



 **JPX-NIKKEI 400**



FY22/2 H1 Corporate Presentation

October 14, 2021

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



©J.LEAGUE

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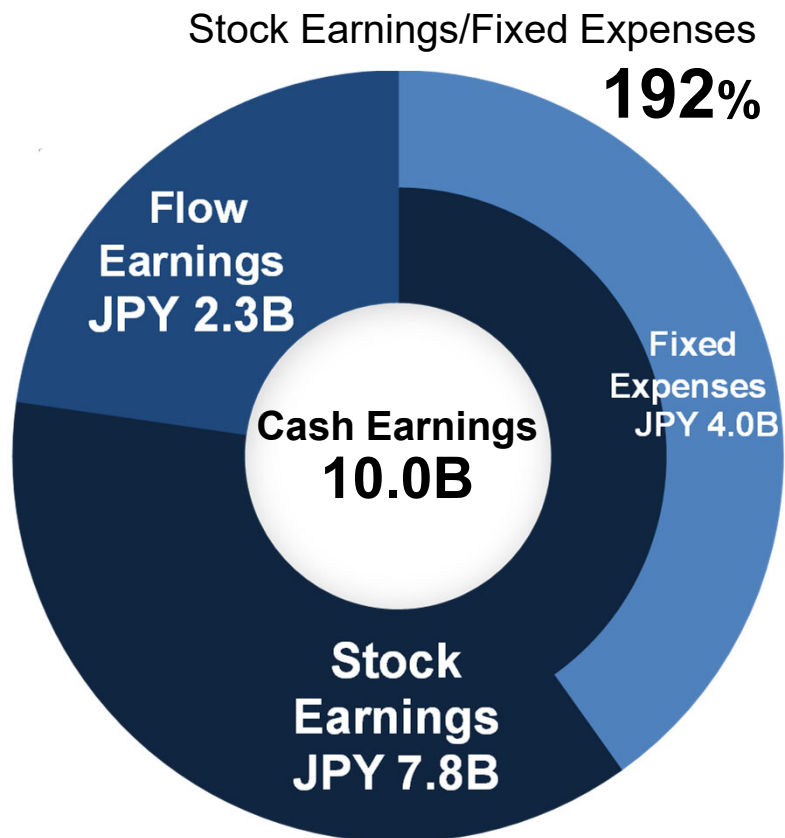
FY22/2 H1 Earnings

FY22/2 H1 Summary

- Slow Hotel Earnings Recovery due to Prolonged Covid Effects
- Minimal Covid Impact on Mid-Size Offices
- Clean Energy Growth – Stock Earnings +14% YOY
- JPX-Nikkei 400 Index Inclusion for 6th Year in a Row
- Qualified for TSE Prime Market (Listing Date: April 4, 2022)

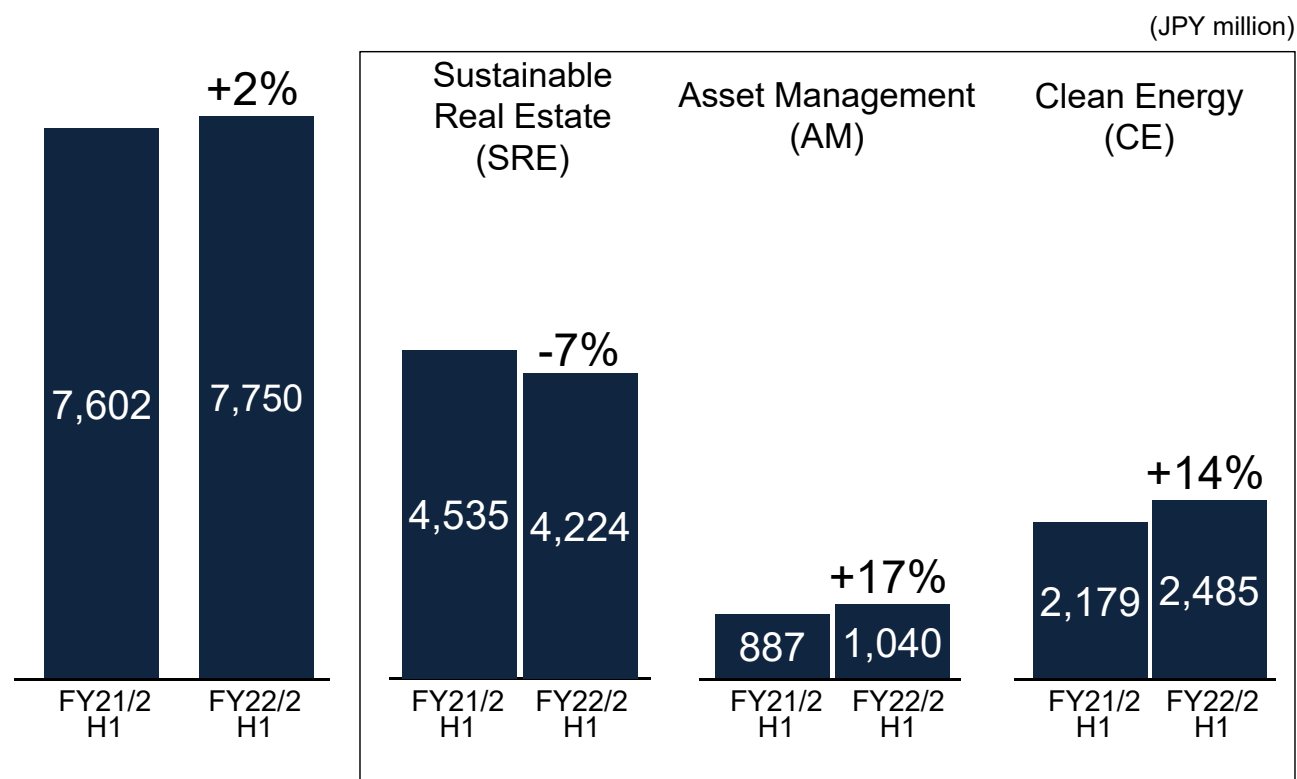
FY22/2 H1 Summary

Durable Earnings Model



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

Robust Stock Earnings



OP -22.2%, Net Income -37.7%, Cash EPS -1.6% (YOY)

- Stock Earnings +1.9%, Flow Earnings -28.4% YOY
- Systematic Focus on Cash Generation = Cash Earnings Significantly Exceed Accounting Earnings

(JPY million)

| | FY21/2 H1 | FY22/2 H1 | YOY | Full-Year Forecast |
|------------------|--------------|--------------|--------|-----------------------|
| Operating Profit | 5,452 | 4,243 | -22.2% | 9,100 – 12,000 |
| Recurring Profit | 4,252 | 2,666 | -37.3% | 6,000 – 8,900 |
| Net Income | 2,778 | 1,731 | -37.7% | 5,000 – 8,000 |
| Cash Net Income | 5,008 | 4,803 | -4.1% | 11,400 – 14,400 |
| EPS | JPY 5.77 | JPY 3.69 | -36.1% | JPY 10.69 – JPY 17.10 |
| Cash EPS | JPY 10.40 | JPY 10.23 | -1.6% | JPY 22.37 – 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 H1

Segment Earnings Details

- Asset Management: Increase in Ichigo Office (8975) Base AM fees
- Sustainable Real Estate
Stock Earnings: Lower on Increased Depreciation Expenses
Flow Earnings: Lower on Shift in Timing of Asset Sales to H2
- Clean Energy: Continued Growth – First Wind Power Plant Contributing

(JPY million)

| Segment | Operating Profit | | | | Gross Profit | | | Earnings Drivers (Parentheses show YOY change in Gross Profit) |
|---|------------------|--------------|---------------|-----------------------|--------------|--------------|---------------|---|
| | FY21/2 H1 | FY22/2 H1 | YOY | Full-Year Forecast | FY21/2 H1 | FY22/2 H1 | YOY | |
| Asset Management (AM) | 606 | 771 | +27.1% | 1,300 | 948 | 1,040 | +9.8% | Base AM Fees 994 (+153) Acquisition/Disposition Fees – (-22) Ichigo Office Cash Flow Performance Fees – (-37) Ichigo Green Operator Fees 21 (-1) |
| Sustainable Real Estate (SRE) | 3,729 | 2,074 | -44.4% | 5,700 – 8,600 | 6,256 | 4,663 | -25.5% | Rental Income 2,384* (-748) * Net of Depreciation Expense 1,839 (+436) Gains on Sales 2,278 (-845) |
| Clean Energy (CE) | 1,171 | 1,394 | +19.0% | 2,100 | 1,479 | 1,664 | +12.5% | Power Generation Revenue 1,664* (+185) * Net of Depreciation Expense 820 (+121) |
| Adjustments (including offsets of cross-segment transactions) | -55 | 3 | - | - | - | - | - | |
| Total | 5,452 | 4,243 | -22.2% | 9,100 – 12,000 | 8,683 | 7,368 | -15.1% | |

Covid Impacts

Stock Earnings

| Asset Type | Earnings Impact | | |
|--------------|-----------------|------|--|
| | Q1 | Q2 | |
| Office | Low | Low | Mid-size office demand continues to be strong |
| Hotel | High | High | Flat hotel demand due to state of emergency, expected recovery on vaccine rollout. Upfront costs on accelerating Hakata Hotels' growth with new operator contracts |
| Retail | Low | Low | Limited earnings impact overall. Restaurants are worst performer & continue to be hard hit |
| Residential | None | None | Robust performance |
| Clean Energy | None | None | No impact, growth on track, stable earnings driver |

Flow Earnings

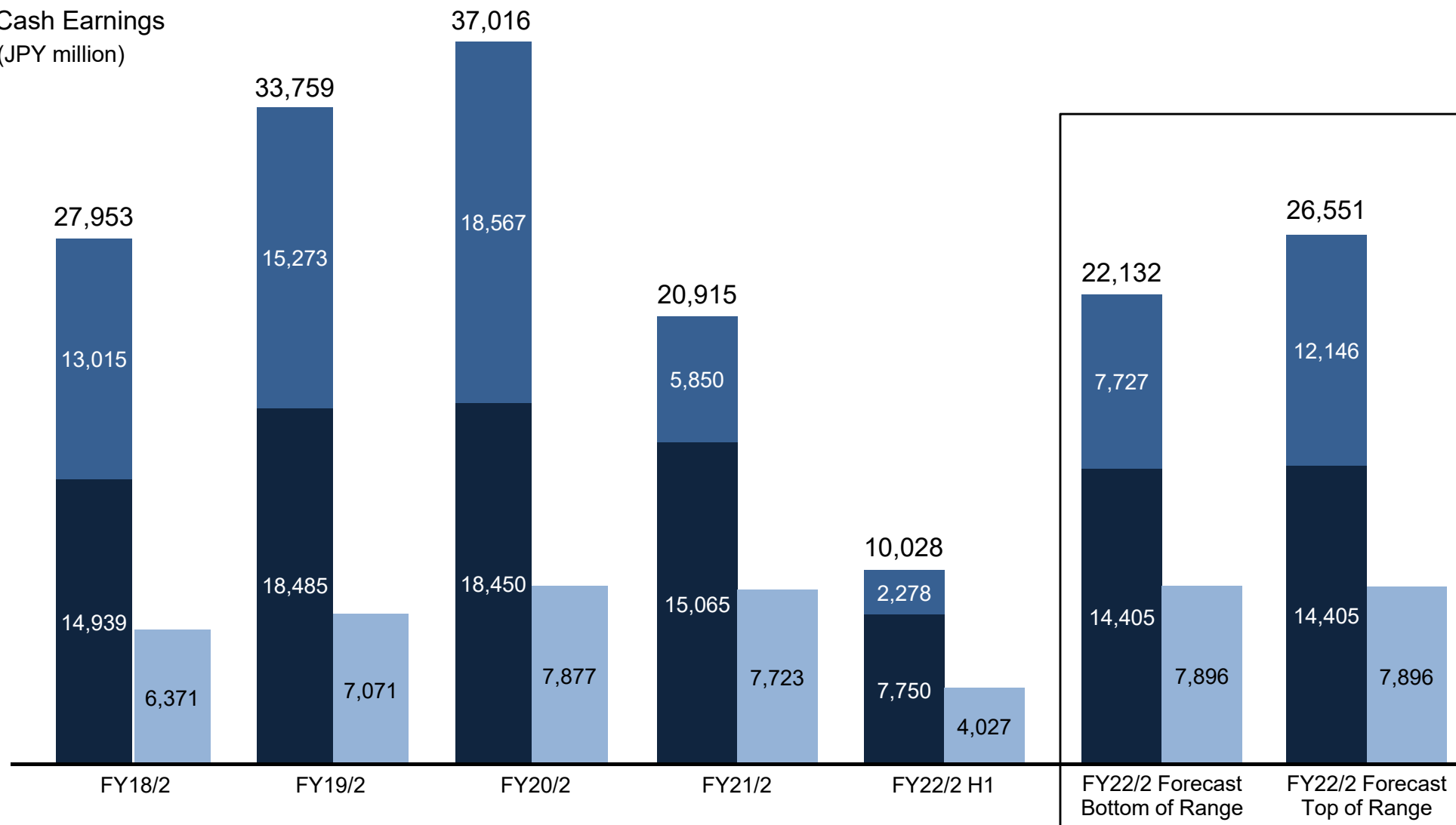
| Asset Type | Earnings Impact | | |
|-------------|-----------------|--------|--|
| | Q1 | Q2 | |
| Office | High | Low | High investment demand, transactions recovering to pre-Covid level |
| Retail | High | Medium | High investment demand, closing the gap in price expectations between buyers and sellers |
| Hotel | High | High | Stalled investment demand on Covid infection rebound |
| Residential | None | None | High earnings stability driving high transaction activity |
| Logistics | 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)

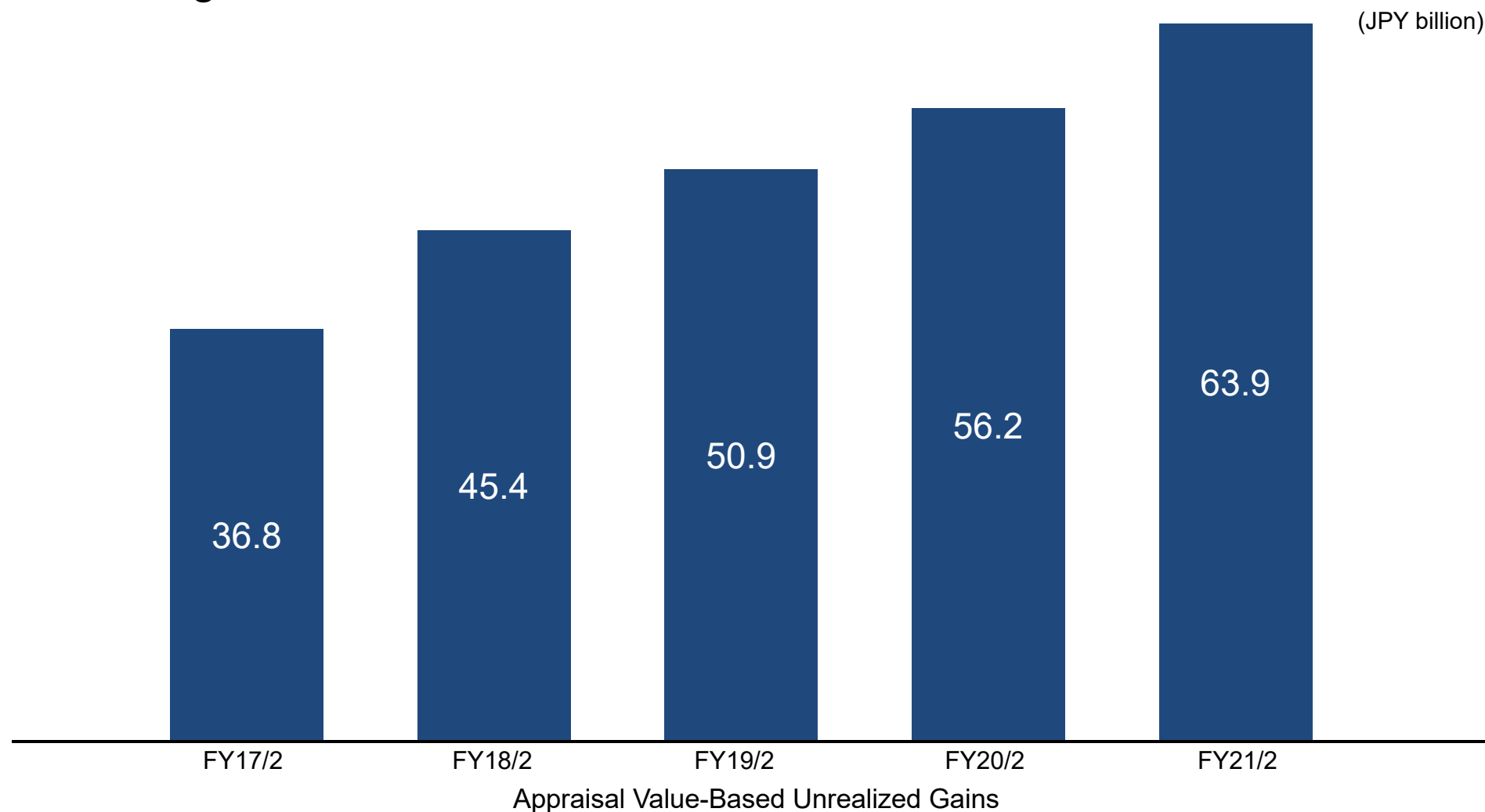


Note: Cash Earnings = Gross Profit + Fixed Asset Gains on Sales + Depreciation Expenses (Non-Cash)

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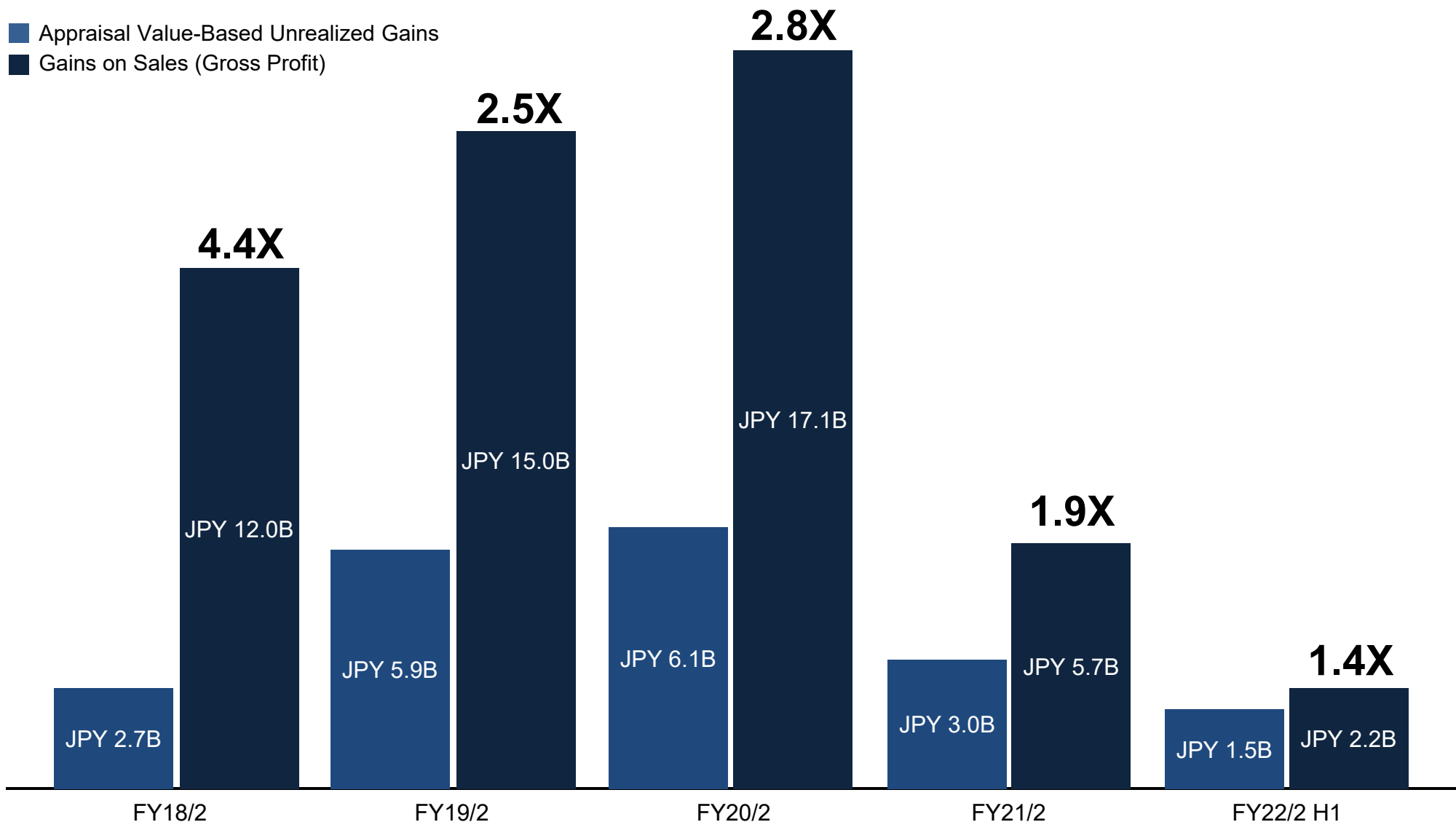
Business Model (2) Embedded Forward Earnings

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 (3) Value-Add Drives Durable Value Growth

Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains



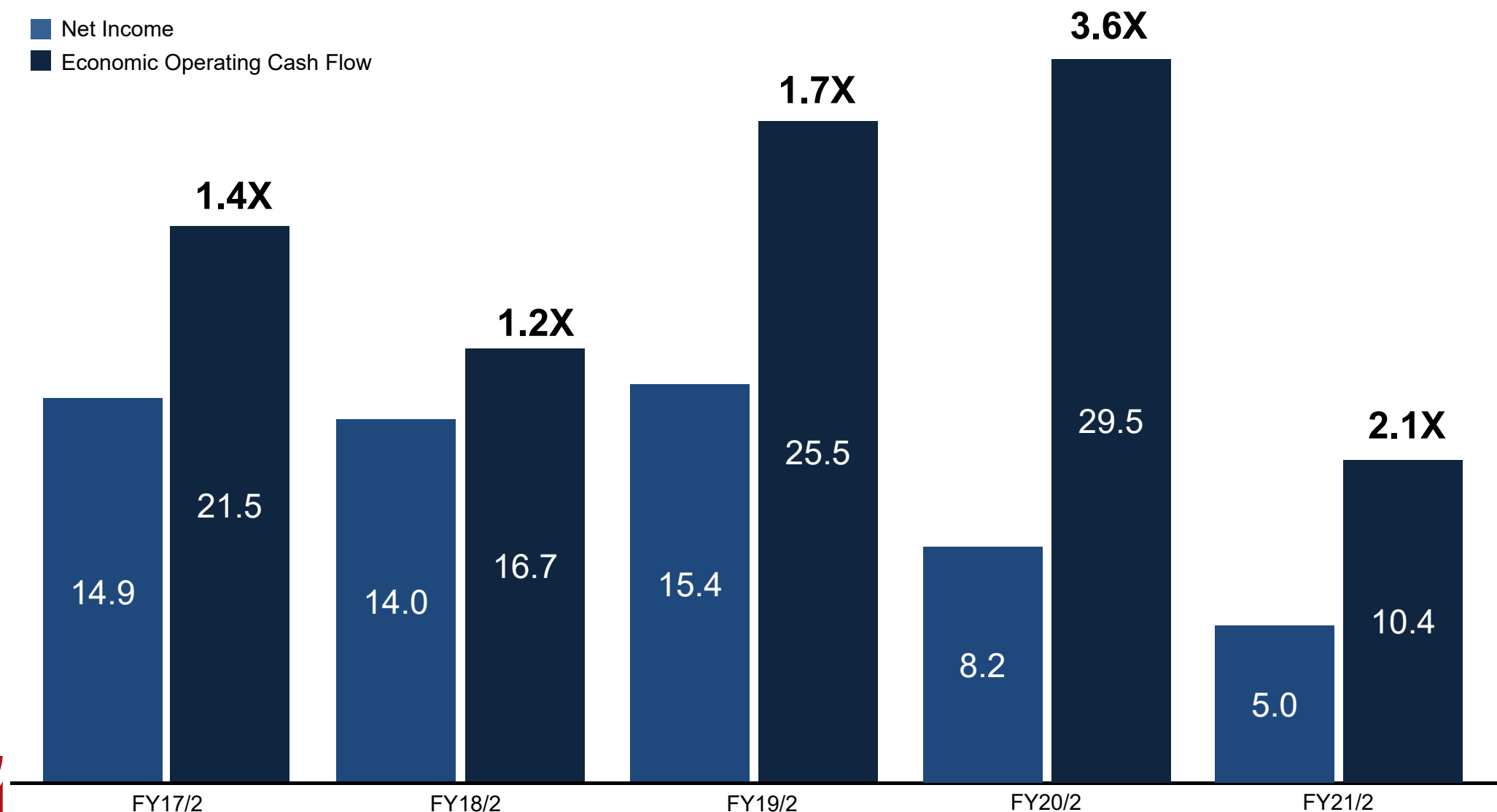
Business Model (4) Robust Cash Generation

Economic Operating Cash Flow Exceeds Net Income

(JPY billion)

■ Net Income

■ Economic Operating Cash Flow

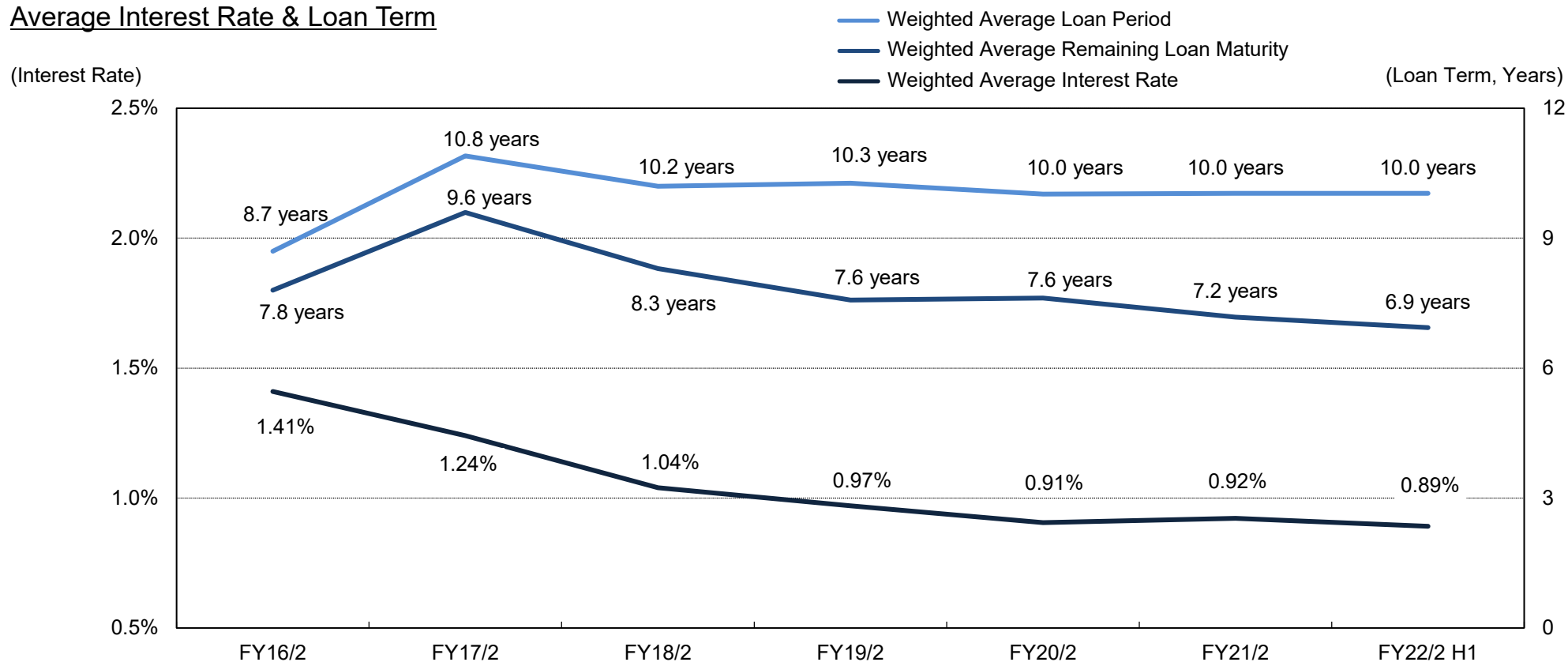


Note: Economic Operating Cash Flow = Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale

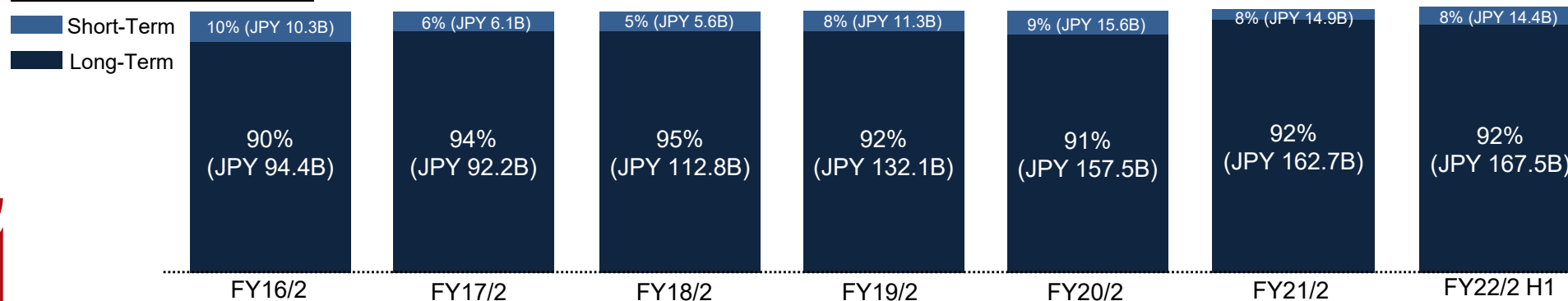
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Strong Financial Base

Average Interest Rate & Loan Term



Term Structure of Loans



Sustainable Growth as a Sustainable Infrastructure Company

Selective on Acquisitions & Sales

H1 Acquisitions: JPY 12.9B

- Ichigo Owners Acquisitions: 13 Residential Assets (JPY 12.5B, 97% of total)

H1 Sales: JPY 11.4B

- In addition, JPY 17.7B Sale (16 Residential Assets to Domestic Buyer) to close in Q3

H1 Net Acquisitions: JPY 1.4B

(JPY million)

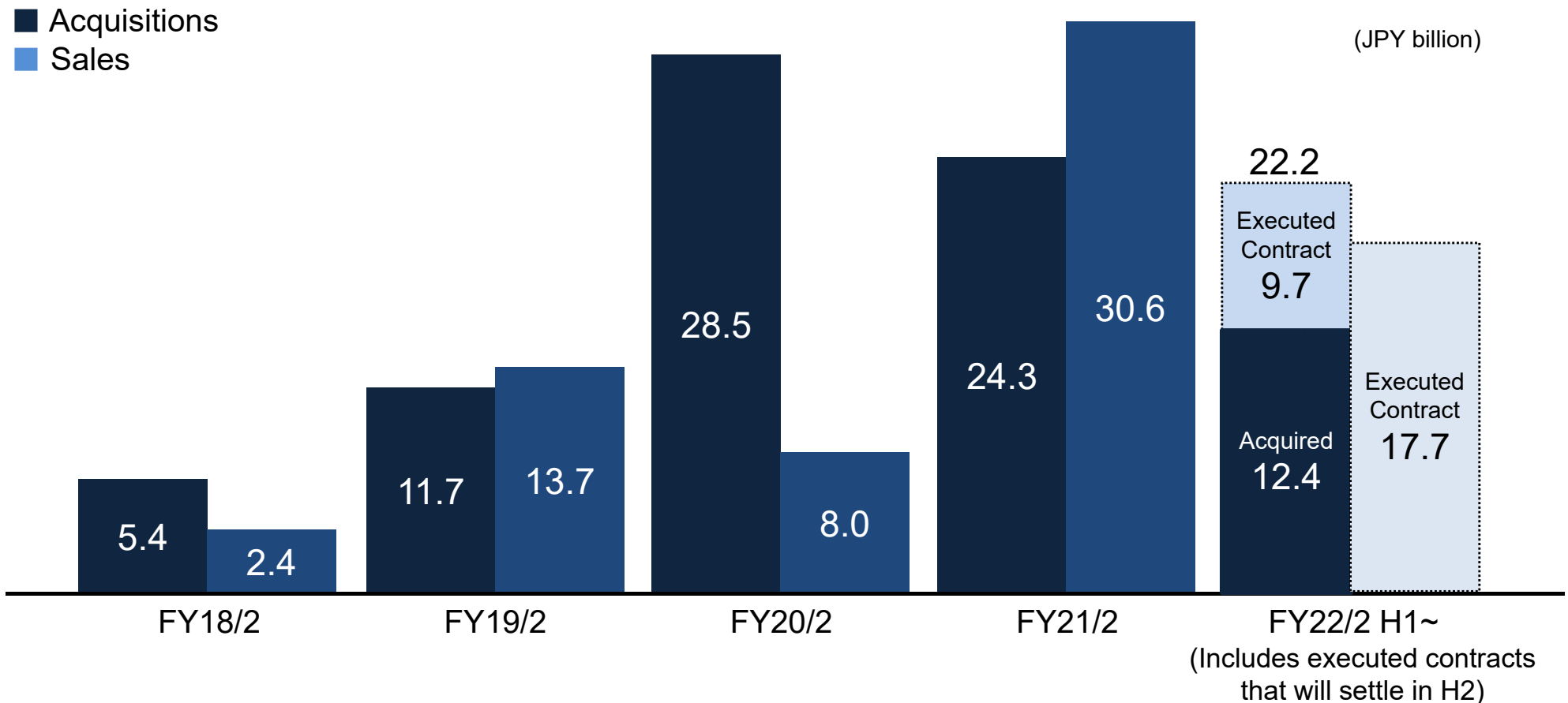
| | Acquisitions | | Sales | | Difference (A) - (B) |
|---------------------|---------------|----------------|---------------|----------------|-------------------------|
| | No. Of Assets | Book Value (A) | No. Of Assets | Sale Price (B) | |
| Residential | 14 | 12,546 | 25 | 5,341 | +7,205 |
| Logistics | – | – | 2 | 6,011 | -6,011 |
| Other | 3 | 311 | 2 | 56 | +255 |
| Office/Hotel/Retail | – | – | – | – | – |
| Total | 17 | 12,857 | 29 | 11,408 | +1,449 |

Note: Book Value of Sales: JPY 9.0B

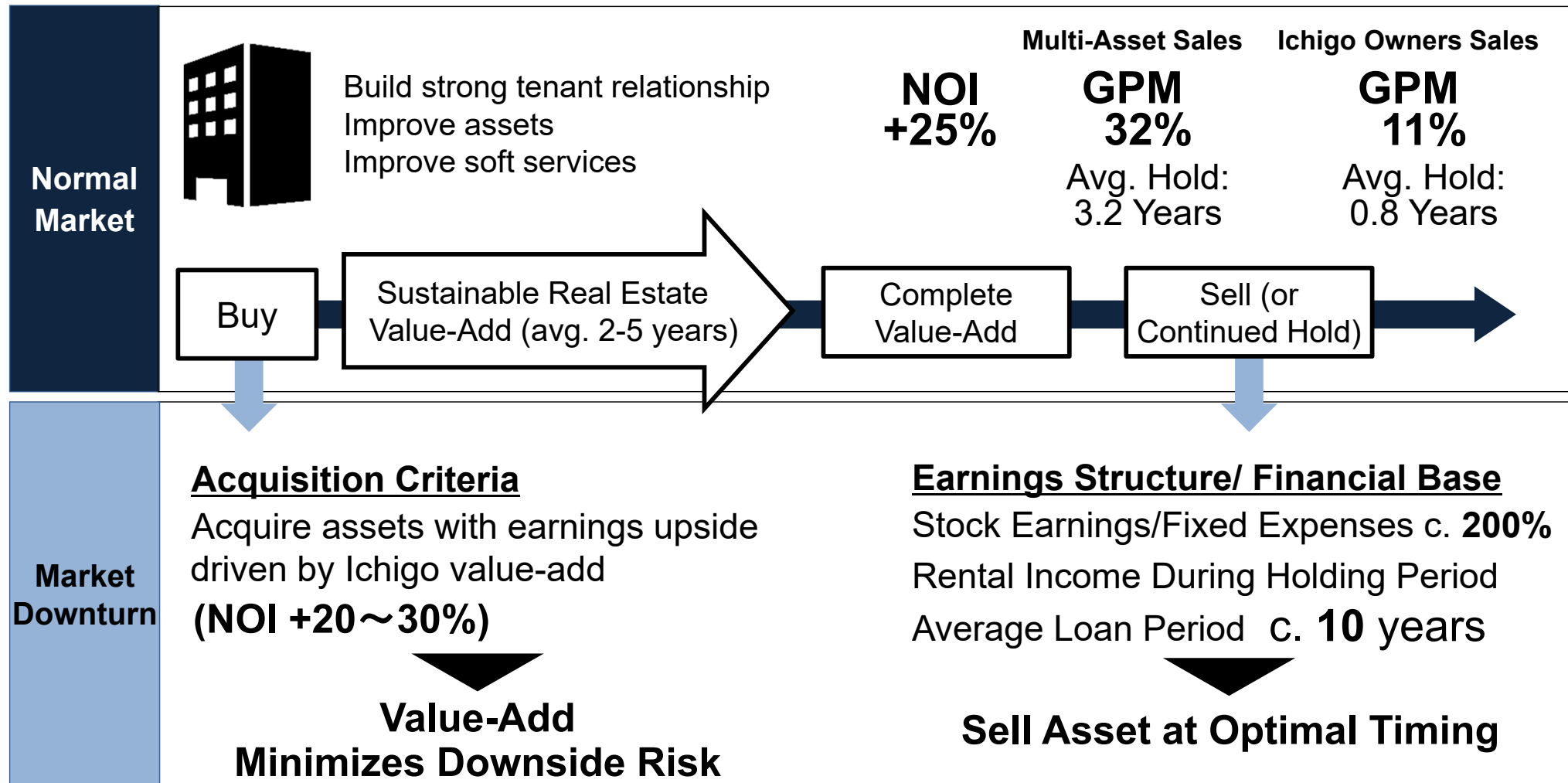
Ichigo Owners: Driving Stable Long-Term Earnings

- 16 Asset Bulk Residential Sale = Q3 Sales Forecast: JPY 17.7B
- On Track to Meet JPY 30B FY22/2 Acquisition Target
 - ✓ H1 Progress Towards Target: 72% (Including Executed Contracts)

Ichigo Owners Residential Acquisitions & Sales Since Launch



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 Sales = FY18~FY20 Actual Office, Retail, Hotel (weighted average)

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

Growth Support for Ichigo REITs & Ichigo Green

Office





Ichigo Office (8975)

Portfolio
86 Assets JPY 206.1B

Dividend Yield (as of 2021/10/11)
4.8%


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

Ichigo Growth Support

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

Hotel


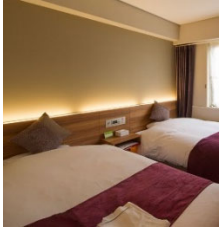


Ichigo Hotel (3463)

Portfolio
23 Hotels JPY 51.9B

Dividend Yield (as of 2021/10/11)
1.5%


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

Ichigo Growth Support

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

Green Infrastructure





Ichigo Green (9282)

Portfolio
15 Solar Power Plants JPY 11.4B


Dividend Yield (as of 2021/10/11)
6.0%

- 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

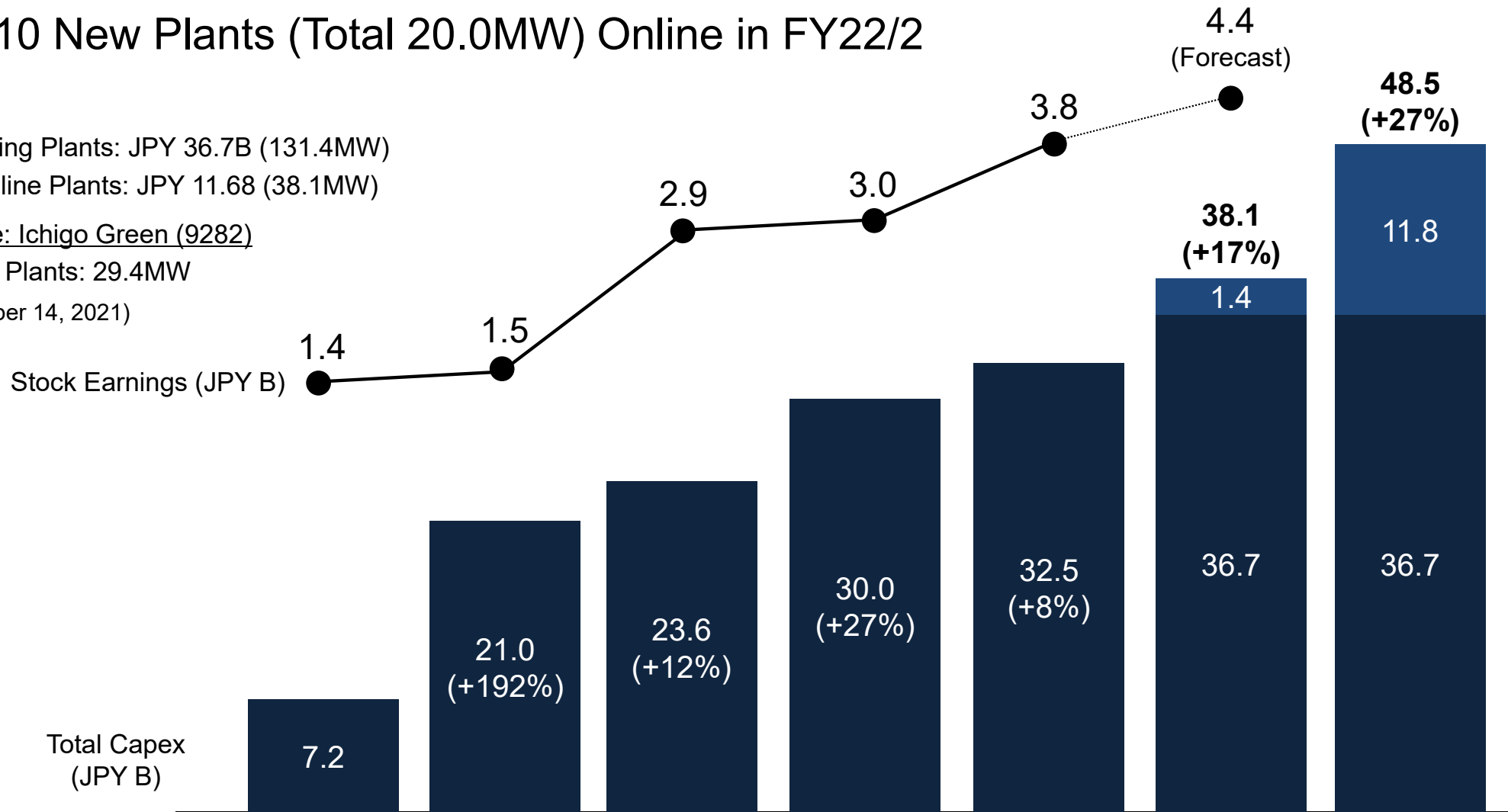
Ichigo's First Wind Power Plant (7.4MW) Online During H1
 10 New Plants (Total 20.0MW) Online in FY22/2

Ichigo

- Operating Plants: JPY 36.7B (131.4MW)
- In-Pipeline Plants: JPY 11.68 (38.1MW)

Reference: Ichigo Green (9282)

Operating Plants: 29.4MW
 (as of October 14, 2021)



| | FY17/2 | FY18/2 | FY19/2 | FY20/2 | FY21/2 | FY22/2 | FY23/2 ~ |
|-------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Power Generation | 28.4MW | 72.3MW | 83.6MW | 106.8MW | 120.6MW | 140.5MW | 169.5MW |
| Avg FIT | JPY 37.3 | JPY 36.4 | JPY 35.3 | JPY 34.3 | JPY 32.8 | JPY 31.1 | JPY 30.9 |



Tradepia Odaiba S-Rank Highest CASBEE Certification



CASBEE Assessment of Tradepia Odaiba

- (1) Equipped with seismic control system
- (2) Building's structure built with materials with useful life of c. 75 to 90 years
- (3) Offers convenient access to & promotes the use of public transportation
- (4) Employs environmentally conscious cleaning and sanitation practices
- (5) Promotes biodiversity
- (6) Energy efficient asset management

Other Initiatives

- Promoting energy efficiency
LED lighting installed in office and common areas
- Barrier-Free Environment
Installed wheelchair lift for stairs and accessible restrooms for wheelchair users



CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

A Japanese government certification that evaluates and rates buildings' environmental performance based on their energy and resource efficiency, recycling activity, environmental load, and aesthetic appeal.

Ichigo Sustainability Report

Promoting Awareness of Ichigo's Sustainability Initiatives

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

Continuous JPX-Nikkei 400 Index Inclusion

Selected for Inclusion for the 6th Year in a Row

- Targeting continuous inclusion in the JPX-Nikkei 400 over the full 11-year span of Ichigo 2030 vision (FY20/2~FY30/2)



Ranking Calculation

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

- (a) three-year average ROE (40% weighting)
- (b) three-year cumulative operating profit (40% weighting)
- (c) market capitalization (20% weighting)

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

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



RE100

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

**Ichigo's
RE100 Target**

100% Renewable Electricity by 2025



Fun to Share

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

Accelerated RE100 Target by 15 Years From 2040 to 2025

Further Lowering Energy Impacts as a Sustainable Infrastructure Company

Ichigo RE100 Target

100% Renewable Electricity by 2025

Ichigo is committed to sourcing 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463)

RE100

CLIMATE GROUP



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

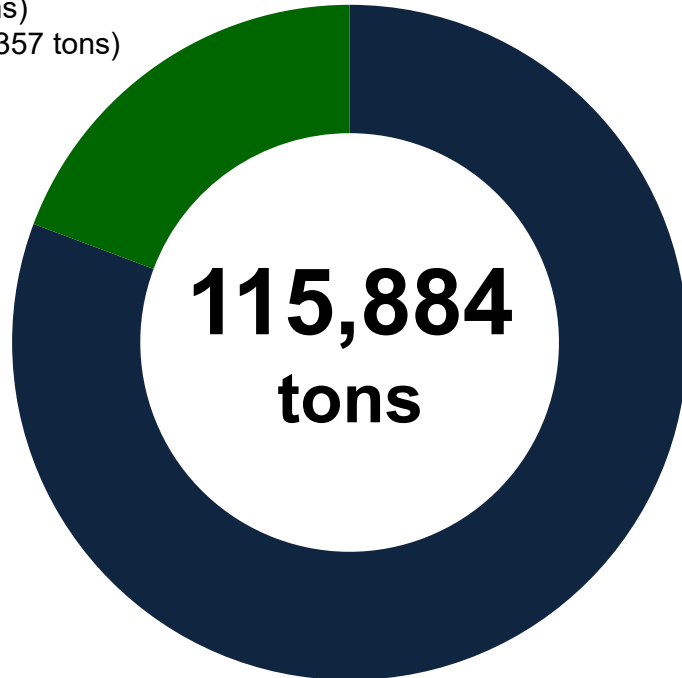
A global initiative that runs the global disclosure system for companies to manage their environmental impacts. Companies are assessed on governance, risk management, business strategy, goals and progress, and engagement, and are ranked from A to D-.

Delivering on Sustainability

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

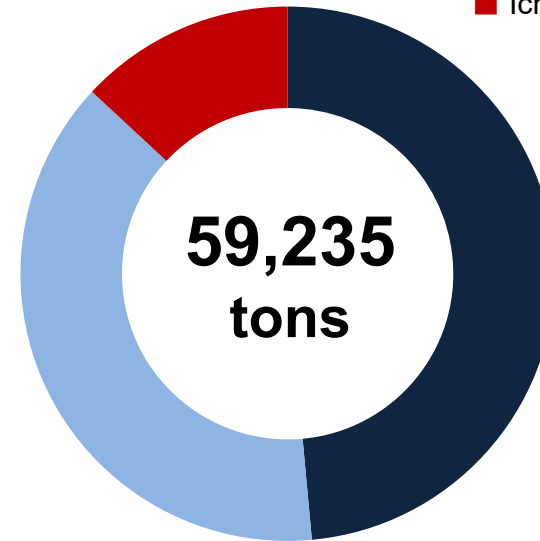
Total Ichigo Power Plant CO2 Reductions

- 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

Ichigo Sustainability Report

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



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Ichigo Sustainability Report

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

ESG Initiatives: Environmental

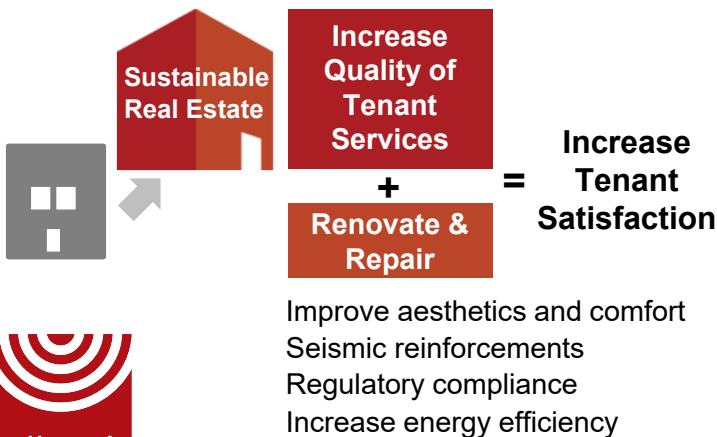


Climate Positive & Sustainability-Driven

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. With our deep experience in real estate renovation and improvement, we work to increase the safety and functionality of buildings, while reducing energy use and environmental impact.

Ichigo Group-Wide



CASBEE: 13 Assets



GRESB Green Star : Ichigo Office (8975) 4 years in a row

G R E S B
★ ★ ★ ★ ★ 2020

Other 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

THE KNOT TOKYO ▶
Shinjuku
Hotel / Tokyo



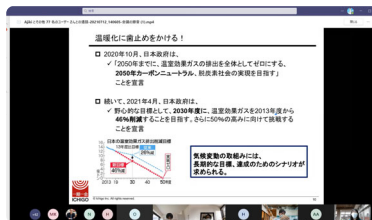
Ichigo University

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

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

Current (since FY20/2)



Masatoshi Matsuzaki
(former CEO of
Konica Minolta)



Nobuhide Nakaido
(former CEO of SCSK)

Since FY16/2 to FY17/2

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

Since 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 大勢が集まる 間近で接する
密閉空間 密集場所 密接場面

基本的な感染対策を徹底しましょう



感染予防 咳エチケット 体調管理
手洗い マスク着用 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。



サステナブルインフラ
いちご

Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

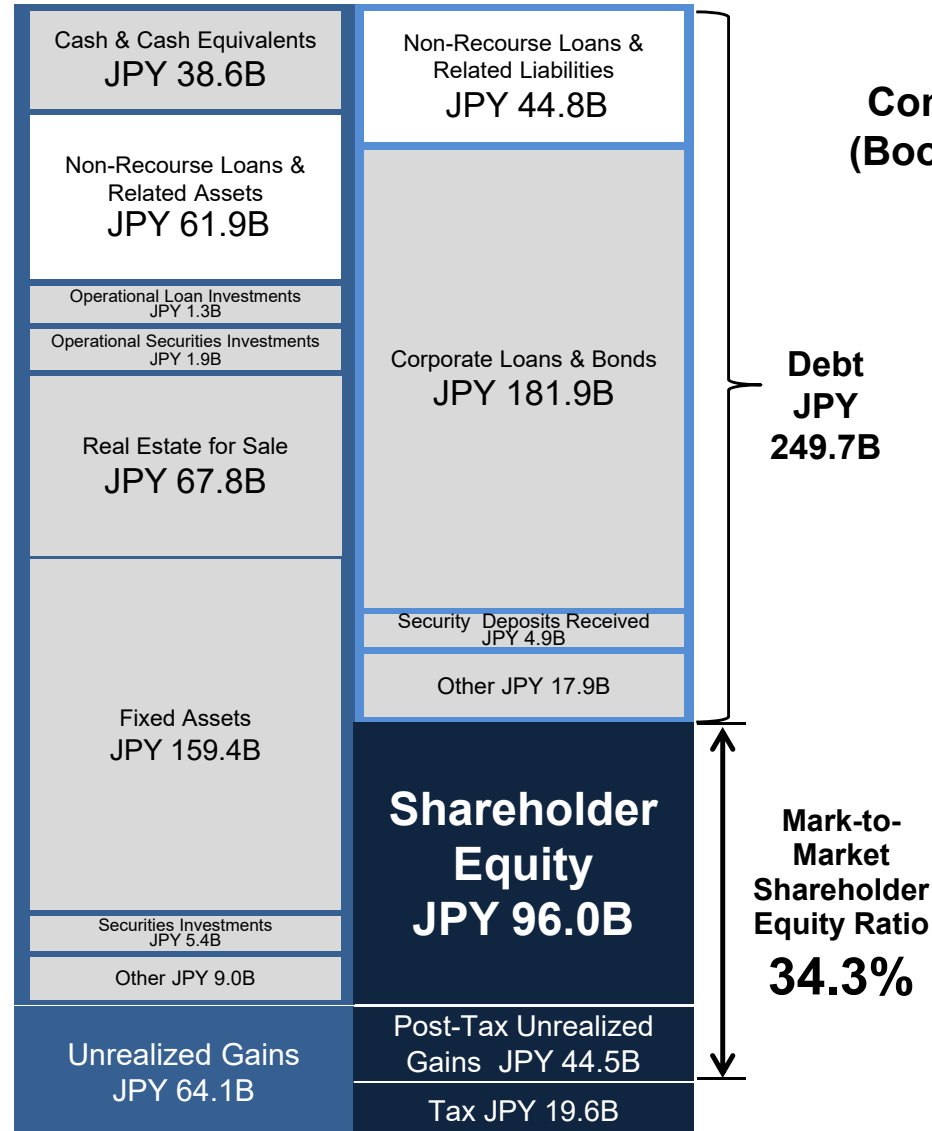
(JPY million)

| Location | Book Value as of August 31, 2021 (A) | Appraisal NOI (B) | Cap Rate (B)/(A) | Appraisal Value (C) | Unrealized Gains (C) - (A) |
|---------------|--------------------------------------|-------------------|------------------|---------------------|----------------------------|
| Tokyo | 93,031 | 5,330 | 5.7% | 126,972 | +33,941 |
| Outside Tokyo | 104,291 | 6,843 | 6.6% | 130,844 | +26,553 |
| Total | 197,322 | 12,173 | 6.2% | 257,816 | +60,494 |

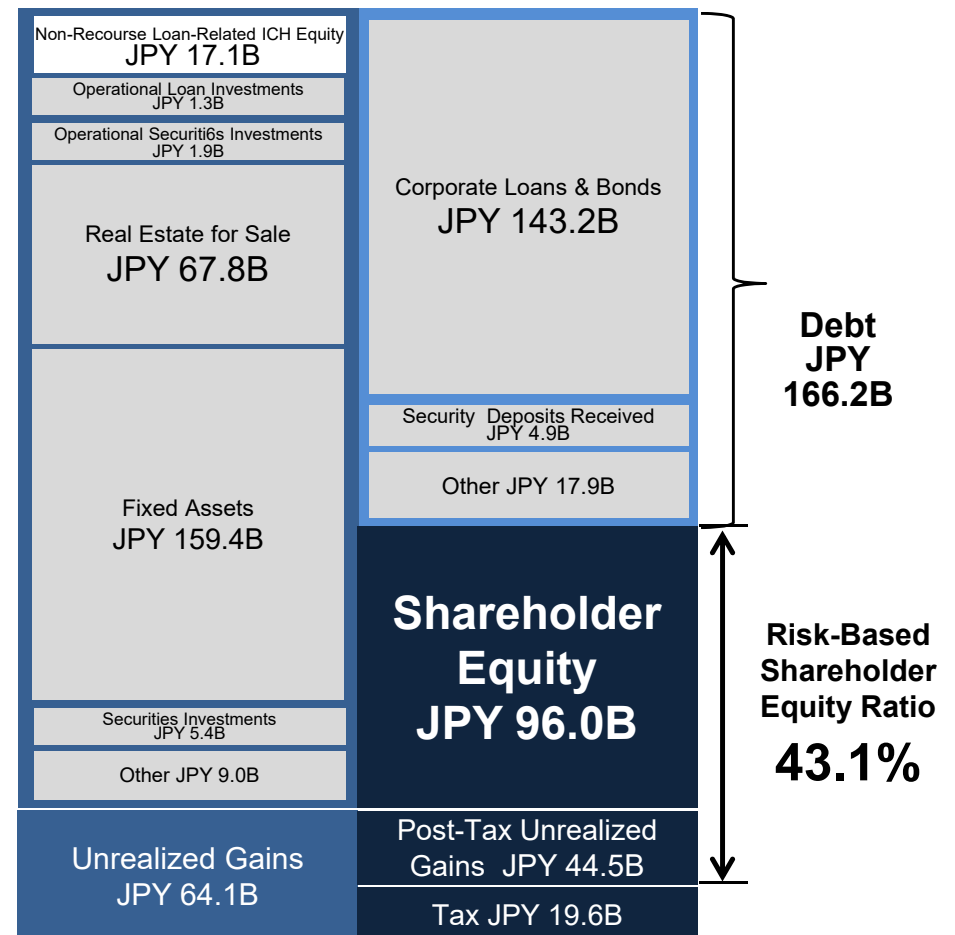
Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 55.19B)

Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 410.0B
(Book Value JPY 345.8B + Unrealized Gains JPY 64.1B)



Consolidated Risk-Based Balance Sheet: JPY 326.5B
(Book Value JPY 262.3B + Unrealized Gains JPY 64.1B)



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

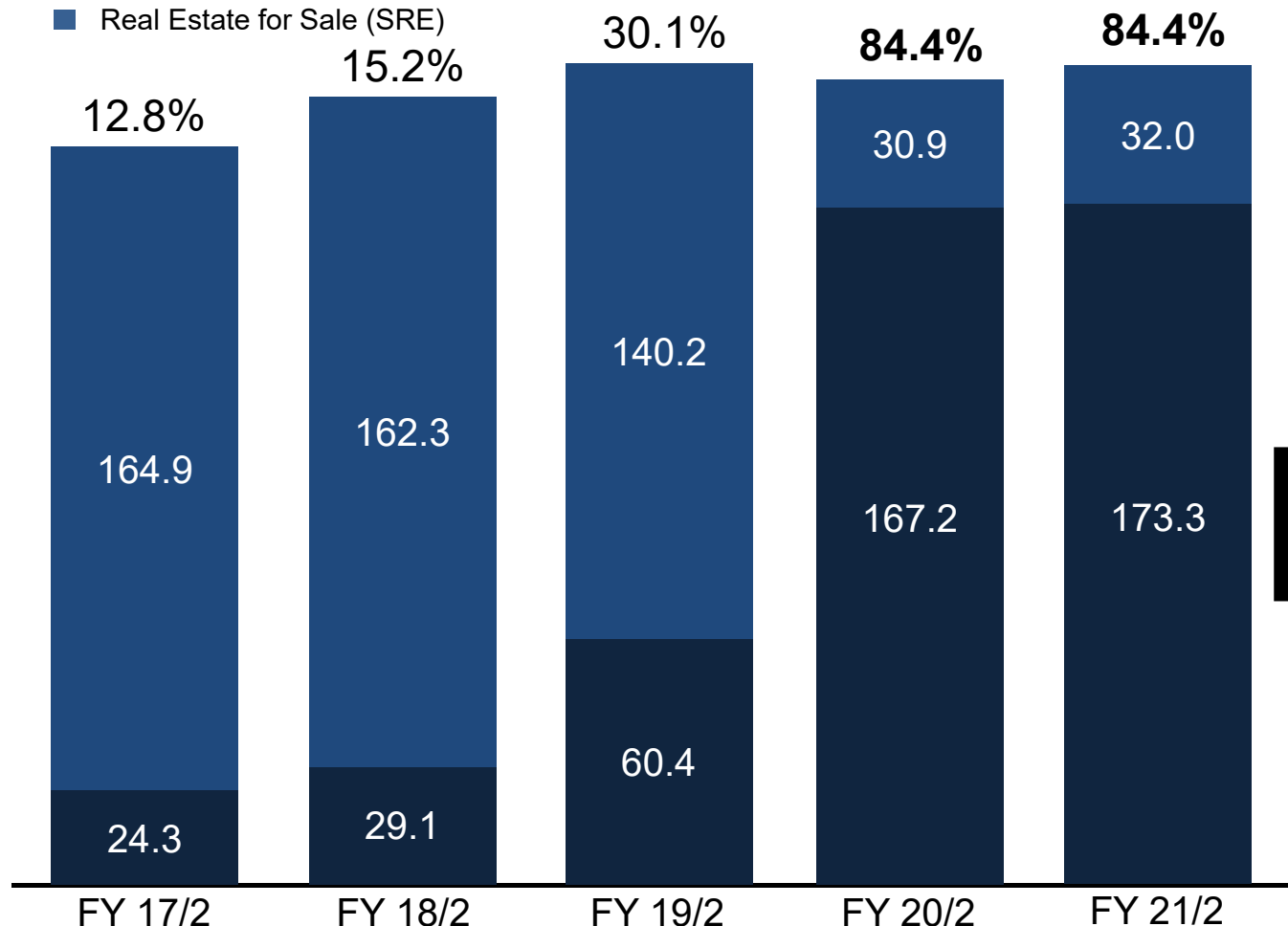
Real Estate for Sale & Fixed Assets

■ 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


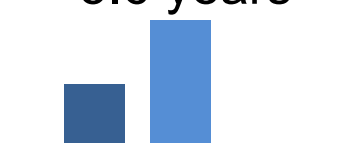
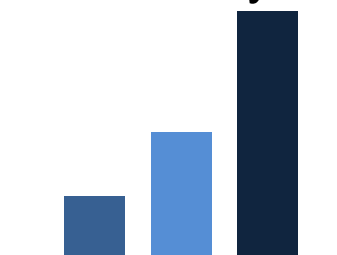
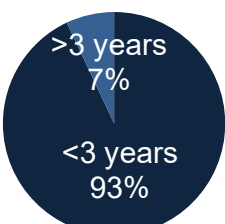
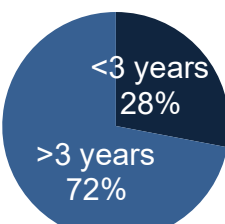
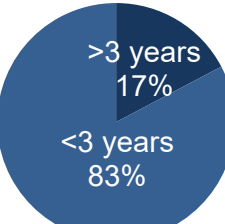
- Maximal use of non-cash depreciation allowances
- Majority of cash earnings are Stock Earnings
- Stock Earnings/Fixed Expenses Ratio – even amidst Covid – is consistently c. 200%

(JPY million)

| | FY16/2 | FY17/2 | FY18/2 | FY19/2 | FY20/2 | FY21/2 | FY22/2 H1 | 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 | 7,750 | 14,405 | 14,405 |
| Depreciation | 731 | 716 | 967 | 1,632 | 2,507 | 4,603 | 2,659 | 5,518 | 5,518 |
| Flow Earnings | 8,986 | 14,139 | 13,015 | 15,273 | 18,567 | 5,850 | 2,278 | 7,727 | 12,146 |
| Cash Earnings | 21,563 | 28,641 | 27,953 | 33,759 | 37,016 | 20,915 | 10,028 | 22,132 | 26,551 |
| Fixed Expenses (B) | 5,846 | 6,502 | 6,371 | 7,071 | 7,877 | 7,723 | 4,027 | 7,896 | 7,896 |
| Stock Earnings/ Fixed Expenses (A/B) | 215% | 223% | 234% | 261% | 234% | 195% | 192% | 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 Cost (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), and Ichigo Green (9282), and private real estate funds.

Sustainable Real Estate

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

Clean Energy

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

Note: The Sustainable Real Estate segment was formerly called Value-Add. In keeping with its Ichigo 2030 vision, Ichigo changed the segment name to Sustainable Real Estate in 2019 in order to put full focus on Ichigo's commitment to preserving and improving real estate as a sustainable infrastructure company.

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) | – | – | – | – | – | 666 | 136 | 760 | 1,562 |
| Sustainable Real Estate (SRE) | 15,036 | 1,324 | 1,973 | 67,876 | 182,727 | 2,741 | 3,574 | 2,957 | 278,212 |
| Clean Energy (CE) | 3,307 | – | – | – | 30,808 | 181 | – | 1,731 | 36,029 |
| Company-Wide Assets | 27,037 | – | – | – | 103 | 105 | 1,784 | 976 | 30,007 |
| Total | 45,381 | 1,324 | 1,973 | 67,876 | 213,639 | 3,695 | 5,494 | 6,426 | 345,811 |

Consolidated P&L: Segment Breakdown

(JPY million)

| Segment | Gross Profit | | | Operating Profit | | | |
|---|--------------|--------------|---------------|------------------|--------------|---------------|-----------------------|
| | FY21/2 H1 | FY22/2 H1 | YOY Change | FY21/2 H1 | FY22/2 H1 | YOY Change | FY22/2 Forecast |
| Asset Management (AM) | 948 | 1,040 | +9.8% | 606 | 771 | +27.1% | 1,300 |
| Base AM Fees | 887 | 1,040 | +17.2% | — | — | — | — |
| Acquisition/Disposition Fees | 60 | — | — | — | — | — | — |
| Sustainable Real Estate (SRE) | 6,256 | 4,663 | -25.5% | 3,729 | 2,074 | -44.4% | 5,700 – 8,600 |
| Rental Income | 3,132 | 2,384 | -23.9% | — | — | — | — |
| Asset Sales | 3,130 | 2,200 | -29.1% | — | — | — | — |
| Other Flow Earnings | -6 | 58 | — | — | — | — | — |
| Clean Energy (CE) | 1,479 | 1,664 | +12.5% | 1,171 | 1,394 | +19.0% | 2,100 |
| Adjustment (including offsets of cross-segment transactions) | — | — | — | -55 | 3 | — | — |
| Total | 8,683 | 7,375 | -15.1% | 5,452 | 4,243 | -22.2% | 9,100 – 12,000 |

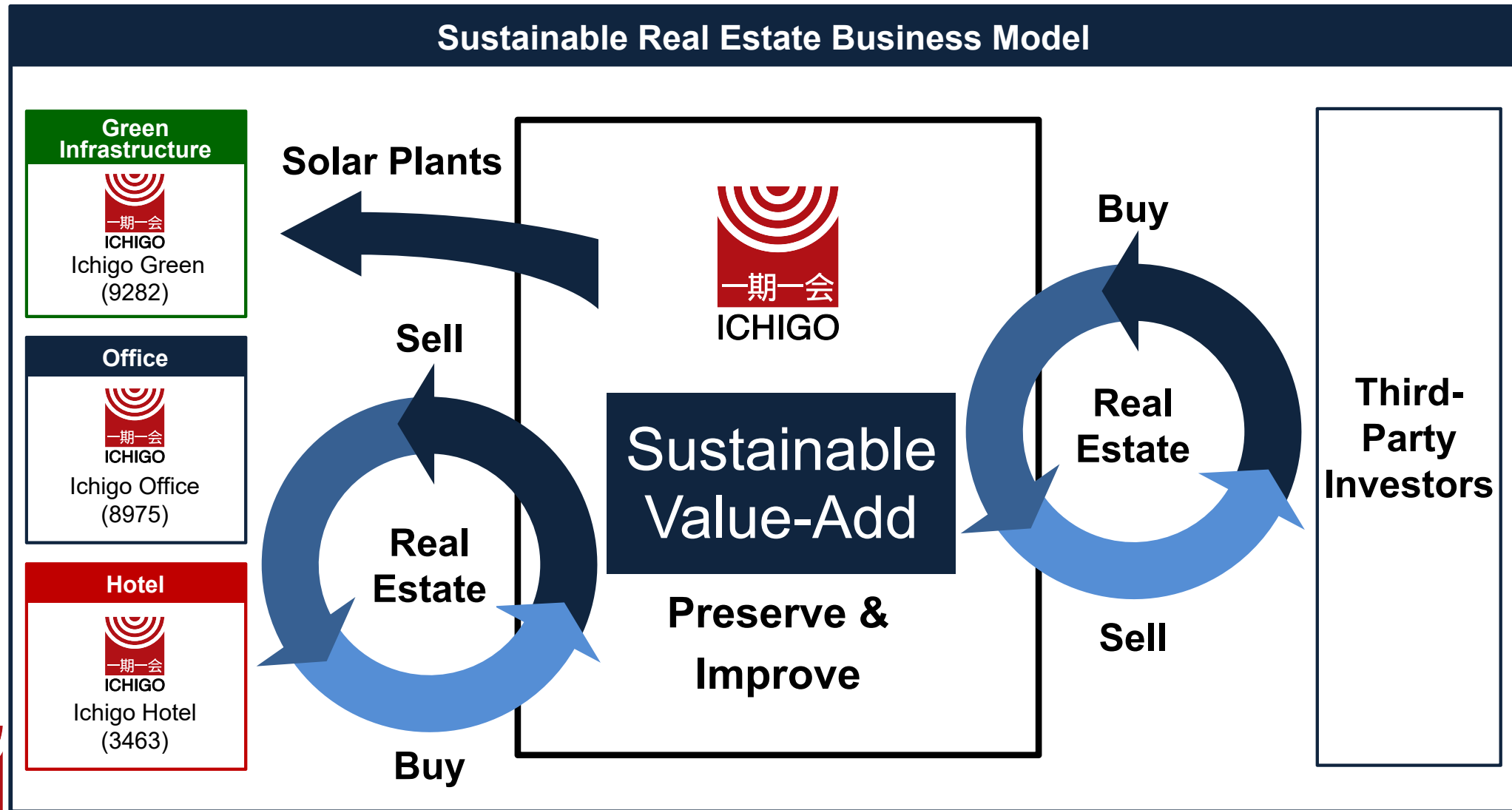
Asset Management AUM Detail

| | | FY17/2 (12M) | FY18/2 (12M) | FY19/2 (12M) | FY20/2 (12M) | FY21/2 (12M) | FY22/2 H1 (6M) |
|--|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| 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 847M |
| 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 53M |
| 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 46M |
| 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 69M |
| 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 1,016M |

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

Powerful Sustainable Real Estate Business Model

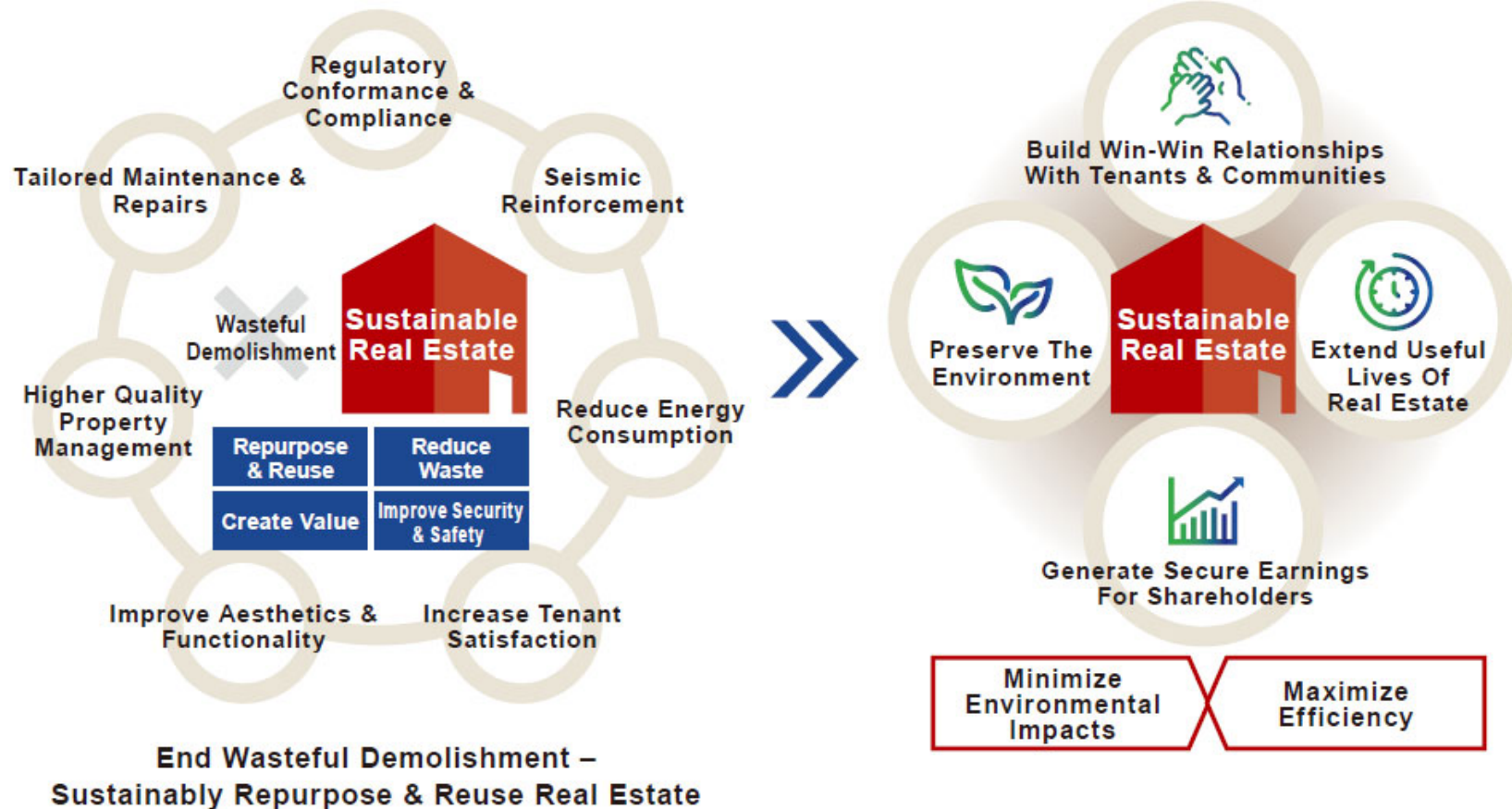
Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



Sustainable Infrastructure for a Sustainable Society

End Wasteful Demolishment and Embrace Sustainable Real Estate

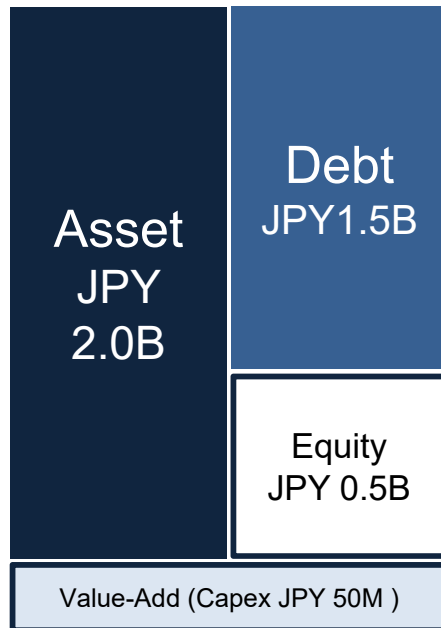
- Improve quality of assets via Sustainable Value-Add
- Preserve and improve highly functional real estate to contribute to environmental conservation and sustainability
- Lengthening buildings' useful lives beyond 100 years



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%: $\text{JPY } 2\text{B} * 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Outcome

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

Sustainable Real Estate: Gross Profit Margin (GPM)

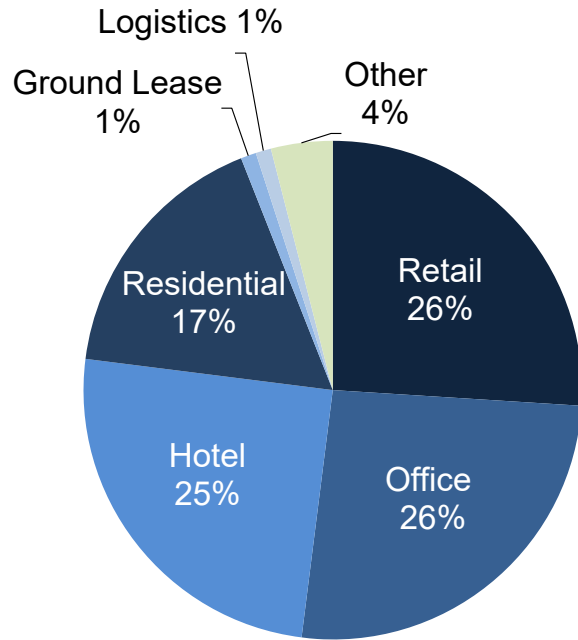
Ichigo Sustainable Value-Add Supports Ongoing High GPM

| | FY18/2 | FY19/2 | FY20/2 | FY21/2 | FY22/2 H1 |
|-------------------------|--------|--------|--------|--------|-----------|
| GPM (vs. Revenue) | 33.7% | 25.5% | 28.3% | 13.9% | 19.8% |
| GPM (vs. Book Value) | 50.9% | 34.3% | 39.5% | 16.2% | 24.7% |
| Revenue (JPY M) | 35,733 | 58,693 | 60,601 | 41,430 | 11,408 |
| Gross Profit (JPY M) | 12,050 | 14,986 | 17,158 | 5,762 | 2,257 |

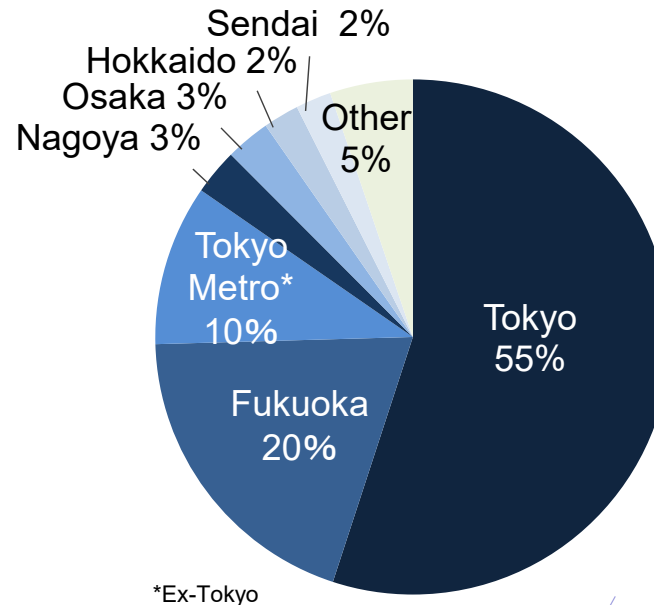
* FY21/2 Results include revenue and gross profit from fixed asset sales

Ichigo-Owned Real Estate Portfolio

By Asset Type

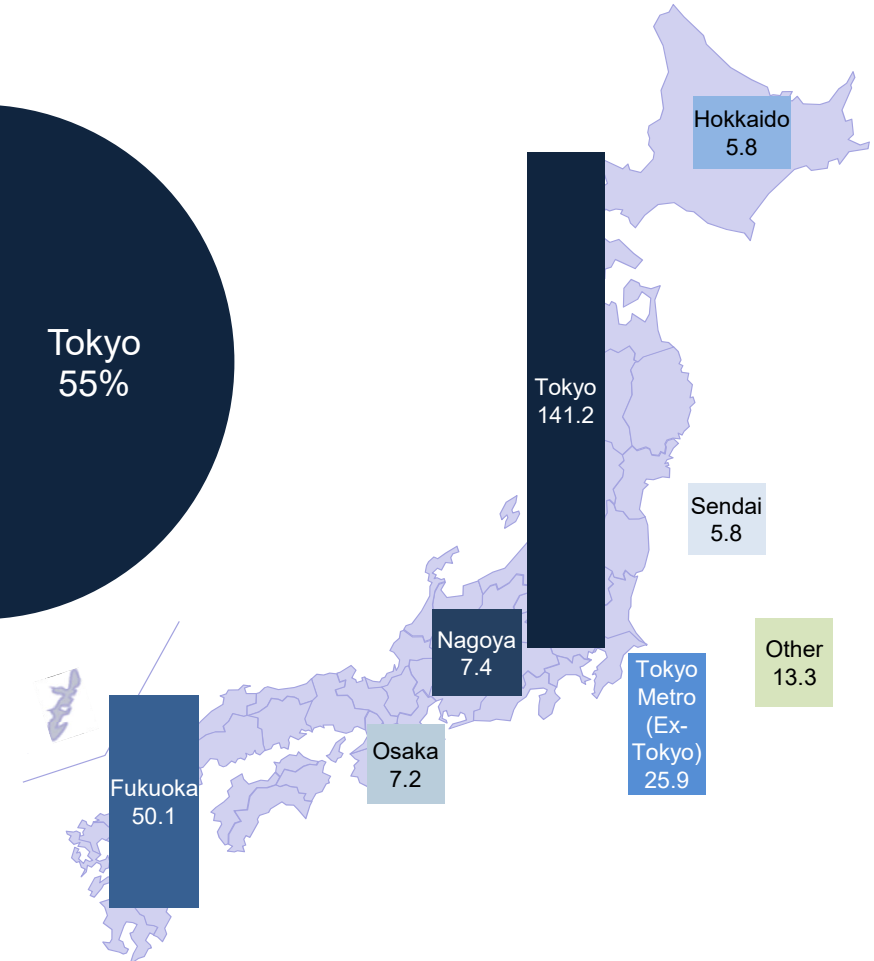


By Location

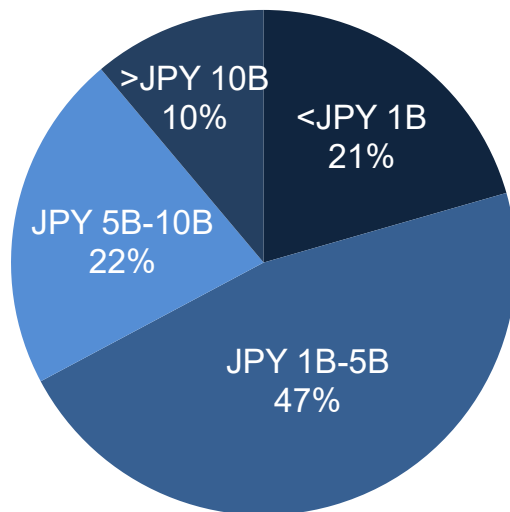


*Ex-Tokyo

(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 256.6B
Including Ichigo-Managed AUM: JPY 563.0B

* Acquisition price basis

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

Total Ichigo-Owned Assets H1-End Book Value: JPY 250.4B

Sustainable Real Estate Asset Breakdown (1)

175 Assets, JPY 256.6 B, Appraisal NOI JPY 12.1B (6.2% Yield)

| No. | Asset Type | Classification | Location | Acquisition Price | Acquisition Date | Building Age | Expected NOI/Year ¹ | Ichigo Equity Investment | Forecast Equity Multiple ² | Forecast IRR ³ |
|-----|------------------|----------------|---------------------|-------------------|------------------|--------------|--------------------------------|--------------------------|---------------------------------------|---------------------------|
| 1 | Wholesale Market | Fixed Asset | Matsudo, Chiba | JPY 2B-3B | 2005/06 | 49 years | – | JPY 1,900M | – | – |
| 2 | Retail | Fixed Asset | Minato-ku, Tokyo | JPY 2B-3B | 2005/10 | 52 years | JPY 136M | JPY 1,033M | – | – |
| 3 | Retail | Fixed Asset | Minato-ku, Tokyo | >JPY 3B | 2006/03 | 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 | 41 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 | 25 years | JPY 77M | JPY 172M | – | – |
| 16 | Retail | Fixed Asset | Yokohama | <JPY 1B | 2012/10 | 7 years | JPY 34M | JPY 171M | – | – |
| 17 | Retail | Fixed Asset | Toshima-ku, Tokyo | >JPY 3B | 2013/03 | 10 years | JPY 244M | JPY 340M | – | – |
| 18 | Retail | Fixed Asset | Shibuya-ku, Tokyo | <JPY 1B | 2013/05 | 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: 6.2% yield excludes Ichigo Owners, Centro, and self-storage assets.

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

² Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

Sustainable Real Estate Asset Breakdown (2)

| No. | Asset Type | Classification | Location | Acquisition Price | Acquisition Date | Building Age | Expected NOI/Year ¹ | Ichigo Equity Investment | Forecast Equity Multiple ² | Forecast IRR ³ |
|-----|--------------|----------------|---------------------|-------------------|------------------|--------------|--------------------------------|--------------------------|---------------------------------------|---------------------------|
| 27 | Retail | Fixed Asset | Tokorozawa, Saitama | JPY 1B-2B | 2013/11 | 13 years | JPY 76M | JPY 92M | – | – |
| 29 | Ground Lease | Fixed Asset | Fujisawa, Kanagawa | JPY 1B-2B | 2014/03 | – | JPY 114M | JPY 273M | – | – |
| 30 | Retail | Fixed Asset | Shibuya-ku, Tokyo | <JPY 1B | 2014/03 | 37 years | JPY 51M | JPY 108M | – | – |
| 32 | Retail | Fixed Asset | Fukuoka | JPY 1B-2B | 2014/04 | 15 years | JPY 58M | JPY 279M | – | – |
| 35 | Office | Fixed Asset | Minato-ku, Tokyo | JPY 2B-3B | 2014/05 | 12 years | JPY 144M | JPY 434M | – | – |
| 37 | Retail | Fixed Asset | Minato-ku, Tokyo | <JPY 1B | 2014/07 | 48 years | JPY 47M | JPY 77M | – | – |
| 39 | Retail | Fixed Asset | Fukuoka | <JPY 1B | 2014/07 | 17 years | JPY 52M | JPY 213M | – | – |
| 40 | Retail | Fixed Asset | Fukuoka | <JPY 1B | 2014/09 | 36 years | JPY 49M | JPY 252M | – | – |
| 41 | Hotel | Fixed Asset | Utsunomiya, Tochigi | JPY 1B-2B | 2014/09 | 34 years | JPY 143M | JPY 400M | – | – |
| 42 | Retail | Fixed Asset | Fukuoka | JPY 1B-2B | 2014/09 | 20 years | JPY 60M | JPY 177M | – | – |
| 43 | Retail | Fixed Asset | Osaka | JPY 1B-2B | 2014/09 | 19 years | JPY 117M | JPY 301M | – | – |
| 45 | Retail | Fixed Asset | Fukuoka | JPY 1B-2B | 2014/11 | 18 years | JPY 92M | JPY 135M | – | – |
| 57 | Residential | Fixed Asset | Minato-ku, Tokyo | JPY 1B-2B | 2014/12 | 17 years | JPY 56M | JPY 186M | – | – |
| 62 | Retail | Fixed Asset | Fukuoka | <JPY 1B | 2014/12 | 17 years | JPY 41M | JPY 212M | – | – |
| 63 | Retail | Fixed Asset | Meguro-ku, Tokyo | JPY 1B-2B | 2014/12 | 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 | 19 years | JPY 46M | JPY 79M | – | – |
| 69 | Hotel | Fixed Asset | Osaka | JPY 2B-3B | 2015/05 | 18 years | JPY 170M | JPY 633M | – | – |
| 71 | Retail | Fixed Asset | Fujisawa, Kanagawa | JPY 1B-2B | 2015/07 | 6 years | JPY 99M | JPY 126M | – | – |
| 110 | Hotel | Fixed Asset | Fukuoka | >JPY 3B | 2016/03 | 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 | 32 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 | 41 years | JPY 554M | JPY 349M | – | – |

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

² Forecast Equity Multiple is based on the business plan of each asset and is the sum of forecast rental income and gains on sales divided by Ichigo Investment.

³ Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR are for Real Estate for Sale assets acquired from FY15/2 onward and exclude Fixed Assets.

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 | 30 years | JPY 32M | – | – | – |
| 147 | Hotel | Fixed Asset | Kyoto | >JPY 3B | 2018/08 | 3 years | JPY 327M | JPY 1,666M | – | – |
| 148 | Office (Land) | Fixed Asset | Chiyoda-ku, Tokyo | <JPY 1B | 2018/08 | – | JPY 54M | JPY 166M | – | – |
| 149 | Retail | Fixed Asset | Chiyoda-ku, Tokyo | >JPY 3B | 2018/09 | 31 years | JPY 308M | JPY 2,269M | – | – |
| 151 | Office | Fixed Asset | Fukuoka | <JPY 1B | 2018/10 | 22 years | JPY 33M | JPY 38M | – | – |
| 152 | Office | Fixed Asset | Fukuoka | JPY 2B-3B | 2019/02 | 33 years | JPY 174M | JPY 382M | – | – |
| 154 | Residential | Fixed Asset | Kita Kyushu, Fukuoka | JPY 1B-2B | 2019/03 | 7 years | JPY 83M | JPY 181M | – | – |
| 155 | Office | Fixed Asset | Shinagawa-ku, Tokyo | JPY 2B-3B | 2019/03 | 36 years | JPY 169M | JPY 616M | – | – |
| 157 | Office | Fixed Asset | Chiyoda-ku, Tokyo | <JPY 1B | 2019/04 | 38 years | JPY 52M | – | – | – |

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 |
|------------------------|------------|----------------|-------------------|---|------------------|--------------|--------------------------------|--------------------------|---------------------------------------|---------------------------|
| 158 | Other | Fixed Asset | Chuo-ku, Tokyo | JPY 1B-2B | 2019/05 | – | JPY 12M | – | – | – |
| 159 | Retail | Fixed Asset | Shibuya-ku, Tokyo | JPY 2B-3B | 2019/05 | 41 years | JPY 123M | JPY 210M | – | – |
| 160 | Office | Fixed Asset | Fukuoka | JPY 2B-3B | 2019/06 | 23 years | JPY 129M | JPY 248M | – | – |
| 161 | Hotel | Fixed Asset | Fukuoka | >JPY 3B | 2019/07 | 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 | 12 years | JPY 51M | JPY 62M | – | – |
| 165 | Hotel | Fixed Asset | Sapporo | >JPY 3B | 2020/03 | 1 year | JPY 307M | JPY 700M | – | – |
| 167 | Hotel | Fixed Asset | Hiroshima | >JPY 3B | 2020/08 | 1 year | JPY 299M | – | – | – |
| 68 Fixed Assets | | | | JPY 177,362M | | | JPY 10,553M | JPY 30,828M | – | – |
| | | | | JPY 172,170M (H1-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 | 13 years | JPY 85M | JPY 353M | 1.82X | 17.7% |
| 143 | Retail | Real Estate for Sale | Fukuoka | JPY 1B-2B | 2017/09 | 36 years | JPY 106M | JPY 223M | 3.78X | 19.9% |
| 150 | Retail | Real Estate for Sale | Chuo-ku, Tokyo | >JPY 3B | 2018/10 | 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 | 15 years | JPY 40M | JPY 83M | 3.23X | 13.5% |
| 168 | Office | Real Estate for Sale | Koto-ku, Tokyo | JPY 1B-2B | 2020/11 | 31 years | JPY 100M | – | 3.17X | 53.6% |
| 10 Real Estate for Sale | | | | JPY 28,180M | | | JPY 1,679M | JPY 4,343M | 3.99X | 24.9% |
| | | | | JPY 28,129M (H1-End Book Value) | | | | | | |
| Subtotal 78 Assets | | | | JPY 205,543M | | | JPY 12,232M | JPY 35,171M | – | – |
| | | | | JPY 200,299M (H1-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. FY20/2 Q4 | Expected NOI/Year ¹ | Ichigo Equity Investment | Forecast Equity Multiple | Forecast IRR |
|--|---|-------------------------|---|---------------|--------------------------------|--------------------------|--------------------------|--------------|
| A | Ichigo Owners (Residential) | 37 Assets | JPY 35,532M | +JPY 13,631M | JPY 1,522M | JPY 10,713M | – | – |
| B | Ichigo Owners (Other) | 4 Assets | JPY 2,601M | -JPY 5,211M | JPY 204M | JPY 1,463M | – | – |
| C | Centro (Primarily Office & Residential) | 20 Assets | JPY 8,087M | +JPY 143M | JPY 580M | JPY 1,927M | – | – |
| D | Self-Storage | 36 Assets | JPY 3,937M | +JPY 544M | JPY 433M | JPY 896M | – | – |
| | | Total 175 Assets | JPY 256,677M | | JPY 14,972M | JPY 50,173M | – | – |
| | | | JPY 250,458M (H1-End Book Value) | | | | | |
| Assets acquired in FY22/2 Q1 (3M) | | Total 11 Assets | JPY 8,232M | | JPY 348M | JPY 2,120M | – | – |
| Assets acquired in FY22/2 Q2 (3M) | | Total 6 Assets | JPY 4,574M | | JPY 205M | JPY 1,641M | – | – |
| Assets acquired in FY22/2 H1 (6M) | | Total 17 Assets | JPY 12,806M | | JPY 553M | JPY 3,762M | – | – |
| 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 Saijocho Taguchi | Chugoku | 2.72 | JPY 40 | Jan 2015 |
| Ichigo Akkeshi Shirahama | Hokkaido | 0.80 | JPY 40 | Mar 2015 |
| Ichigo Hamanaka Bokujo Tsurunokotai | Tohoku | 2.31 | JPY 36 | Dec 2015 |
| Ichigo Yonago Izumi | Chugoku | 2.61 | JPY 40 | Jan 2016 |
| Ichigo Kasaoka Takumicho | Chugoku | 1.11 | JPY 32 | Mar 2016 |
| Ichigo Toki Oroshicho | Chubu | 1.39 | JPY 36 | Jun 2016 |
| Ichigo Toride Shimotakai Kita | Kanto | 1.03 | JPY 32 | Jul 2016 |
| Ichigo Toride Shimotakai Minami | Kanto | 0.54 | JPY 32 | Jul 2016 |
| Ichigo Hamanaka Bokujo Kajibayashi | Tohoku | 2.31 | JPY 36 | Oct 2016 |
| Ichigo Sera Tsukuchi | Chugoku | 2.54 | JPY 32 | Feb 2017 |
| Ichigo Sera Aomizu | Chugoku | 2.87 | JPY 32 | Aug 2017 |
| Ichigo Showamura Ogose | Kanto | 43.34 | JPY 36 | Sep 2017 |
| Ichigo Memuro Nishi-Shikari | Hokkaido | 1.32 | JPY 40 | Feb 2018 |
| Ichigo Kure Yasuuracho Nakahata | Chugoku | 2.90 | JPY 36 | Mar 2018 |
| Ichigo Tsu | Chubu | 2.94 | JPY 24 | Mar 2018 |
| Ichigo Kasaoka Iwanoike | Chugoku | 2.64 | JPY 24 | Mar 2018 |
| Ichigo Toki Tsurusatocho Kakino | Chubu | 1.31 | JPY 24 | Apr 2018 |
| Ichigo Itoshima Iwara | Kyushu | 1.48 | JPY 36 | Jan 2019 |
| Ichigo Sakahogi Fukagaya | Chubu | 2.89 | JPY 21 | May 2019 |
| Ichigo Sennan Kitsuneike | Kansai | 2.86 | JPY 21 | Jul 2019 |
| Ichigo Minakami Aramaki | Kanto | 12.02 | JPY 36 | Jan 2020 |
| Ichigo Takashima Kutsuki | Kansai | 3.74 | JPY 32 | Jan 2020 |
| Ichigo Toki Tsurusatocho Kakino Higashi | Chubu | 1.67 | JPY 21 | Feb 2020 |
| Ichigo Hitachiomiya | Kanto | 2.99 | JPY 24 | Mar 2020 |
| Ichigo Hokota Aoyagi | Kanto | 2.48 | JPY 27 | Apr 2020 |
| Ichigo Kasaoka Osakaike | Chugoku | 2.66 | JPY 21 | Apr 2020 |
| Ichigo Minokamo Hachiyacho Kamihachiya | Chubu | 1.29 | JPY 18 | Sep 2020 |
| Ichigo Seto Jokojicho | Chubu | 1.45 | JPY 18 | Oct 2020 |
| Ichigo Toride Shimotakai Nishi | Kanto | 2.84 | JPY 18 | Jan 2021 |
| Ichigo Chiba Wakaba-ku Omiyacho Higashi | Kanto | 0.74 | JPY 14 | Sep 2021 |
| Ichigo Kasaoka Idachiike | Chugoku | 2.66 | JPY 18 | Oct 2021 |
| Total (Operating) | | 38 Plants | 124.0MW | |

Ichigo Solar Power Plants (In Pipeline)

| Solar Power Plant | Area | Panel Output (MW) | FIT (Pre-tax) | Operation Start Date |
|--|---------|-------------------|----------------|----------------------|
| Ichigo Chiba Wakaba-ku Omiyacho Nishi | Kanto | 0.74 | JPY 14 | Nov 2021 |
| Ichigo Komagane Akaho Minami | Chubu | 0.74 | JPY 14 | Nov 2021 |
| Ichigo Komagane Akaho Kita | Chubu | 0.39 | JPY 14 | Nov 2021 |
| Ichigo Tatsunomachi Sawasoko | Chubu | 0.74 | JPY 14 | Dec 2021 |
| Ichigo Obu Yoshidamachi | Chubu | 1.10 | JPY 18 | Jan 2022 |
| Ichigo Kobe Pompuike | Kansai | 2.47 | JPY 18 | Jan 2022 |
| Ichigo Miyakonojo Takazakicho Tsumagirishima | Kyushu | 2.96 | JPY 32 | Feb 2022 |
| Ichigo Sera Shimotsuda | Chugoku | 2.93 | JPY 18 | Mar 2022 |
| Ichigo Ueda Yoshidaike | Chubu | 1.01 | JPY 18 | May 2022 |
| Ichigo Ebino Suenaga | Kyushu | 13.99 | JPY 40 | Jan 2024 |
| Total (In-Pipeline) | | 10 Plants | 27.1MW | |
| Total (Operating & In-Pipeline) | | 48 Plants | 151.1MW | |

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

Ichigo Wind Power Plants (Operating)

| Wind Power Plant | Area | Panel Output (MW) | FIT (Pre-tax) | Operation Start Date |
|--------------------------|--------|-------------------|---------------|----------------------|
| Ichigo Yonezawa Itaya | Tohoku | 7.39 | JPY 22 | Mar 2021 |
| Total (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 | | 3 Plants | 10.9MW | |

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

Total 52 Ichigo Solar & Wind Power Plants 169.5MW

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 Muroan 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: 198.9MW (Operating/In Pipeline)

Solar Power Plants 151.1MW

Wind Power Plants 18.3MW

Ichigo Green (9282)

Solar Power Plants 29.4MW

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

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

Solar Power FIT

| Contract Date | FIT | Guarantee Period |
|-------------------|--------------------------------|------------------|
| FY2012 | JPY 40 | 20 years |
| FY2013 | JPY 36 | 20 years |
| FY2014 | JPY 32 | 20 years |
| FY2015 (4/1~6/30) | JPY 29 | 20 years |
| FY2015 (7/1~3/31) | JPY 27 | 20 years |
| FY2016 | JPY 24 | 20 years |
| FY2017~ | Determined via auction process | ¹ - |

Wind Power FIT

| Contract Date | FIT | Guarantee Period |
|--------------------|--------------------------------|------------------|
| FY2017 (4/1~9/30) | JPY 22 | 20 years |
| FY2017 (10/1~3/31) | JPY 21 | 20 years |
| FY2018 | JPY 20 | 20 years |
| FY2019 | JPY 19 | 20 years |
| FY2020 | JPY 18 | 20 years |
| FY2021 | Determined via auction process | ² - |

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

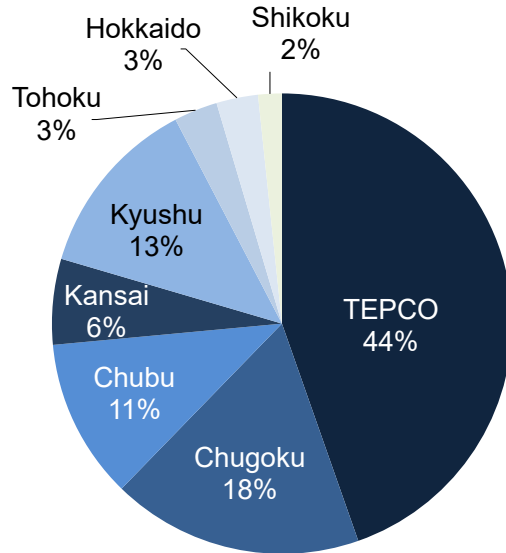
² FIT for >0.25MW wind power generation

Ichigo-Owned Solar Power Plant Portfolio

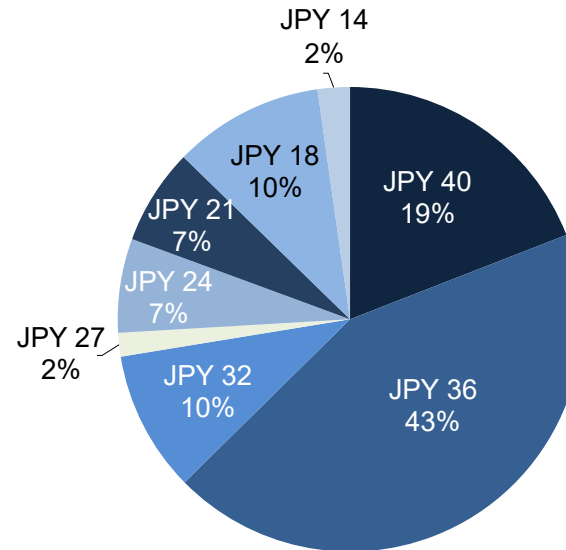
Total Operating and In-Pipeline Ichigo-Owned Solar Power Plants: 48 Plants (151.1MW)

By Customer

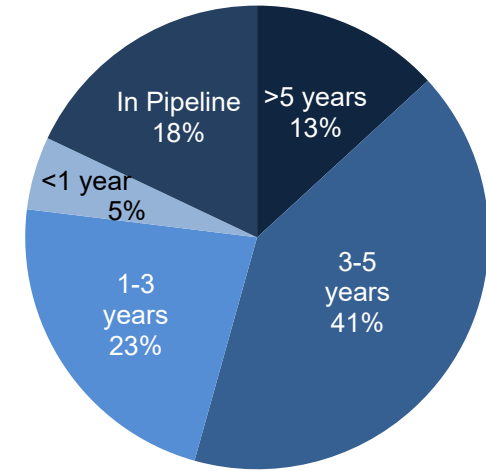
(Electric Power Utility Co)



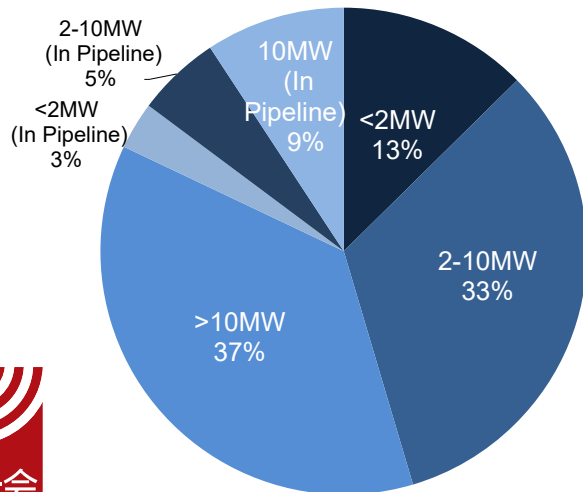
By Feed-In Tariff



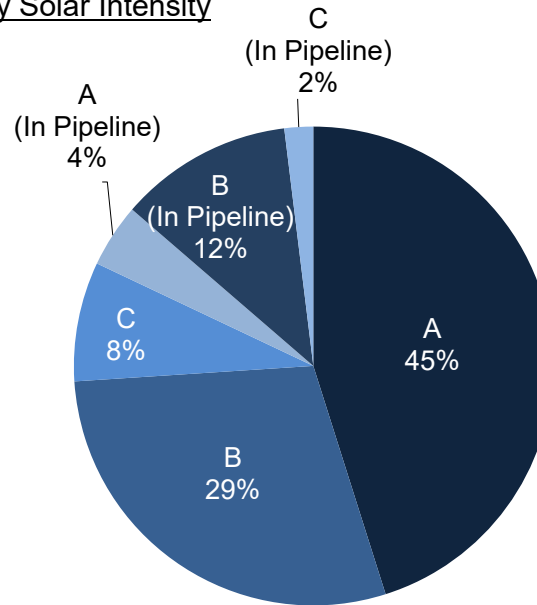
By Years in Operation



By Output



By Solar Intensity



Panel Output and FIT by Customer

| Area | Operating | | In-Pipeline | |
|--------------|-------------------|---------------------|-------------------|---------------------|
| | Panel Output (MW) | FIT (Pre-tax) (JPY) | Panel Output (MW) | FIT (Pre-tax) (JPY) |
| TEPCO | 66.7 | 14 – 40 | 0.7 | 14 |
| Chugoku | 23.7 | 18 – 40 | 2.9 | 18 |
| Kyushu | 2.4 | 36 – 40 | 17.0 | 32 – 40 |
| Chubu | 13.0 | 18 – 36 | 4.0 | 14 – 18 |
| Kansai | 6.6 | 21 – 32 | 2.5 | 18 |
| Tohoku | 4.6 | 36 | – | – |
| Hokkaido | 4.4 | 40 | – | – |
| Shikoku | 2.5 | 40 | – | – |
| Total | 124.0 | | 27.1 | |

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 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 unused 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 ▪ Stable supply of biomass energy sources is necessary | No |

Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

Use Japan's Abundant Forest Resources

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

Consolidated Balance Sheet: Assets

(JPY million)

| | FY18/2 | FY19/2 | FY20/2 | FY21/2 | FY22/2 Q1 | FY22/2 H1 | vs. FY22/2 Q1 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Assets | | | | | | | |
| Current Assets | | | | | | | |
| Cash and cash equivalents | 45,510 | 50,225 | 41,067 | 50,832 | 51,477 | 45,381 | -6,096 |
| Trade notes and accounts receivable | 1,097 | 1,344 | 2,308 | 1,382 | 2,116 | 1,583 | -533 |
| Operational loan investments | 1,324 | 1,324 | 1,324 | 1,324 | 1,324 | 1,324 | - |
| Operational securities investments | 2 | 1,218 | 902 | 590 | 602 | 1,973 | +1,371 |
| Real estate for sale | 180,789 | 161,322 | 68,290 | 64,109 | 68,082 | 67,876 | -206 |
| Deferred tax assets | 342 | - | - | - | - | - | - |
| Other | 2,643 | 2,156 | 3,721 | 2,698 | 2,193 | 2,183 | -10 |
| Less: allowance for doubtful accounts | -28 | -2 | -6 | -167 | -167 | -168 | -1 |
| Total Current Assets | 231,681 | 217,590 | 117,608 | 120,771 | 125,628 | 120,154 | -617 |
| Fixed Assets | | | | | | | |
| Property, Plant, and Equipment | | | | | | | |
| Buildings and structures (net) | 10,600 | 20,338 | 55,050 | 60,673 | 59,997 | 59,695 | -302 |
| Solar and wind power plants (net) | 19,773 | 19,058 | 23,425 | 24,191 | 27,271 | 26,869 | -402 |
| Land | 26,993 | 49,924 | 122,114 | 122,592 | 122,597 | 122,597 | - |
| Other (net) | 1,190 | 5,655 | 5,607 | 6,935 | 3,787 | 4,476 | +689 |
| Total Property, Plant, and Equipment | 58,558 | 94,976 | 206,198 | 214,392 | 213,653 | 213,639 | -14 |
| Intangible Assets | | | | | | | |
| Goodwill | 1,600 | 1,346 | 1,090 | 968 | 931 | 869 | -62 |
| Leasehold rights | 135 | 316 | 687 | 1,272 | 1,272 | 1,272 | - |
| Other | 233 | 331 | 705 | 1,797 | 1,675 | 1,552 | -123 |
| Total Intangible Assets | 1,968 | 1,993 | 2,482 | 4,038 | 3,879 | 3,695 | -184 |
| Investments and Other Assets | | | | | | | |
| Securities investments | 2,184 | 2,455 | 4,321 | 5,147 | 5,349 | 5,494 | +145 |
| Long-term loans receivable | 10 | 10 | 510 | 10 | 292 | 285 | -7 |
| Deferred tax assets | 68 | 177 | 568 | 605 | 569 | 585 | +16 |
| Other | 2,132 | 2,231 | 2,128 | 2,202 | 2,141 | 2,048 | -93 |
| Less: allowance for doubtful accounts | -91 | -91 | -91 | -91 | -91 | -91 | - |
| Total Investments and Other Assets | 4,303 | 4,782 | 7,436 | 7,874 | 8,260 | 8,322 | +62 |
| Total Fixed Assets | 64,831 | 101,752 | 216,118 | 226,305 | 225,793 | 225,656 | -137 |
| Total Assets | 296,512 | 319,343 | 333,726 | 347,076 | 351,422 | 345,811 | -5,611 |

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

| | FY18/2 | FY19/2 | FY20/2 | FY21/2 | FY22/2 Q1 | FY22/2 H1 | vs. FY22/2 Q1 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| Short-term loans | 1,042 | 3,275 | 3,086 | 4,879 | 7,989 | 4,458 | -3,531 |
| 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 | 9,870 | 9,682 | -188 |
| Long-term non-recourse loans (due within one year) | 3,921 | 1,666 | 1,178 | 1,358 | 1,358 | 1,367 | +9 |
| Income taxes payable | 1,609 | 3,760 | 2,416 | 573 | 801 | 849 | +48 |
| Deferred tax liabilities | 494 | - | - | - | - | - | - |
| Accrued bonuses | 34 | 31 | 33 | 9 | 168 | 157 | -11 |
| Other current liabilities | 4,652 | 5,178 | 5,013 | 5,527 | 3,363 | 3,709 | +346 |
| Total Current Liabilities | 16,316 | 21,905 | 24,280 | 22,374 | 23,826 | 20,499 | -3,327 |
| Long-Term Liabilities | | | | | | | |
| Bonds | 520 | 538 | 6,082 | 5,878 | 5,837 | 5,740 | -97 |
| Long-term loans | 112,366 | 131,569 | 151,483 | 156,890 | 162,943 | 161,795 | -1,148 |
| Long-term non-recourse loans | 63,588 | 51,068 | 39,156 | 40,974 | 40,822 | 40,254 | -568 |
| Deferred tax liabilities | 1,744 | 2,164 | 1,890 | 1,868 | 1,844 | 1,764 | -80 |
| Long-term security deposits received | 8,492 | 8,292 | 8,118 | 7,795 | 7,685 | 7,075 | -610 |
| Other long-term liabilities | 758 | 946 | 1,107 | 1,039 | 1,119 | 1,253 | +134 |
| Total Long-Term Liabilities | 187,470 | 194,579 | 207,838 | 214,446 | 220,252 | 217,884 | -2,368 |
| Total Liabilities | 203,787 | 216,484 | 232,119 | 236,820 | 244,079 | 238,383 | -5,696 |
| 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 | 11,275 | 11,268 | -7 |
| Retained earnings | 54,324 | 66,730 | 71,505 | 73,160 | 71,402 | 71,582 | +180 |
| Treasury shares | -2,995 | -5,988 | -8,988 | -11,988 | -13,286 | -13,423 | -137 |
| Total Shareholders' Equity | 89,165 | 98,769 | 100,674 | 99,335 | 96,278 | 96,315 | +37 |
| Accumulated Other Comprehensive Income | | | | | | | |
| Valuation gains (losses) on other securities | 543 | 386 | 158 | 90 | 145 | 139 | -6 |
| Deferred gains (losses) on long-term interest rate hedges | -372 | -408 | -397 | -375 | -360 | -372 | -12 |
| Total Accumulated Other Comprehensive Income | 171 | -21 | -239 | -285 | -214 | -233 | -19 |
| Stock Options | 666 | 827 | 988 | 1,007 | 1,026 | 1,039 | +13 |
| Minority Interests | 2,722 | 3,283 | 184 | 10,197 | 10,251 | 10,306 | +55 |
| Total Net Assets | 92,725 | 102,859 | 101,607 | 110,255 | 107,342 | 107,427 | +85 |
| Total Liabilities and Net Assets | 296,512 | 319,343 | 333,726 | 347,076 | 351,422 | 345,811 | -5,611 |

Consolidated P&L

(JPY million)

| | FY18/2 (12M) | FY19/2 (12M) | FY20/2 (12M) | FY21/2 (12M) | FY22/2 H1 (6M) | FY21/2 H1 (6M) | Change (YOY) | FY22/2 Full-Year Forecast | vs. Forecast |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-----------------|---------------------------------|----------------------|
| Revenue | 57,846 | 83,540 | 87,360 | 61,368 | 23,303 | 32,026 | -8,723 | - | - |
| Cost of Goods Sold | 30,860 | 51,413 | 52,851 | 45,776 | 15,934 | 23,342 | -7,408 | - | - |
| Gross Profit | 26,986 | 32,126 | 34,509 | 15,591 | 7,368 | 8,683 | -1,315 | - | - |
| SG&A | 5,067 | 5,847 | 6,787 | 5,923 | 3,125 | 3,231 | -106 | - | - |
| Operating Profit | 21,919 | 26,279 | 27,721 | 9,668 | 4,243 | 5,452 | -1,209 | 9,100 – 12,000 | 35.4% – 46.6% |
| Non-Operating Income | | | | | | | | | |
| Interest income | 3 | 3 | 8 | 17 | 10 | 8 | +2 | - | - |
| Dividend income | 57 | 68 | 78 | 78 | 9 | 58 | -49 | - | - |
| Mark-to-market gains on long-term interest rate hedges | - | 5 | - | 243 | 27 | 186 | -159 | - | - |
| Other | 100 | 70 | 62 | 78 | 72 | 35 | +37 | - | - |
| Total Non-Operating Income | 161 | 147 | 150 | 417 | 121 | 288 | -167 | - | - |
| Non-Operating Expenses | | | | | | | | | |
| Interest expenses | 2,249 | 2,328 | 2,293 | 2,338 | 1,204 | 1,161 | +43 | - | - |
| Mark-to-market losses on long-term interest rate hedges | 270 | 491 | 336 | 29 | 320 | 20 | +300 | - | - |
| Debt financing-related fees | 207 | 327 | 538 | 279 | 35 | 155 | -120 | - | - |
| Other | 168 | 203 | 307 | 258 | 137 | 152 | -15 | - | - |
| Total Non-Operating Expenses | 2,895 | 3,350 | 3,476 | 2,906 | 1,698 | 1,489 | +209 | - | - |
| Recurring Profit | 19,185 | 23,076 | 24,395 | 7,179 | 2,666 | 4,252 | -1,586 | 6,000 – 8,900 | 30.0% – 44.4% |
| Extraordinary Gains | | | | | | | | | |
| Gains on sales of fixed assets | - | - | - | 720 | 3 | - | +3 | - | - |
| 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 | 3 | - | +3 | - | - |
| Extraordinary Losses | | | | | | | | | |
| Loss on disposal of fixed assets | 11 | - | 27 | - | 1 | - | - | - | - |
| 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 | - | 1 | - | - | - |
| Total Extraordinary Losses | 339 | - | 8,065 | 288 | 1 | 116 | -115 | - | - |
| Pre-Tax Income | 20,109 | 23,079 | 16,545 | 7,610 | 2,668 | 4,136 | -1,468 | - | - |
| Income Taxes - Current | - | - | 7,990 | 2,622 | 983 | 1,448 | -465 | - | - |
| Income Taxes - Deferred | - | - | -584 | -58 | -156 | -92 | -64 | - | - |
| Total Income Taxes | 5,923 | 7,333 | 7,406 | 2,564 | 826 | 1,355 | -529 | - | - |
| Pre-Minority Interest Net Income | 14,185 | 15,746 | 9,139 | 5,046 | 1,842 | 2,780 | -938 | - | - |
| Net Income Attributable to Minority Interests | 167 | 373 | 938 | 18 | 111 | 1 | +110 | - | - |
| Net Income | 14,018 | 15,373 | 8,201 | 5,027 | 1,731 | 2,778 | -1,047 | 5,000 – 8,000 | 21.6% – 34.6% |

Consolidated Cash Flows: Operations

(JPY million)

| | FY18/2 (12M) | FY19/2 (12M) | FY20/2 (12M) | FY21/2 (12M) | FY22/2 H1 (6M) |
|---|---------------|---------------|---------------|---------------|----------------|
| Cash Flows from Operations | | | | | |
| Pre-tax income | 20,109 | 23,079 | 16,545 | 7,610 | 2,668 |
| Depreciation | 1,015 | 1,696 | 2,630 | 4,797 | 2,816 |
| Share-based compensation expenses | 215 | 213 | 194 | 21 | 31 |
| Amortization of goodwill | 111 | 254 | 174 | 121 | 98 |
| Increase (decrease) in accrued bonuses | 32 | -3 | 2 | -24 | 148 |
| Increase (decrease) in allowance for doubtful accounts | -355 | -26 | 4 | 161 | - |
| Interest and dividend income | -61 | -71 | -86 | -96 | -20 |
| Interest expense | 2,249 | 2,328 | 2,293 | 2,338 | 1,204 |
| 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 | - | - | - | - | 1 |
| Losses (gains) on sales of fixed assets | - | - | - | -720 | -3 |
| Impairment loss | 327 | - | 319 | 27 | - |
| Valuation losses on securities investments | - | - | 229 | 114 | - |
| Decrease (increase) in trading notes and receivables | -468 | -247 | -903 | 925 | -200 |
| Decrease (increase) in operational securities investments | 1,663 | 3,509 | 11,682 | 343 | -11 |
| Decrease (increase) in real estate for sale | -8,112 | -3,163 | -17,447 | 5,342 | -3,764 |
| Covid writedown of real estate for sale | - | - | 7,487 | - | - |
| Decrease (increase) in power plant for sale | 996 | - | - | - | - |
| Valuation losses on SPC capital contributions | - | - | - | 4 | - |
| Decrease (increase) in advances paid | 871 | -333 | 16 | 61 | 76 |
| Decrease (increase) in accounts receivable | -10 | -399 | 29 | 16 | 134 |
| Increase (decrease) in accounts payable | 573 | -332 | 201 | -437 | -630 |
| Increase (decrease) in accrued expenses | -47 | 25 | -36 | 94 | 2 |
| Increase (decrease) in advances received | 30 | 269 | -285 | -57 | - |
| Increase (decrease) in security deposits received | 125 | -264 | -169 | -323 | -719 |
| Other | 585 | 1,887 | 600 | 1,550 | -262 |
| Sub-Total | 18,628 | 28,420 | 23,304 | 21,870 | 1,570 |
| Interest and dividend income received | 61 | 71 | 86 | 96 | 20 |
| Interest expenses paid | -2,231 | -2,118 | -2,068 | -2,119 | -1,104 |
| Income taxes paid and refunded | -5,854 | -4,610 | -9,430 | -4,384 | -492 |
| Net Cash from (Used for) Operations | 10,603 | 21,762 | 11,892 | 15,463 | -6 |

Consolidated Cash Flows: Investments & Financing

(JPY million)

| | FY18/2 (12M) | FY19/2 (12M) | FY20/2 (12M) | FY21/2 (12M) | FY22/2 H1 (6M) |
|--|---------------|----------------|----------------|----------------|----------------|
| Cash Flows from Investments | | | | | |
| Payments into time deposits | -6 | -118 | -113 | -7 | -4 |
| Proceeds from withdrawal from time deposits | - | 1,060 | 5,033 | - | - |
| Payments for securities investments | -140 | -539 | -2,361 | -547 | -228 |
| Proceeds from sales of securities investments | - | 32 | 111 | 10 | 2 |
| Acquisitions of property, plant, and equipment | -4,796 | -15,440 | -11,244 | -16,447 | -2,188 |
| Proceeds from sale of property, plant, and equipment | - | - | - | 2,850 | 4 |
| Acquisitions of intangible assets | -83 | -425 | -562 | -1,468 | -73 |
| Payments of SPC capital contributions | -28 | -6 | -2 | -3 | -3 |
| Redemptions of SPC capital contributions | - | 32 | - | 15 | - |
| Payments of security deposits | -36 | -16 | -34 | - | -16 |
| Acquisitions of subsidiary shares resulting in change of consolidation scope | -2,619 | - | - | - | - |
| Sales of subsidiary shares resulting in change of consolidation scope | 2,096 | - | - | - | - |
| Acquisitions of consolidated subsidiary | - | - | -187 | - | - |
| Other | -32 | -181 | -902 | -30 | -272 |
| Net Cash from (Used for) Investments | -5,645 | -15,602 | -10,263 | -15,630 | -2,780 |
| Cash Flows from Financing | | | | | |
| Net increase (decrease) in short-term loans | -306 | 2,232 | 426 | 1,793 | -421 |
| 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 | -137 |
| Redemption of non-recourse bonds | -100 | - | - | - | - |
| Proceeds from long-term loans | 32,660 | 43,062 | 49,957 | 51,877 | 14,453 |
| Repayment of long-term loans | -13,402 | -20,352 | -26,475 | -48,996 | -9,632 |
| 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 | -710 |
| 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 | -1,178 |

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

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



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

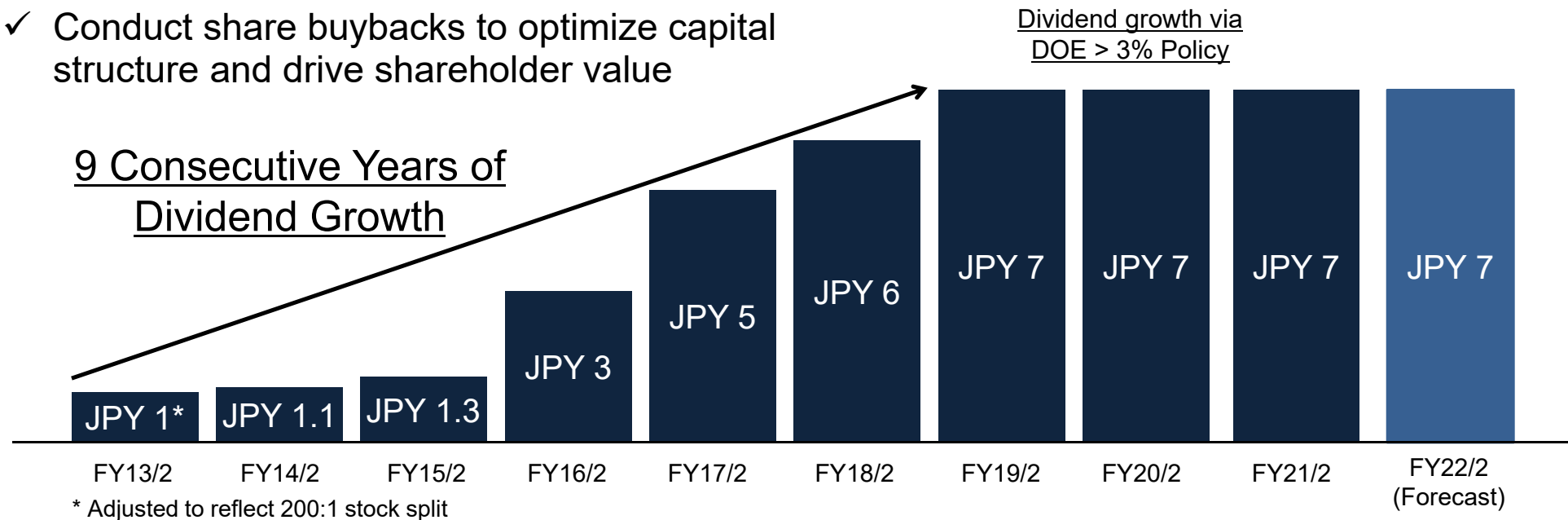
- FY30/2 Stock Earnings Ratio >60%
 - ✓ Raise Stock Earnings ratio from FY19/2's 53%
 - ✓ Concurrently increase and diversify Flow Earnings, which are currently centered on Sustainable Real Estate Gains on Sales

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

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

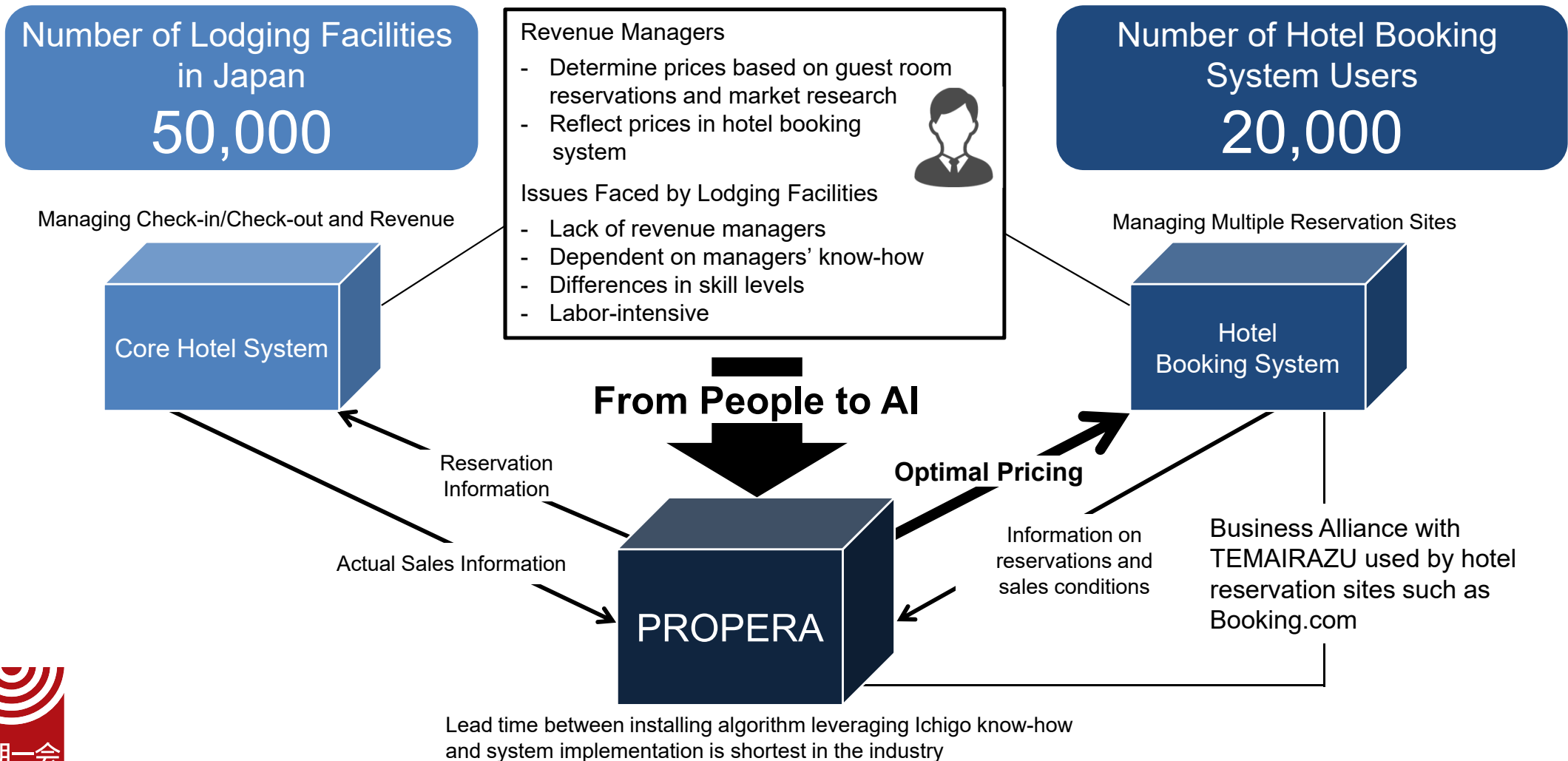


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PROPERA: Ichigo's AI Hotel Revenue Management System

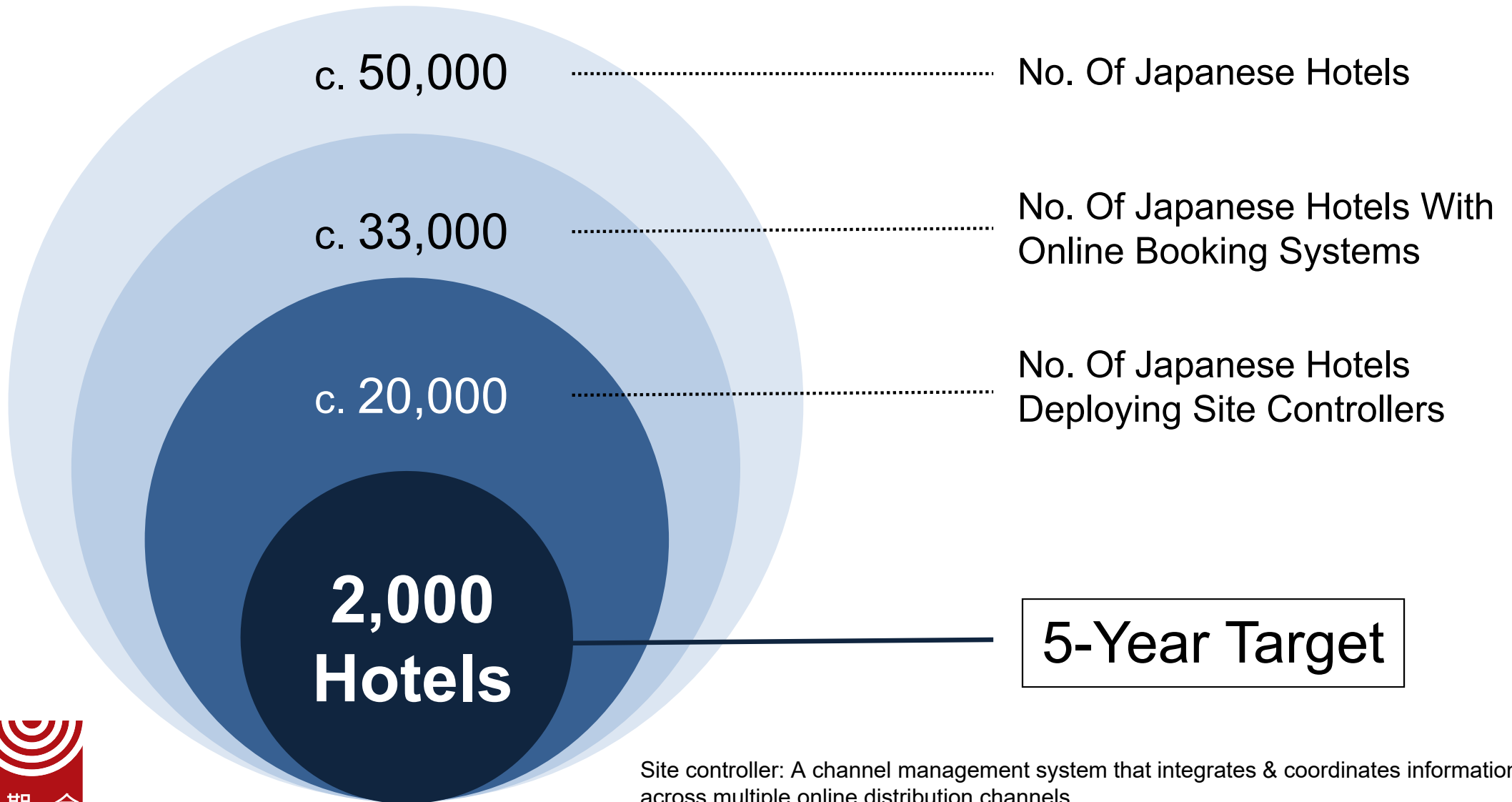
- Maximizes Hotel Revenues & Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite* Tailored to Hotels' Needs

* Provides limited information on pricing levels



Market Size & Customer Acquisition Target

Customer Acquisition Target: 2,000 Hotels Within 5 Years



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

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 expected to drive Ichigo non-asset revenue streams



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

||| HAKATA HOTELS

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



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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These materials are based upon information available as of the publication date, and may contain forward-looking statements pertaining to Ichigo's expectations, targets, plans, and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information currently available. Actual operating results or developments concerning Ichigo may differ substantially from those indicated by forward-looking statements. The information enclosed is subject to revision without prior notice.

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.