

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

FY23/2 H1 Earnings

October 13, 2022

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

Representative: Takuma Hasegawa, President

Inquiries: Takanori Sakamatsu, Senior Statutory Executive Officer

Telephone: +81-3-3502-4818 www.ichigo.gr.jp/en

Submission of the Financial Report (*Shihanki Hokokusho*): October 14, 2022 (expected)

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. FY23/2 H1 Consolidated Financial Results (March 1, 2022 to August 31, 2022)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		All-In Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY	
FY23/2 H1	25,475	+9.3%	5,082	+19.8%	6,177	+45.6%	4,166	+56.3%
FY22/2 H1	23,303	-27.2%	4,243	-22.2%	4,243	-22.2%	2,666	-37.3%

Note: Comprehensive Income FY23/2 H1: JPY 3,847 million (+103.1% YOY)

FY22/2 H1: JPY 1,894 million (-23.4% YOY)

All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate Assets
Recorded as Extraordinary Gains

	Net Income (JPY million) YOY		Net Income per Share (Basic, JPY)		Net Income per Share (Diluted, JPY)	
FY23/2 H1	3,429	+98.1%	7.38	+100.1%	—	—
FY22/2 H1	1,731	-37.7%	3.69	-36.1%	—	—

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY23/2 H1	341,410	111,117	29.2%	215.49
FY22/2	337,887	112,191	29.8%	215.46

Note: Shareholders' Equity FY23/2 H1: JPY 99,613 million FY22/2: JPY 100,815 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY23/2 H1	-3,243	-2,990	3,423	41,555
FY22/2 H1	-6	-2,780	-1,178	45,138

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

FY23/2 H1: JPY 4,163 million FY22/2 H1: JPY 3,784 million

2. Dividends

	Dividend per Share (JPY)					Total Dividend (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY22/2	–	–	–	7	7	3,275	50.7%	3.3%
FY23/2 (Forecast)	–	–	–	7	7		38.1%~ 49.9%	

3. FY23/2 Full-Year Consolidated Earnings Forecast (March 1, 2022 to February 28, 2023)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		All-In Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY		Net Income per Share (JPY) YOY	
FY23/2	9,700~	-3.2%~	12,700~	-4.3%~	6,700~	-10.3%~	6,500~	+0.4%~	14.04~	+1.7%~
	10,600	+5.8%	15,600	+17.6%	7,600	+1.7%	8,500	+31.3%	18.36	+33.0%

Note: Ichigo is reporting its FY23/2 earnings forecast as a range.

4. Other

(1) Changes in significant consolidated subsidiary
(material changes in scope of consolidation):

No

(2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements

(i) Changes in accounting standards/principles:

Yes

(ii) Changes in accounting principles other than the above:

None

(iii) Changes in accounting estimates:

None

(iv) Revisions of previous financial statements:

None

(3) Number of outstanding common shares

(i) Number of outstanding shares (including treasury shares) at period-end

FY23/2 H1: 505,381,018

FY22/2: 505,381,018

(ii) Number of treasury shares at period-end

FY23/2 H1: 43,110,300

FY22/2: 37,466,500

(iii) Average number of outstanding shares (excluding treasury shares) during the period

FY23/2 H1: 464,961,147

FY22/2 H1: 469,561,721

Segment Information

Asset Management (AM) generates fee income via the management of Ichigo Office (8975), Ichigo Hotel (3463), Ichigo Green (9282), and private real estate funds.

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

Note on Appropriate Use of Forecasts

Forward-looking statements contained in these materials are based on judgments regarding information that was available to Ichigo as of the announcement date. However, these statements involve risk and uncertainties, and actual earnings may differ significantly from the indicated forecasts.

Consolidated Balance Sheet (FY23/2 H1)

(JPY million)

	FY22/2 (Feb 28, 2022)	FY23/2 H1 (August 31, 2022)
Assets		
Current Assets		
Cash and deposits	46,458	41,780
Trade notes and accounts receivable	1,819	1,659
Operational loan investments	1,324	1,324
Operational securities investments	2,547	1,264
Real estate for sale	68,666	75,911
Other	2,613	2,672
Less: allowance for doubtful accounts	-633	-49
Total Current Assets	122,798	124,563
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	66,501	66,507
Depreciation	-10,292	-11,687
Buildings and structures (net)	56,208	54,820
Solar and wind power plants	34,298	34,735
Depreciation	-6,345	-7,218
Solar and wind power plants (net)	27,953	27,516
Land	116,079	119,078
Buildings and structures under construction	435	610
Solar and wind power plants under construction	2,095	2,144
Other	2,884	2,995
Depreciation	-1,618	-1,801
Other (net)	1,265	1,193
Total Property, Plant, and Equipment	204,038	205,363
Intangible Assets		
Goodwill	1,580	1,492
Leasehold rights	1,365	1,365
Other	605	469
Total Intangible Assets	3,551	3,327
Investments and Other Assets		
Securities investments	3,463	3,919
Long-term loans receivable	270	255
Deferred tax assets	883	794

(JPY million)

	FY22/2 (Feb 28, 2022)	FY23/2 H1 (August 31, 2022)
Other	3,013	3,203
Less: allowance for doubtful accounts	-131	-16
Total Investments and Other Assets	7,498	8,155
Total Fixed Assets	215,089	216,846
Total Assets	337,887	341,410

(JPY million)

	FY22/2 (Feb 28, 2022)	FY23/2 H1 (August 31, 2022)
Liabilities		
Current Liabilities		
Short-term loans	2,382	2,887
Bonds (due within one year)	274	290
Long-term loans (due within one year)	9,888	9,156
Long-term non-recourse loans (due within one year)	1,375	4,237
Income taxes payable	1,888	903
Accrued bonuses	39	166
Other current liabilities	5,012	3,016
Total Current Liabilities	20,861	20,658
Long-Term Liabilities		
Bonds	5,603	5,450
Long-term loans	150,389	156,268
Long-term non-recourse loans	39,489	38,839
Deferred tax liabilities	1,795	1,640
Long-term security deposits received	6,749	6,788
Other long-term liabilities	805	645
Total Long-Term Liabilities	204,833	209,633
Total Liabilities	225,695	230,292
Net Assets		
Shareholders' Equity		
Capital	26,888	26,888
Capital reserve	11,268	11,268
Retained earnings	76,310	76,466
Treasury shares	-13,423	-15,091
Total Shareholders' Equity	101,043	99,531
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	25	278
Deferred gains (losses) on long-term interest rate hedges	-254	-196
Total Accumulated Other Comprehensive Income	-228	81
Stock Options	961	983
Minority Interests	10,415	10,520
Total Net Assets	112,191	111,117
Total Liabilities and Net Assets	337,887	341,410

Consolidated Income Statement (FY23/2 H1)

(JPY million)

	FY22/2 H1 (Mar 1, 2021 to Aug 31, 2021)	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)
Revenue	23,303	25,475
Cost of Goods Sold	15,934	17,176
(Depreciation)	2,659	2,560
Gross Profit	7,368	8,299
SG&A	3,125	3,216
Operating Profit	4,243	5,082
Non-Operating Income		
Interest income	10	23
Dividend income	9	13
Foreign exchange gains	18	12
Mark-to-market gains on long-term interest rate hedges	27	254
Other	54	52
Total Non-Operating Income	121	355
Non-Operating Expenses		
Interest expense	1,204	1,083
Mark-to-market losses on long-term interest rate hedges	320	-
Debt financing-related fees	35	91
Other	137	96
Total Non-Operating Expenses	1,698	1,271
Recurring Profit	2,666	4,166
Extraordinary Gains		
Gains on sale of fixed assets	3	1,094
Total Extraordinary Gains	3	1,094
Extraordinary Losses		
Loss on disposal of fixed assets	1	-
Other	-	-
Total Extraordinary Losses	1	-
Pre-Tax Income	2,668	5,261
Total Income Taxes	826	1,723
Pre-Minority Interest Net Income	1,842	3,537
Net Income Attributable to Minority Interests	111	107
Net Income	1,731	3,429

Consolidated Income Statement (FY23/2 Q2 Stand-Alone)

(JPY million)

	FY22/2 Q2 (Jun 1, 2021 to Aug 31, 2021)	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)
Revenue	10,629	8,836
Cost of Goods Sold	8,003	4,855
(Depreciation)	1,299	1,279
Gross Profit	2,625	3,981
SG&A	1,541	1,622
Operating Profit	1,084	2,358
Non-Operating Income		
Interest income	5	11
Dividend income	4	4
Foreign exchange gains	–	3
Mark-to-market gains on long-term interest rate hedges	19	67
Other	28	25
Total Non-Operating Income	58	112
Non-Operating Expenses		
Interest expense	611	549
Mark-to-market losses on long-term interest rate hedges	145	–
Debt financing-related fees	10	74
Other	93	48
Total Non-Operating Expenses	860	672
Recurring Profit	282	1,799
Extraordinary Gains		
Gains on sale of fixed assets	3	1,094
Total Extraordinary Gains	3	1,094
Extraordinary Losses		
Loss on disposal of fixed assets	1	–
Other	–	–
Total Extraordinary Losses	1	–
Pre-Tax Income	284	2,894
Total Income Taxes	43	947
Pre-Minority Interest Net Income	240	1,946
Net Income Attributable to Minority Interests	55	51
Net Income	185	1,895

Consolidated Statement of Comprehensive Income (FY23/2 H1)

(JPY million)

	FY22/2 H1 (Mar 1, 2021 to Aug 31, 2021)	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)
Pre-Minority Interest Net Income	1,842	3,537
Other Comprehensive Income		
Valuation gains (losses) on other securities	48	253
Deferred gains (losses) on long-term interest rate hedges	3	57
Total Other Comprehensive Income	51	310
Comprehensive Income	1,894	3,847
Comprehensive income attributable to common shareholders	1,783	3,740
Comprehensive income attributable to minority interests	111	107

Consolidated Statement of Comprehensive Income (FY23/2 Q2 Stand-Alone)

(JPY million)

	FY22/2 Q2 (Jun 1, 2021 to Aug 31, 2021)	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)
Pre-Minority Interest Net Income	240	1,946
Other Comprehensive Income		
Valuation gains (losses) on other securities	-6	-7
Deferred gains (losses) on long-term interest rate hedges	-12	-6
Total Other Comprehensive Income	-18	-13
Comprehensive Income	222	1,933
Comprehensive income attributable to common shareholders	166	1,881
Comprehensive income attributable to minority interests	55	51

Consolidated Cash Flow Statement (FY23/2 H1)

(JPY million)

	FY22/2 H1 (Mar 1, 2021 to Aug 31, 2021)	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)
Cash Flows from Operations:		
Pre-tax income	2,668	5,261
Depreciation	2,816	2,650
Amortization of goodwill	98	88
Increase (decrease) in accrued bonuses	148	127
Increase (decrease) in allowance for doubtful accounts	-	-
Interest and dividend income	-20	-36
Interest expense	1,204	1,083
Loss on disposal of fixed assets	1	-
Gains on sale of fixed assets	-3	-1,094
Decrease (increase) in trading notes and receivables	-200	160
Decrease (increase) in operational securities investments	-11	1,913
Decrease (increase) in real estate for sale	-3,764	-7,245
Decrease (increase) in advances paid	76	-201
Decrease (increase) in prepaid expenses	-40	-174
Decrease (increase) in accounts receivable	134	-58
Decrease (increase) in consumption taxes receivable	23	591
Increase (decrease) in accounts payable	-630	-548
Increase (decrease) in accrued expenses	2	-37
Increase (decrease) in advances received	-90	-984
Increase (decrease) in deposits received	-242	34
Increase (decrease) in security deposits received	-719	38
Increase (decrease) in accrued consumption taxes	-666	-638
Other	786	-58
Sub-Total	1,570	872
Interest and dividends received	20	36
Interest expense paid	-1,104	-1,023
Income taxes paid	-658	-3,156
Income taxes refunded	166	27
Net Cash from (Used for) Operations	-6	-3,243

(JPY million)

	FY22/2 H1 (Mar 1, 2021 to Aug 31, 2021)	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)
Cash Flows from Investments:		
Payments into time deposits	-4	-1
Redemptions of time deposits	–	20
Payments for securities investments	-228	-256
Proceeds from sale of securities investments	2	–
Acquisition of property, plant, and equipment	-2,188	-4,501
Proceeds from sale of property, plant, and equipment	4	1,800
Acquisition of intangible assets	-73	-13
Payments of SPC capital contributions	-3	-6
Payments of security deposits	-16	–
Payments of loans receivable	-290	-52
Payments received for loans receivable	17	15
Other	–	5
Net Cash from (Used for) Investments	-2,780	-2,990

(JPY million)

	FY22/2 H1 (Mar 1, 2021 to Aug 31, 2021)	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-421	505
Repayment of maturing bond principal to bondholders	-137	-137
Proceeds from long-term loans	14,453	20,771
Repayment of long-term loans	-9,632	-15,061
Proceeds from long-term non-recourse loans	–	3,000
Repayment of long-term non-recourse loans	-710	-788
Share buyback	-1,499	-1,667
Dividends paid	-3,229	-3,196
Dividends paid to minority interests	-1	-2
Net Cash from (Used for) Financing	-1,178	3,423
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-3,966	-2,810
Cash and Cash Equivalents at Beginning of Period	50,590	46,214
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-1,485	-1,848
Cash and Cash Equivalents at End of Period	45,138	41,555

Consolidated Cash Flow Statement (FY23/2 Q2 Stand-Alone)

(JPY million)

	FY22/2 Q2 (Jun 1, 2021 to Aug 31, 2021)	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)
Cash Flows from Operations:		
Pre-tax income	284	2,894
Depreciation	1,403	1,316
Amortization of goodwill	61	44
Increase (decrease) in accrued bonuses	-10	-6
Increase (decrease) in allowance for doubtful accounts	-	-
Interest and dividend income	-9	-16
Interest expense	611	549
Loss on disposal of fixed assets	1	-
Gains on sale of fixed assets	-3	-1,094
Decrease (increase) in trading notes and receivables	532	805
Decrease (increase) in operational securities investments	-	22
Decrease (increase) in real estate for sale	207	-7,485
Decrease (increase) in advances paid	-29	-175
Decrease (increase) in prepaid expenses	90	46
Decrease (increase) in accounts receivable	8	-35
Decrease (increase) in consumption taxes receivable	-228	280
Increase (decrease) in accounts payable	444	190
Increase (decrease) in accrued expenses	-26	-32
Increase (decrease) in advances received	-19	-45
Increase (decrease) in deposits received	-32	-701
Increase (decrease) in security deposits received	-610	13
Increase (decrease) in accrued consumption taxes	169	-70
Other	262	125
Sub-Total	3,106	-3,376
Interest and dividends received	9	16
Interest expense paid	-599	-552
Income taxes paid	-129	-375
Income taxes refunded	166	26
Net Cash from (Used for) Operations	2,552	-4,260

(JPY million)

	FY22/2 Q2 (Jun 1, 2021 to Aug 31, 2021)	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)
Cash Flows from Investments:		
Payments into time deposits	-2	-
Payments for securities investments	-108	-226
Proceeds from sale of securities investments	2	-
Acquisition of property, plant, and equipment	-1,280	-330
Proceeds from sale of property, plant, and equipment	4	1,800
Acquisition of intangible assets	-1	-8
Payments of security deposits	-	-
Payments of loans receivable	-	-20
Payments received for loans receivable	8	7
Other	-	2
Net Cash from (Used for) Investments	-1,377	1,223

(JPY million)

	FY22/2 Q2 (Jun 1, 2021 to Aug 31, 2021)	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-3,531	-1,912
Repayment of maturing bond principal to bondholders	-96	-96
Proceeds from long-term loans	3,366	9,787
Repayment of long-term loans	-4,710	-2,706
Repayment of long-term non-recourse loans	-558	-647
Share buyback	-201	-570
Dividends paid	-52	-48
Dividends paid to minority interests	–	-1
Net Cash from (Used for) Financing	-5,785	3,803
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-4,610	766
Cash and Cash Equivalents at Beginning of Period	51,234	42,637
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-1,485	-1,848
Cash and Cash Equivalents at End of Period	45,138	41,555

Changes in Accounting Policies

1. Application of Revenue Recognition Accounting Standard

The “Accounting Standard for Revenue Recognition” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”) has been applied from the beginning of FY23/2 Q1. Under this accounting standard, revenue is recognized in an amount expected to be received in exchange for goods or services when control of promised goods or services is transferred to a customer.

Ichigo applies the transitional treatment provided in the notes to Clause 84, and there is no impact from this change on retained earnings as of the beginning of FY23/2.

Accordingly, the impact from the change in Revenue Recognition Accounting Standard on FY23/2 H1 earnings is minimal.

Pursuant to the transitional treatment provided in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12, March 31, 2020), details of earnings from contracts made with clients during the previous period (FY22/2 H1) is not provided.

2. Application of Accounting Standard for Fair Value Measurement

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”) has been applied from the beginning of FY23/2 Q1. In accordance with the transitional treatment provided for in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44–2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Fair Value Measurement Accounting Standard will henceforth be applied on an ongoing basis.

Financial instruments such as corporate bonds and other bonds that are recognized as being difficult to obtain a market value for were previously recorded on the quarterly balance sheet based on acquisition price. Under the Fair Value Measurement Accounting Standard, these financial instruments will be recorded on the quarterly balance sheet using a market value derived from unobservable inputs based on best available information.

Revenue, P&L, and Assets by Segment (Current FY23/2 H1)

(Mar 1, 2022 to Aug 31, 2022)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	998	21,270	3,205	25,475	-	25,475
Inter-Segment Activities or Reclassifications	230	-	-	231	-231	-
Total	1,229	21,271	3,205	25,706	-231	25,475
Operating Profit	681	3,041	1,380	5,102	-19	5,082
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	1,094	-	1,094	-	1,094
Segment P&L (All-In Operating Profit) ¹	681	4,135	1,380	6,197	-19	6,177
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	671	1,294	1,380	3,346	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	9	2,840	-	2,850	-	-
Segment Assets	1,431	277,371	36,837	315,640	25,769	341,410
Other						
Depreciation	-	1,744	876	2,620	29	2,650
Increase in Property, Plant, and Equipment and Intangible Assets	-	4,011	485	4,496	53	4,550

¹ Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

² The Adjustment to Segment P&L of -JPY 19 million reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 25,769 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 29 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 53 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY22/2 H1)

(Mar 1, 2021 to Aug 31, 2021)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	1,041	19,270	2,991	23,303	-	23,303
Inter-Segment Activities or Reclassifications	254	-	-	255	-255	-
Total	1,295	19,271	2,991	23,559	-255	23,303
Operating Profit	771	2,074	1,394	4,240	3	4,243
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	-	-	-	-	-
Segment P&L (All-In Operating Profit) ^{1, 3}	771	2,074	1,394	4,240	3	4,243
Segment P&L (All-In) Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	761	1,010	1,394	3,165	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	9	1,064	-	1,074	-	-
Segment Assets	1,562	278,212	36,029	315,804	30,007	345,811
Other						
Depreciation	-	1,962	824	2,787	29	2,816
Increase in Property, Plant, and Equipment and Intangible Assets	-	582	1,218	1,801	15	1,816

¹ Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

- ² The Adjustment to Segment P&L of JPY 3 million reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 30,007 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 29 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 15 million) reflects corporate assets that were not allocated to the segments.
- ³ From FY23/2 Q1, Ichigo has adjusted the allocation of general corporate expenses to subsidiaries to more accurately reflect their use of corporate resources. If the new allocation methodology is applied to the previous FY22/2 H1 period, Segment P&L would have been JPY 814 million for Asset Management, JPY 2,099 million for Sustainable Real Estate, and JPY 1,345 million for Clean Energy.

Revenue, P&L, and Assets by Segment (Current FY23/2 Q2 Stand-Alone)

(Jun 1, 2022 to Aug 31, 2022)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	527	6,678	1,630	8,836	-	8,836
Inter-Segment Activities or Reclassifications	124	-	-	124	-124	-
Total	651	6,679	1,630	8,961	-124	8,836
Operating Profit	358	1,289	720	2,369	-10	2,358
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	1,094	-	1,094	-	1,094
Segment P&L (All-In Operating Profit) ¹	358	2,384	720	3,464	-10	3,453
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	348	790	720	1,859	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	9	1,594	-	1,604	-	-
Segment Assets	1,431	277,371	36,837	315,640	25,769	341,410
Other						
Depreciation	-	862	438	1,300	15	1,316
Increase in Property, Plant, and Equipment and Intangible Assets	-	260	123	384	49	434

¹ Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

² The Adjustment to Segment P&L of -JPY 10 million reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 25,769 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 15 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 49 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY22/2 Q2 Stand-Alone)

(Jun 1, 2021 to Aug 31, 2021)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	537	8,639	1,452	10,629	-	10,629
Inter-Segment Activities or Reclassifications	134	-	-	134	-134	-
Total	671	8,639	1,452	10,764	-134	10,629
Operating Profit	417	13	650	1,081	2	1,084
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	-	-	-	-	-
Segment P&L (All-In Operating Profit) ^{1, 3}	417	13	650	1,081	2	1,084
Segment P&L (All-In) Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	407	11	650	1,069	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	9	2	-	11	-	-
Segment Assets	1,562	278,212	36,029	315,804	30,007	345,811
Other						
Depreciation	-	975	412	1,388	14	1,403
Increase in Property, Plant, and Equipment and Intangible Assets	-	388	862	1,251	12	1,263

¹ Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

- ² The Adjustment to Segment P&L of JPY 2 million reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 30,007 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 14 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 12 million) reflects corporate assets that were not allocated to the segments.
- ³ From FY23/2 Q1, Ichigo has adjusted the allocation of general corporate expenses to subsidiaries to more accurately reflect their use of corporate resources. If the new allocation methodology is applied to the previous FY22/2 Q2 period, Segment P&L would have been JPY 439 million for Asset Management, JPY 23 million for Sustainable Real Estate, and JPY 628 million for Clean Energy.