–	–
Recurring Profit	19,185	23,076	24,395	7,179	3,030	6,535	-3,505	6,000 – 8,900	34.0% – 50.5%
Extraordinary Gains									
Gains on sales of fixed assets	–	–	–	720	33	–	+33	–	–
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	33	–	+33	–	–
Extraordinary Losses									
Loss on disposal of fixed assets	11	–	27	–	4	–	+4	–	–
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	3	1	+2	–	–
Total Extraordinary Losses	339	–	8,065	288	7	116	-109	–	–
Pre-Tax Income	20,109	23,079	16,545	7,610	3,055	6,418	-3,363	–	–
Total Income Taxes	5,923	7,333	7,406	2,564	920	2,149	-1,229	–	–
Pre-Minority Interest Net Income	14,185	15,746	9,139	5,046	2,135	4,269	-2,134	–	–
Net Income Attributable to Minority Interests	167	373	938	18	166	3	+163	–	–
Net Income	14,018	15,373	8,201	5,027	1,969	4,265	-2,296	5,000 – 8,000	24.6% – 39.4%

Consolidated Cash Flows: Operations

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q3 (9M)
Cash Flows from Operations					
Pre-tax income	20,109	23,079	16,545	7,610	3,055
Depreciation	1,015	1,696	2,630	4,797	4,212
Share-based compensation expenses	215	213	194	21	49
Amortization of goodwill	111	254	174	121	123
Increase (decrease) in accrued bonuses	32	-3	2	-24	307
Increase (decrease) in allowance for doubtful accounts	-355	-26	4	161	—
Interest and dividend income	-61	-71	-86	-96	-44
Interest expense	2,249	2,328	2,293	2,338	1,772
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 disposal of fixed assets	—	—	—	—	4
Losses (gains) on sales of fixed assets	—	—	—	-720	-33
Impairment loss	327	—	319	27	—
Valuation losses on securities investments	—	—	229	114	—
Decrease (increase) in trading notes and receivables	-468	-247	-903	925	-576
Decrease (increase) in operational securities investments	1,663	3,509	11,682	343	1,097
Decrease (increase) in real estate for sale	-8,112	-3,163	-17,447	5,342	-16,616
Covid writedown of real estate for sale	—	—	7,487	—	—
Decrease (increase) in power plant for sale	996	—	—	—	—
Valuation losses on SPC capital contributions	—	—	—	4	1
Decrease (increase) in advances paid	871	-333	16	61	11
Decrease (increase) in accounts receivable	-10	-399	29	16	108
Increase (decrease) in accounts payable	573	-332	201	-437	-545
Increase (decrease) in accrued expenses	-47	25	-36	94	4
Increase (decrease) in advances received	30	269	-285	-57	—
Increase (decrease) in security deposits received	125	-264	-169	-323	-626
Other	585	1,887	600	1,550	-670
Sub-Total	18,628	28,420	23,304	21,870	-8,363
Interest and dividend income received	61	71	86	96	44
Interest expenses paid	-2,231	-2,118	-2,068	-2,119	-1,589
Income taxes paid and refunded	-5,854	-4,610	-9,430	-4,384	-1,085
Net Cash from (Used for) Operations	10,603	21,762	11,892	15,463	-10,993

Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY18/2 (12M)	FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 Q3 (9M)
Cash Flows from Investments					
Payments into time deposits	-6	-118	-113	-7	-6
Proceeds from withdrawal from time deposits	—	1,060	5,033	—	—
Payments for securities investments	-140	-539	-2,361	-547	-604
Proceeds from sales of securities investments	—	32	111	10	568
Acquisitions of property, plant, and equipment	-4,796	-15,440	-11,244	-16,447	-3,462
Proceeds from sale of property, plant, and equipment	—	—	—	2,850	744
Acquisitions of intangible assets	-83	-425	-562	-1,468	-185
Payments of SPC capital contributions	-28	-6	-2	-3	-4
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	-250
Net Cash from (Used for) Investments	-5,645	-15,602	-10,263	-15,630	-3,217
Cash Flows from Financing					
Net increase (decrease) in short-term loans	-306	2,232	426	1,793	-1,584
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	-177
Redemption of non-recourse bonds	-100	—	—	—	—
Proceeds from long-term loans	32,660	43,062	49,957	51,877	19,649
Repayment of long-term loans	-13,402	-20,352	-26,475	-48,996	-11,242
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	-844
Proceeds from employee exercise of stock options	110	143	95	4	—
Share buyback	-2,999	-2,999	-2,999	-2,999	-1,499
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	-1
Dividends paid	-2,513	-2,972	-3,416	-3,298	-3,229
Net Cash from (Used for) Financing	-6,124	4,346	9,537	10,167	1,068

Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

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

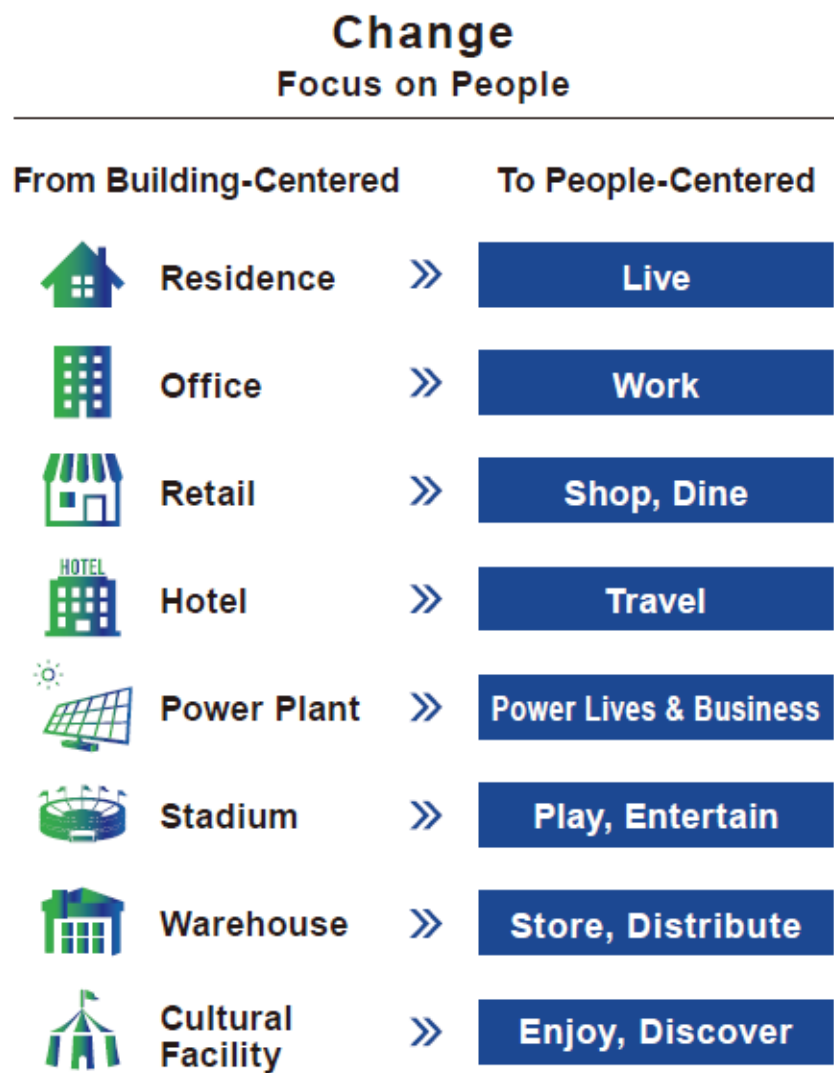
Ichigo has a direct and critically important role in preserving and improving the social infrastructure that supports the quality of people's lives.

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

Addressing Needs of Diverse Individuals & Communities



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

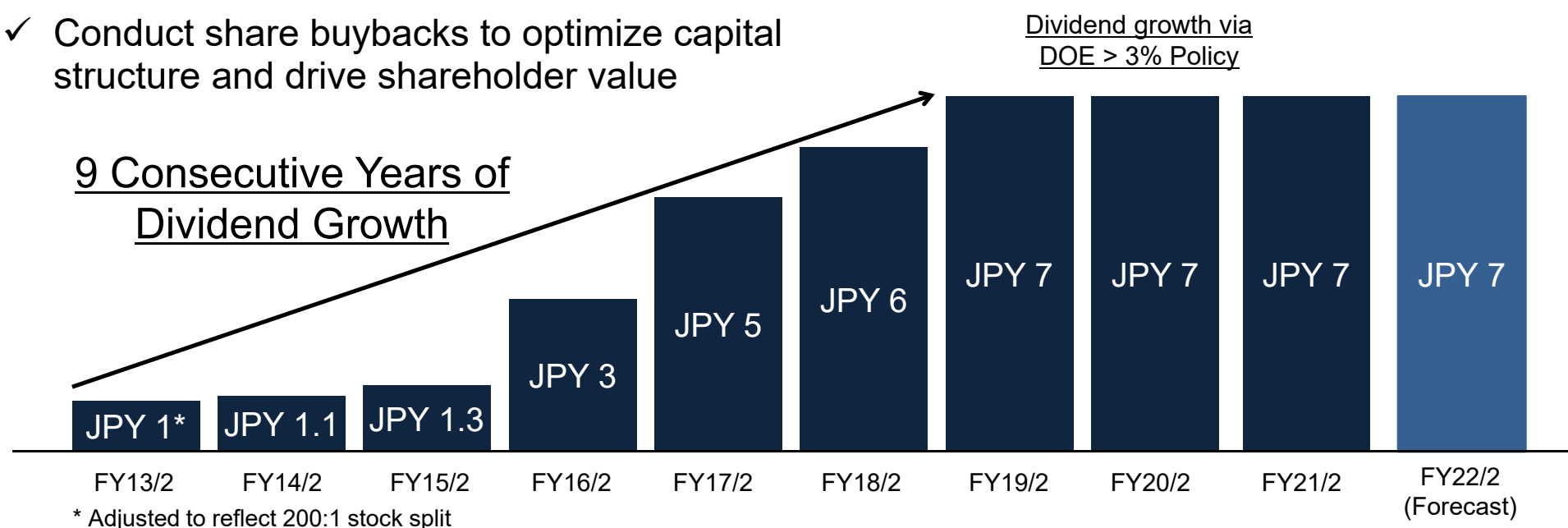
3. High Earnings Stability

- 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

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



Ichigo 2030: New Initiatives

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

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

Ichigo's Mission: Serve Important Social Needs

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

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

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

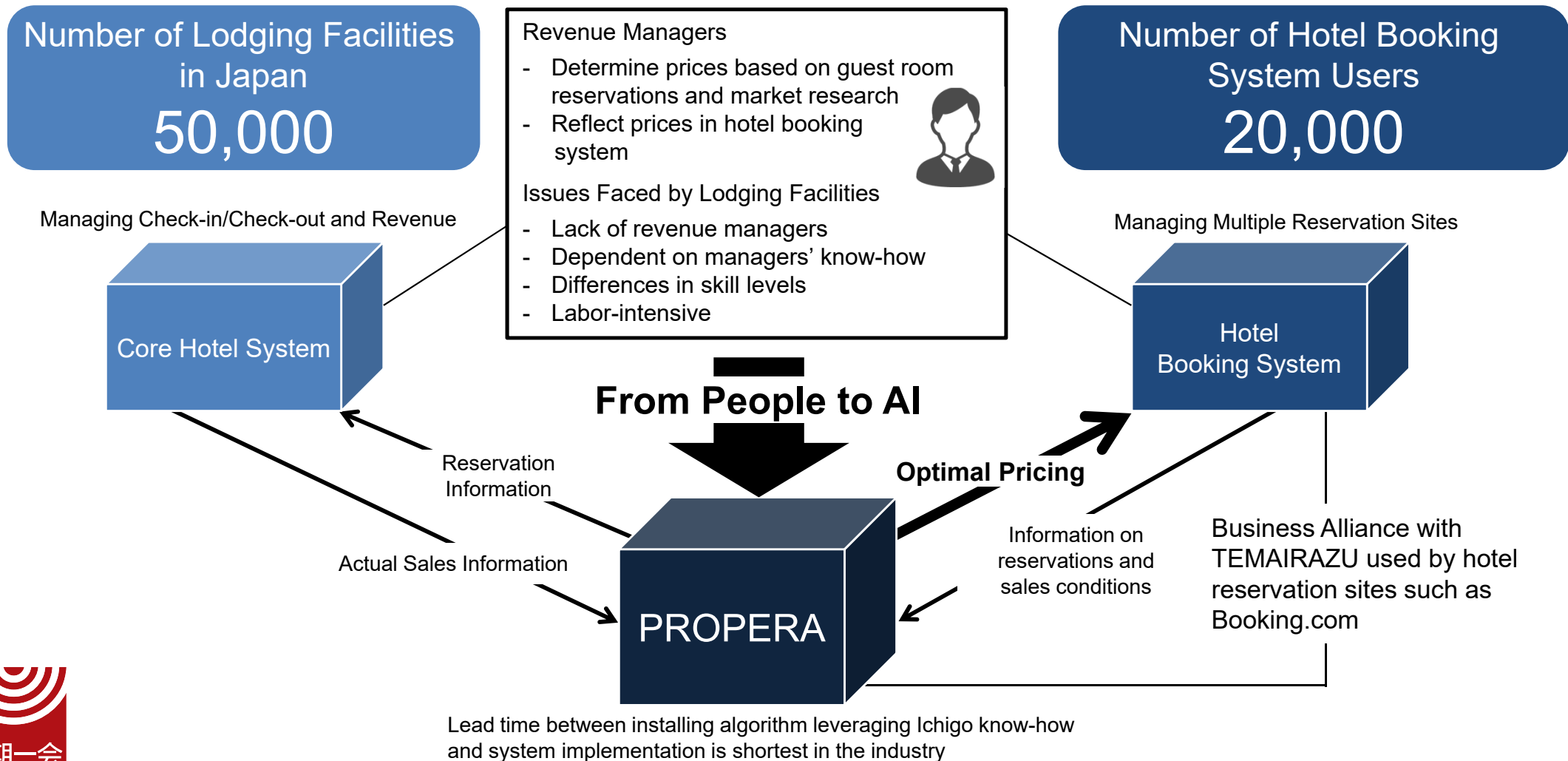


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PROPERA: Ichigo's AI Hotel Revenue Management System

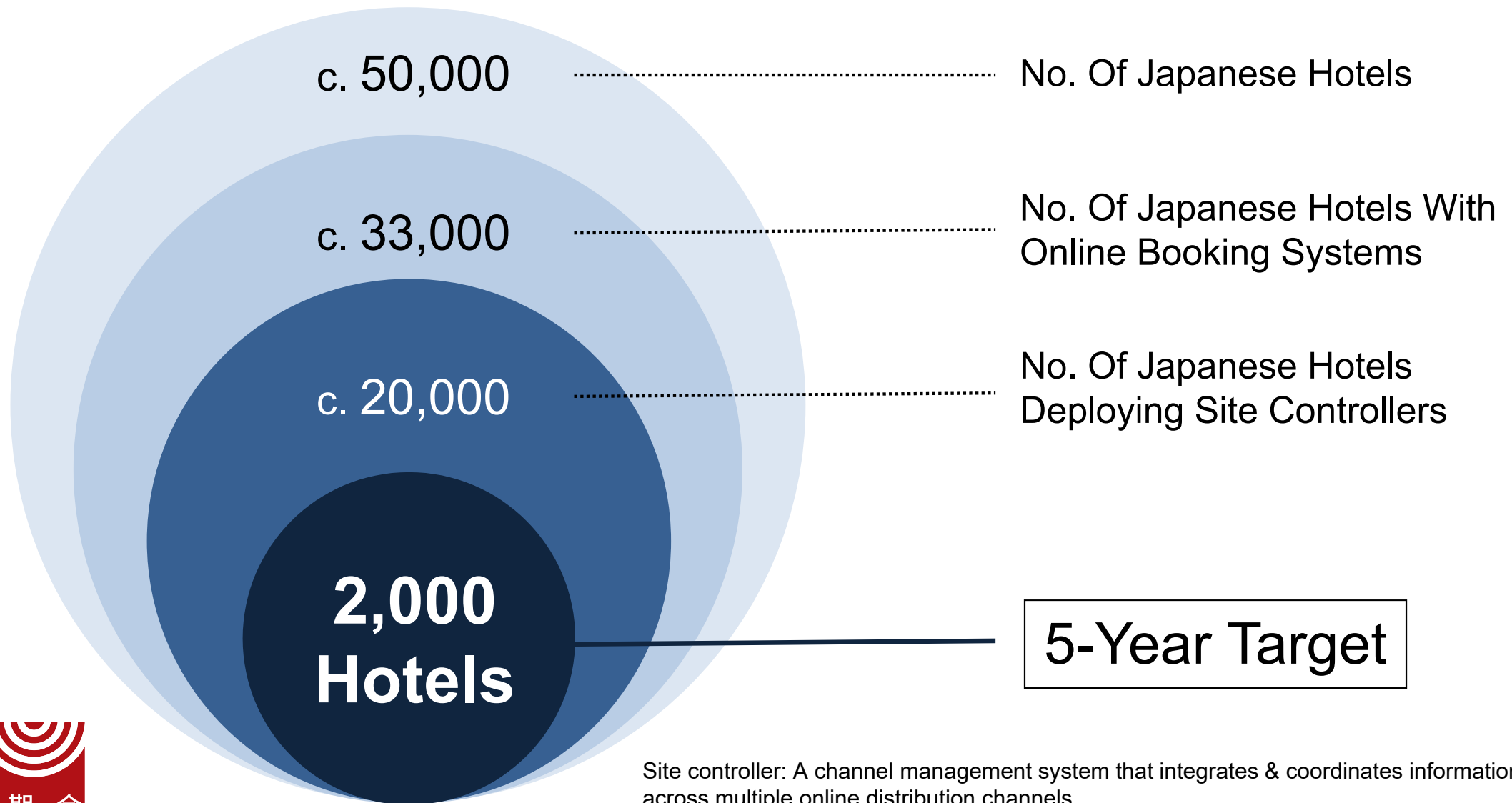
- Maximizes Hotel Revenues & Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite* Tailored to Hotels' Needs

* Provides limited information on pricing levels



PROPERA: Market Size & Customer Acquisition Target

Customer Acquisition Target: 2,000 Hotels Within 5 Years



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 24K 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*

*Standard Plan

PROPERA Sample Earnings Model

Hotel with RevPAR JPY 6,000 and 100 rooms
Annual Ichigo Earnings: **c. JPY 2M**

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 12 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



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."



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.



**Make The World
More Sustainable**

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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.