



**Make The World  
More Sustainable**

**Ichigo Inc.**

(Tokyo Stock Exchange Prime, 2337)

## Materials for the Twenty-Third Annual Shareholder Meeting



### Our Mission: Make The World More Sustainable

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable.

Our three key businesses are: Sustainable Real Estate, in which we preserve and improve real estate; Asset Management, including managing Tokyo Stock Exchange-listed Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282); and Clean Energy, in which we develop solar and wind power plants to supply clean energy and bring productive use to idle land.

We are committed to growing long-term value for our shareholders by contributing to a sustainable society.

The word “Ichigo” comes from the ancient Japanese proverb, *Ichigo Ichie*, literally meaning “One lifetime, one encounter.” The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized. Ichigo embraces the *Ichigo Ichie* philosophy of sincerity and service, and works to build strong long-term relationships to support the success of all of our clients, shareholders, and stakeholders.

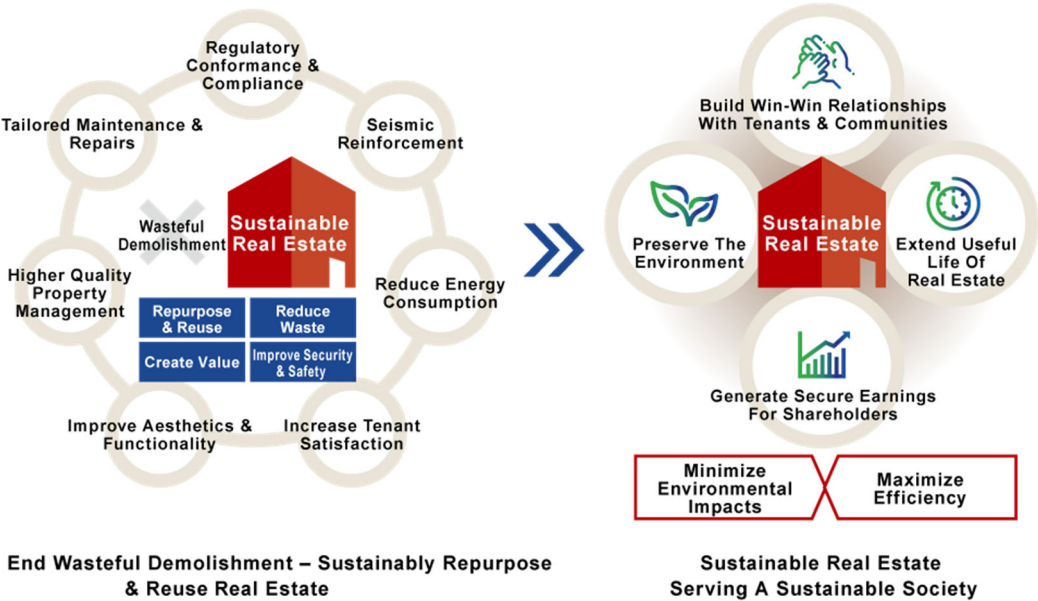


# Ichigo’s Sustainability Commitment (ESG)

## Environmental

### Sustainable Real Estate

Ichigo preserves and improves real estate, lengthening the useful life of buildings and other physical and social infrastructure beyond 100 years by drawing upon our real estate technologies and expertise.



### Safe & Clean Energy Produced Locally

Ichigo gives new purpose to idle land across Japan and supports the revitalization of local communities by building renewable energy plants that generate clean power locally. Our clean energy business contributes to a more sustainable society while contributing to Japan’s energy self-sufficiency. Ichigo works closely with local communities, contributing to sustainable job creation and economic growth.

Ichigo is currently operating 63 renewable energy plants in communities across Japan, with a panel output of 174MW. In tandem to growing its Clean Energy business, Ichigo has been accelerating its CO2 reduction measures, and as a result its CO2 reductions significantly exceed its CO2 emissions.

## Social

### Revitalizing Local Communities

Ichigo values its relationships with local communities across Japan, and with local governments being important Ichigo stakeholders. Pursuant to the Act on Promotion of Power Generation of Renewable Energy Harmonized with Sound Development of Agriculture, Forestry, and Fisheries (“REAFF Law”), which promotes renewable energy generation in harmony with the development of local agriculture, forestry, and fisheries, Ichigo received approval to convert farmland in Ibaraki Prefecture and build the first solar power plants approved by the Kanto Regional Agricultural Administration Office. Ichigo’s three solar power plants located in Shimotakai, Toride City, were built with the cooperation of all of the land owners, the Toride City Agriculture Committee, and the Shimotakai Regional Development Association, and Ichigo continues to operate the plants with support from the local community.

The Ichigo Yokosuka Port Market project was launched when an Ichigo-led consortium was selected to renovate and operate the former Yokosuka Port Market as a Public-Private Partnership (PPP). The former Yokosuka Port Market was originally opened in 2013 upon renovating a refrigeration warehouse built in 1987, and Ichigo was selected as a PPP

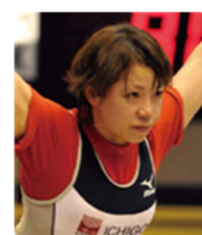


operator based on its strong value-add capabilities to develop the facility into a core tourist attraction of Kanagawa Prefecture. Ichigo renovated the facility by transforming its interior design and doubling total floor space, and successfully attracted tenants that embody Miura Peninsula’s rich food culture. Since its re-opening in October 2022, the Ichigo Yokosuka Port Market has been extensively covered by the media and attracts many visitors.

Ichigo is a Top Partner of the J.League, Japan’s professional soccer league, and is working to support the J.League’s vision of promoting sports that benefit local communities. Ichigo is deploying its real estate expertise to help the J.League and local governments maintain aging stadiums and reduce steep operating costs.

### Athletes & Art

Ichigo supports world-class athletes and artists with disabilities via sponsorship of Paralymp Art.



Hiromi Miyake  
(Weightlifting)

## **Governance**

### Governance Structure

Ichigo was an early adopter of global best-practice governance, adopting a Company with Committees (Nominating, Audit, Compensation) governance structure in 2006. The independence of Ichigo's Board of Directors underpins its strong governance and oversight capabilities, and the majority of the Board are Independent Directors. All Board Members are aware of their fiduciary responsibility towards shareholders and work collaboratively and appropriately with other stakeholders to ensure sustained value creation for shareholders. The Board examines and decides on matters stipulated by law and regulation, set in Ichigo's Articles of Incorporation, and defined in internal rules pertaining to the Board. All other decisions are delegated to Ichigo's Statutory Executive Officers to deliver both speed and efficiency in decisionmaking and strong corporate governance. All Statutory Executive Officers make decisions and lead employees within their specific scope of delegated responsibility and authority.



### Rigorous Compliance

Under a rigorous compliance and risk management framework, Ichigo has built a robust and fully independent whistleblower system and has implemented the following compliance measures.

- Maintain a sound work environment by preventing all types of harassment
- Preempt potential problems through regular compliance surveys and the whistleblower system
- Periodic training on key topics such as prevention of insider trading
- Established a rotation rule within Ichigo to eliminate conflicts of interests that may arise with respect to preferential transactions
- Identify and manage transactions that pose a conflict of interest
- Established a policy to prevent any dealings with anti-social forces
- Promote self-corrective measures via self-inspections and a reporting system on issues

### Risk Management

Ichigo manages all possibilities of unexpected losses at Ichigo and any of its subsidiaries in line with the ISO 31000 risk management guidelines. Ichigo has set risk management rules and has established a risk management structure that spans the entire group.

# Ichigo’s ESG Initiatives

Ichigo believes that working on behalf of the environment and society is a fundamental social responsibility. As Ichigo grows and takes on new challenges as a sustainable infrastructure company, sustainability remains at the core of everything we do, and we reduce our environmental impact and pro-actively join conservation efforts.

## CDP 2022 Climate Change Assessment

Ichigo received A- scores and was recognized at the highest Leadership Level in the Climate Change and Water Security Assessments by CDP, a non-profit organization that promotes global environmental reporting. Leadership Level scores (A, A-) are given to companies that lead with best practice environmental initiatives.



### About CDP

CDP is a global non-profit organization that runs the world’s environmental disclosure system and assesses over 18,700 companies on their environmental transparency and actions. An assessment questionnaire spanning topics such as governance, risk management, business strategy, and targets and performance is used to score companies among eight levels: Leadership (A/A-), Management (B/B-), Awareness (C/C-), and Disclosure (D/D-).

## RE100

Ichigo joined RE100, a global initiative to accelerate the transition of electricity used by businesses to 100% renewable energy, and is targeting sourcing 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463), by 2025. As of FY23/2-end, Ichigo has made 70% progress towards it target, and will continue accelerating its Net Zero Carbon initiatives.



## TCFD

Ichigo believes that it is the responsibility of companies to work towards addressing the global problem of climate change. Ichigo has made sustainability a key business and social priority, and will work towards creating a sustainable



future by identifying climate-related risks and establishing appropriate risk management procedures while also identifying new business opportunities that can help solve the problem. Ichigo discloses its governance, strategy, risk management, and metrics and targets in line with the TCFD framework.

## UN Global Compact

Ichigo believes companies exist to serve society. In line with this mission, Ichigo has signed the UN Global Compact to 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.



### The Ten Principles of the UN Global Compact

Human Rights	<p>Principle 1: Support and respect human rights</p> <p>Principle 2: Human rights abuses</p>
Labor	<p>Principle 3: Freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: Elimination of all forms of forced and compulsory labor</p> <p>Principle 5: Effective abolition of child labor</p> <p>Principle 6: Elimination of discrimination in respect of employment and occupation</p>
Environment	<p>Principle 7: Support a precautionary approach to environmental challenges</p> <p>Principle 8: Promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies</p>
Anti-Corruption	<p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>



**Make The World  
More Sustainable**

*[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.*

May 11, 2023

**Ichigo Inc.** (Tokyo Stock Exchange Prime, 2337)  
Representative: Scott Callon, Chairman

## **Materials for the Twenty-Third Annual Shareholder Meeting**

Dear Shareholders:

We are pleased to invite you to attend the Twenty-Third Annual Shareholder Meeting of Ichigo Inc. (“Ichigo”).

We will take all necessary Covid precautions at the Annual Shareholder Meeting, and you may also exercise your voting rights via postal mail or the Internet. We would appreciate it if you could please review these shareholder meeting materials and cast your vote by returning your voting form or by accessing our voting website (<https://soukai.mizuho-tb.co.jp/>) no later than Friday, May 26, 2023, 6:15 p.m. JST.

- 1. Date and Time**      Sunday, May 28, 2023 at 10:00 a.m.
- 2. Place**                La Rose, Fifth Floor, Dai-ichi Hotel Tokyo  
1-2-6 Shimbashi, Minato-ku, Tokyo

### **3. Agenda**

#### **Matters to be Reported**

- a. Ichigo’s business report, consolidated financial statements, and the results of the audit of the consolidated financial statements by the Independent Auditor and Ichigo’s Audit Committee for the Twenty-Third Period (March 1, 2022 – February 28, 2023)
- b. Ichigo’s parent financial statements for the Twenty-Third Period

#### **Matters to be Resolved**

Proposal    Election of Nine Directors

#### **Additional Accounting Notes**

Additional accounting notes to Ichigo’s consolidated and parent financial statements are disclosed on our website at [www.ichigo.gr.jp/en/ir/library](http://www.ichigo.gr.jp/en/ir/library).

Please also note that any amendments to Ichigo’s business report, consolidated and parent financial statements, or shareholder meeting materials will be posted on our website at [www.ichigo.gr.jp/en](http://www.ichigo.gr.jp/en).

## **Voting via the Internet**

### **1. Handling of Multiple Votes via both the Proxy Card and the Internet**

If you cast multiple votes via both the proxy card and the Internet voting site, only the vote cast via the Internet will be deemed effective.

### **2. Handling of Multiple Votes via the Internet**

If you cast multiple votes via the Internet voting site, only the last vote will be deemed effective.

### **3. Internet Voting Procedure**

The internet voting procedure is per the below. If you choose to attend the meeting, voting via the proxy card or the Internet is unnecessary.

#### **a. Voting Website**

- (i) You can access the designated website <https://soukai.mizuho-tb.co.jp/> from a PC, smartphone, or mobile phone.
- (ii) Please access our voting website (<https://soukai.mizuho-tb.co.jp/>) and use the voting rights exercise code and password shown on the enclosed voting form. Follow the on-screen instructions to indicate your consent or dissent.
- (iii) We will accept votes submitted via the Internet until 6:15 p.m. JST on Friday, May 26, 2023. Please contact the help desk below if you have any questions.

#### **b. Login via QR Code**

You can access the voting form by reading the QR code on the enclosed voting form. This is a shareholder-unique QR code that allows you to vote without having to enter your ID or password. We will accept votes submitted until 6:15 p.m. JST on Friday, May 26, 2023.

### Inquiries concerning the Internet Voting Process

Help Desk, Corporate Agency Division, Mizuho Trust & Banking Co., Ltd.

Toll-free telephone (within Japan): 0120-768-524 (9:00 a.m. to 9:00 p.m. JST)

### Institutional Investors

Institutional investors may use the electronic proxy-voting platform of the Tokyo Stock Exchange for electronic voting.



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## Proposal Election of Nine Directors


The terms of office of all ten Directors will expire at the conclusion of this shareholder meeting. Accordingly, Ichigo proposes the election of the following nine Directors.

The candidates for Director are as follows:

No.	Name	Current Position and Responsibility	Board Meeting Attendance
1	Scott Callon Reappointment	Chairman of the Board of Directors Nominating Committee Member Compensation Committee Member Compliance Committee Member Chairman & Representative Statutory Executive Officer	100% (9 of 9 Total)
2	Takuma Hasegawa Reappointment	Chairman of Nominating Committee Chairman of Compensation Committee Chairman of Compliance Committee President & Representative Statutory Executive Officer	100% (9 of 9 Total)
3	Minoru Ishihara Reappointment	Executive Vice President & Statutory Executive Officer (Sustainable Infrastructure Business) & COO	100% (9 of 9 Total)
4	Eri Murai Reappointment	Executive Managing Director & Statutory Executive Officer (HR)	88.8% (8 of 9 Total)
5	Tetsuya Fujita Reappointment – Independent Director	Lead Independent Director Chairman of Audit Committee Nominating Committee Member Compensation Committee Member Compliance Committee Member	100% (9 of 9 Total)
6	Noriko Kawate Reappointment – Independent Director	Independent Director Nominating Committee Member Audit Committee Member Compensation Committee Member	100% (9 of 9 Total)
7	Yukio Suzuki Reappointment – Independent Director	Independent Director Audit Committee Member Vice Chairman of Compliance Committee	100% (9 of 9 Total)
8	Nobuhide Nakaido Reappointment – Independent Director	Independent Director	88.8% (8 of 9 Total)
9	Sakon Uda New – Independent Director	–	–


No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	 Scott Callon (December 6, 1964)	<p>April 1988 MIPS Computer Systems, Inc.</p> <p>September 1991 Asia-Pacific Research Center, Stanford University</p> <p>March 1994 Research Institute of Capital Formation, Japan Development Bank</p> <p>August 1994 Bankers Trust Asia Securities Co., Ltd.</p> <p>March 1997 Morgan Stanley Japan Limited</p> <p>June 2000 Japan Representative, Prudential plc</p> <p>May 2001 Representative Director, PCA Asset Management Limited</p> <p>April 2002 Morgan Stanley Japan Limited</p> <p>January 2003 Head of Equities, Morgan Stanley Japan Limited</p> <p>May 2006 Partner and CEO, Ichigo Asset Management, Ltd. (current)</p> <p>October 2008 Ichigo Chairman &amp; Representative Statutory Executive Officer (current)</p> <p>November 2008 Director (current), Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee</p> <p>November 2011 Member of Nominating Committee, Member of Compensation Committee</p> <p>May 2012 Associate Director, Japan Association of Corporate Directors Audit &amp; Supervisory Board Member, Chiyoda Co., Ltd.</p> <p>July 2012 Director, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>May 2015 Independent Director, Chiyoda Co., Ltd.</p> <p>September 2015 Chairman of Compliance Committee</p> <p>May 2016 Chairman of Nominating Committee, Chairman of Compensation Committee</p> <p>October 2016 Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p>July 2017 Group Head of IT Chairman &amp; Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd.</p> <p>May 2019 Member of Compliance Committee (current)</p> <p>March 2020 Chairman &amp; Representative Director, Japan Display Inc.</p> <p>June 2020 Independent Director, Fujitsu Limited (current)</p> <p>August 2020 Chairman, Representative Executive Officer, &amp; Director, Japan Display Inc. (current)</p> <p>January 2021 CEO, Japan Display Inc. (current)</p>	N/A

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	(continued from previous page)	<p>(Other Positions)  Partner &amp; CEO, Ichigo Asset Management, Ltd.  Chairman, CEO, and Representative Executive Officer,  Japan Display, Inc.  Independent Director, Fujitsu Limited</p> <p><u>Message to Our Shareholders</u></p> <p>This is your company. With ESG principles central to our mission, all of us at Ichigo are committed to delivering responsible and sustainable growth for our shareholders. As a sustainable infrastructure company, Ichigo is committed to making the world more sustainable and serving all stakeholders.</p>	N/A


No.	Name (Date of Birth)	Career History	Ichigo Shares Held
2	 <p data-bbox="185 1184 432 1256">Takuma Hasegawa (January 29, 1971)</p>	<p data-bbox="448 304 1345 1400"> April 1994      Joined Fujita Corporation  November 2002      Joined Ichigo  October 2004      General Manager, Fund Business Division  September 2005      General Manager, Fund Business Division  Group 1  May 2006      Senior Statutory Executive Officer &amp; General  Manager, Fund Business Division Group 1  May 2007      Senior Statutory Executive Officer &amp; CMO  March 2008      Senior Statutory Executive Officer  May 2009      Director &amp; Executive Vice President &amp;  Statutory Executive Officer (Real Estate)  March 2010      Independent Director, Takara Building  Maintenance Co., Ltd.  January 2011      President &amp; Representative Director (Overall  Company Management), Ichigo Estate Co., Ltd.  March 2015      Executive Vice President &amp; Statutory Executive  Officer  May 2015      Director (current), President &amp; Representative  Statutory Executive Officer (current)  Chairman &amp; Director, Ichigo ECO Energy Co.,  Ltd. (current)  March 2016      Chairman of Compliance Committee (current)  May 2016      Member of Nominating Committee, Member of  Compensation Committee  October 2016      Chairman of Nominating Committee (current),  Chairman of Compensation Committee (current)  March 2018      Group Head of IT  October 2019      Director, Cost Science Inc. (current)  July 2020      Chairman &amp; Director, Ichigo Land Shinchiku  Co., Ltd. </p> <p data-bbox="448 1442 1118 1547"> (Other Positions)  Chairman &amp; Director, Ichigo ECO Energy Co., Ltd.  Director, Cost Science Inc. </p> <p data-bbox="448 1603 852 1637"> <u>Message to Our Shareholders</u> </p> <p data-bbox="448 1655 1345 1834"> I believe that real estate is the social infrastructure and life infrastructure that supports people’s lives. In line with its mission to “Make The World More Sustainable,” all of us at Ichigo are dedicated to solving various social issues via its businesses to realize a sustainable society. Thank you for your support. </p>	496,338 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	 Minoru Ishihara (October 5, 1967)	<p>April 1990      Joined Hazama Corporation</p> <p>May 2007      Joined Ichigo as Head of Human Resources and General Administration Division</p> <p>March 2008    Executive Officer and Head of Human Resources and General Administration Division</p> <p>May 2009      Director (current), Managing Director &amp; Statutory Executive Officer (Administration), Member of Compliance Committee</p> <p>November 2009    President &amp; Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.)</p> <p>May 2010      Director, Senior Managing Director &amp; Statutory Executive Officer (Administration)</p> <p>April 2011     President &amp; Representative Director, Miyako City Co., Ltd.</p> <p>November 2011    Executive Vice President &amp; Statutory Executive Officer (Administration)</p> <p>July 2012      Director (current), Executive Vice President &amp; Statutory Executive Officer (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>November 2012    Director, Ichigo ECO Energy Co., Ltd.</p> <p>March 2013     Head of Real Estate Chairman, President, &amp; Representative Director, Miyako City, Co., Ltd. (current)</p> <p>Chairman &amp; Director, Takara Building Maintenance Co., Ltd.</p> <p>May 2015      Executive Vice President &amp; Statutory Executive Officer &amp; COO (current)</p> <p>March 2017     President &amp; Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd.</p> <p>March 2018     Group Head of Sustainable Real Estate</p> <p>March 2019     Chairman &amp; Representative Director, Ichigo Marché Co., Ltd. (current)</p> <p>Chairman &amp; Representative Director, Hakata Hotels Inc. (current)</p> <p>June 2019      President &amp; Representative Director, Miyazaki Sunshine FM Co., Ltd. (current)</p> <p>April 2021     Statutory Executive Officer (Sustainable Infrastructure)</p> <p>April 2022     Statutory Executive Officer (Sustainable Infrastructure Business) (current)</p> <p>May 2022      Chairman &amp; Representative Director, Centro Co., Ltd. Director, I Think Rent Co., Ltd. (current)</p>	113,208 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	(continued from previous page)	<p>May 2023</p> <p>Chairman, President, &amp; Representative Director, Centro Co., Ltd. (current)  Chairman &amp; Director, Storage Plus Corporation (current)  Director, FANTERIA Co., Ltd. (current)</p> <p>(Other Positions)  Chairman, President, &amp; Representative Director, Miyako City Co., Ltd.  Chairman &amp; Representative Director, Ichigo Marché Co., Ltd.  Director, Ichigo Investment Advisors Co., Ltd.  Chairman &amp; Representative Director, Hakata Hotels Inc.  President &amp; Representative Director, Miyazaki Sunshine FM Co., Ltd.  Chairman, President, &amp; Representative Director, Centro Co., Ltd.  Director, I Think Rent Co., Ltd.  Chairman &amp; Director, Storage Plus Corporation  Director, FANTERIA Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>Thank you always for your support.</p> <p>Ichigo's mission is to become a sustainable infrastructure company. By leveraging our expertise, we address social issues, improve our businesses, and create new businesses.</p> <p>I will continue to work towards realizing Ichigo's values to contribute to the revitalization of Japan and regional communities.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	 <p data-bbox="225 1048 427 1115">Eri Murai (May 16, 1970)</p>	<p data-bbox="464 304 1315 1032"> April 1993      Joined Fujita Corporation  April 2002      Joined Ichigo  January 2007    Head of Finance, Ichigo  July 2012       Statutory Executive Officer (Business  Management), Head of Business Planning,  Ichigo  March 2013      Director (Administration), Ichigo Estate,  Director, Ichigo Global Capital  Director (Business Planning), Ichigo ECO  Energy  March 2014      Senior Statutory Executive Officer  (Administration &amp; HR), Ichigo  March 2015      Executive Managing Director (current) &amp;  Statutory Executive Officer (Administration  &amp; HR)  Group Head of Administration &amp; HR, Ichigo  President, Ichigo University  March 2017      Head of HR Development  May 2019        Director (current)  March 2020      Statutory Executive Officer (HR) (current) </p> <p data-bbox="472 1126 855 1160"><u>Message to Our Shareholders</u></p> <p data-bbox="472 1178 1310 1323">In a diversifying society, the power of human capital, in addition to digital technology, is important for Ichigo to become the sustainable infrastructure company outlined in our long-term vision.</p> <p data-bbox="472 1361 1299 1541">I will build a diverse workforce that embodies the professionalism, venture spirit &amp; diversity, and teamwork outlined in Ichigo’s Code of Conduct, and maximize our employees’ potential via learning opportunities and experiences driving individual growth.</p> <p data-bbox="472 1579 1150 1612">Thank you for your continued guidance and support.</p>	10,300 shares




No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	 Tetsuya Fujita (March 26, 1954)	<p>April 1976      Joined Taisho Marine and Fire Insurance Co., Ltd. (now Mitsui Sumitomo Insurance Co., Ltd.)</p> <p>April 2001      Executive Director, Taisho Marine &amp; Fire Insurance (Malaysia) Bhd. (now MSIG Insurance (Malaysia) Bhd)</p> <p>April 2002      Board Director, Skandia Life Insurance (Japan) (now Tokyo Marine Nichido Financial Life Insurance Co., Ltd.)</p> <p>October 2006    Executive Director, AXA Life Insurance Co., Ltd.</p> <p>April 2007      Representative President &amp; CEO, AXA Financial Life Insurance Co., Ltd. (now AXA Life Insurance Co., Ltd.)</p> <p>October 2009    Senior Advisor, AXA Life Insurance Co., Ltd.</p> <p>May 2010       Ichigo Independent Director (current), Member of Audit Committee, Member of Compliance Committee</p> <p>February 2011   Auditor, St. Thomas University</p> <p>March 2011     President, ReMark Japan Co., Ltd.</p> <p>May 2011       Chairman of Compliance Committee,</p> <p>May 2012       Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p>July 2012       Director, Member of Audit Committee, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>May 2014       Chairman of Audit Committee (current), Member of Compliance Committee (current), Chairman of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>October 2015    Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan</p> <p>May 2016       Lead Independent Director (current)</p> <p>August 2017    Special Advisor to CEO, ReMark Group</p> <p>March 2019     Advisor, Creative Solutions Co., Ltd.</p> <p>June 2019       CEO &amp; Representative Director, Creative Solutions Co., Ltd (current)</p> <p>June 2020       Secretary General, Postal Club Inc.</p> <p>November 2021   Executive Director, Postal Club Inc. (current)</p> <p>(Other Positions)            CEO &amp; Representative Director, Creative Solutions Co., Ltd.            Executive Director, Postal Club Inc.</p>	70,000 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>Ichigo has been working towards future growth under its <u>Ichigo 2030</u> long-term vision.</p> <p>As an Independent Director, I will supervise overall management and conflicts of interest, and make contributions to grow shareholder value. Towards this end, I will continue to focus on communicating with shareholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
6	 <p data-bbox="169 1205 429 1272">Noriko Kawate (February 22, 1976)</p>	<p data-bbox="437 304 1345 1402"> April 1999      Joined International Dept., Deloitte Touche  Tohmatsu LLC  July 2001      Qualified as Certified Public Accountant  August 2004    Joined Cast &amp; Itoga (now Uryu &amp; Itoga)  November 2004   Qualified as Certified Tax Accountant  February 2008   President of CLEA Consulting Co., Ltd. (current)  January 2009    Joined Gracia Corporation  May 2011        Ichigo Independent Director (current), Member  of Audit Committee (current)  November 2011   Qualified as American Certified Public  Accountant  July 2012        Director, Member of Audit Committee of Ichigo  Real Estate Investment Advisors Co., Ltd. (now  Ichigo Investment Advisors Co., Ltd.)  June 2013        Audit &amp; Supervisory Board Member, Meiji  Machine Co., Ltd.  May 2014        Member of Nominating Committee (current),  Member of Compensation Committee (current),  Member of Nominating Committee, Member of  Compensation Committee of Ichigo Real Estate  Investment Advisors Co., Ltd. (now Ichigo  Investment Advisors Co., Ltd.)  February 2015   Partner, Cast Group (now Cast Global Group)  (current)  June 2021        Independent Auditor, Sumitomo Bakelite Co.,  Ltd. (current)  Independent Auditor, Nichireki Co., Ltd.  (current)  April 2022        Civil Conciliation Commissioner, Tokyo District  Court (current) </p> <p data-bbox="437 1440 1155 1655"> (Other Positions)  President, CLEA Consulting Co., Ltd.  Partner, Cast Group  Independent Auditor, Sumitomo Bakelite Co., Ltd.  Independent Auditor, Nichireki Co., Ltd.  Civil Conciliation Commissioner, Tokyo District Court </p> <p data-bbox="437 1693 831 1731"> <u>Message to Our Shareholders</u> </p> <p data-bbox="437 1749 1337 2040"> While there has been a silver lining in the business environment surrounding Ichigo, mainly in the hotel business on the back of relaxed Covid travel restrictions and normalized economic activities, a sudden weakening of the yen, inflation, and rising global interest rates warrant no optimism. Even under a difficult business environment, I will perform my duty as an Independent Director to help Ichigo achieve growth as a sustainable infrastructure company over the long term. </p>	51,000 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	 Yukio Suzuki (June 3, 1950)	<p>             April 1975      Joined Nomura Research Institute, Ltd.              June 1996      Director, Nomura Research Institute Ltd.              June 1997      Director &amp; Head of Financial Research Center,                                       Nomura Securities Co., Ltd.              June 1999      Executive Director in charge of Research                                       Division, Nomura Asset Management Co., Ltd.              June 2000      Executive Managing Director in charge of                                       Research Division, Nomura Asset Management                                       Co., Ltd.              June 2003      Executive Managing Director, Nomura Asset                                       Management Co., Ltd.              June 2005      Director and Audit Mission Director, Nomura                                       Holdings, Inc.              April 2007      Chairman, The Securities Analysts Association                                       of Japan              June 2008      Advisor, Nomura Securities Co., Ltd.              July 2010      CEO, Belle Investment Research of                                       Japan Inc. (current)              August 2010     Advisor, Deloitte Touche Tohmatsu, LLC              June 2012      Independent Director, Systema Corporation                                       (current)              May 2015      Ichigo Independent Director (current), Director                                       of Ichigo Real Estate Investment Advisors Co.,                                       Ltd. (now Ichigo Investment Advisors Co.,                                       Ltd.)              September 2015    Member of Compliance Committee              May 2016      Member of Audit Committee (current), Vice                                       Chairman of Compliance Committee (current)              March 2018      Independent Auditor, WILLs Inc. (current)              June 2018      Independent Auditor, XNET Corporation              June 2021      Independent Director, Member of Audit                                       Committee, XNET Corporation (current)              April 2022      Independent Director, Nihonbashi Value Partners                                       Co., Ltd. (current)              December 2022    Independent Director, Value Quest Partners                                       Co., Ltd. (current)              March 2023      Independent Director, WILLs Inc. (current)           </p> <p>             (Other Positions)              CEO, Belle Investment Research of Japan Inc.              Independent Director, Systema Corporation              Independent Director, WILLs Inc.              Independent Director, Member of Audit Committee, XNET              Corporation              Independent Director, Nihonbashi Value Partners Co., Ltd.              Independent Director, Value Quest Partners Co., Ltd.           </p>	15,100 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>Sustainable shareholder value creation requires a corporate purpose, a long-term vision, strategies for new business models, the development of revolutionary products and services, and risk management that is resistant to changes in the business environment. It is especially important that the process of shareholder value creation be shared with all stakeholders and shareholders. I will fulfill my responsibility as an Independent Director by supervising management, especially from the perspective of ESG, which is at the root of sustainable infrastructure.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	 <p data-bbox="188 1265 450 1339">Nobuhide Nakaido (November 1, 1946)</p>	<p data-bbox="462 309 1347 1370"> April 1971      Joined Sumitomo Corporation  April 1998      Trustee, Sumitomo Corporation  June 1998      Director, Sumitomo Corporation  April 2002      Managing Director, Sumitomo Corporation  April 2003      Managing Executive Officer, Sumitomo Corporation  April 2004      Senior Managing Executive Officer, Sumitomo Corporation  April 2005      Executive Vice President, Sumitomo Corporation  April 2009      Executive Director, Assistant to President, Sumitomo Corporation  June 2009      Chairman, President, &amp; CEO, Sumisho Computer Systems Corporation (now SCSK Corporation)  October 2011    President &amp; CEO, SCSK Corporation  June 2013      Chairman, SCSK  April 2016      Director &amp; Senior Advisor, SCSK Corporation  June 2016      Senior Advisor, SCSK Corporation  May 2017      Ichigo Independent Director (current)  October 2018    Chairman, Japan Association for Chief Human Resources Officers (current)  March 2019      Independent Director, eSOL Co., Ltd. (current)  June 2020      Independent Director, Sourcenext Corp. (current)  March 2022      Independent Director, JAC Recruitment Co., Ltd. (current) </p> <p data-bbox="462 1444 1347 1662"> (Other Positions)  Chairman, Japan Association for Chief Human Resources Officers  Independent Director, eSOL Co., Ltd.  Independent Director, Sourcenext Corp.  Independent Director, JAC Recruitment Co., Ltd. </p> <p data-bbox="462 1736 1347 2067"> <u>Message to Our Shareholders</u>  While the most difficult time of the Covid pandemic is over and the business environment is turning around, I believe that Ichigo, as a sustainable infrastructure company, needs dynamism more than ever to achieve sustainable growth of shareholder value.  As an Independent Director, I will not only contribute to Ichigo's management and supervision, but also strengthen Ichigo's governance to allow Ichigo to take appropriate risks. </p>	10,000 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
9	 <p data-bbox="213 1305 419 1375">Sakon Uda (May 22, 1955)</p>	<p data-bbox="474 409 1326 479">April 1981 Nippon Kokan KK (now JFE Holdings, Inc.) July 1989 McKinsey &amp; Company, Inc.</p> <p data-bbox="474 483 1310 553">December 1995 Principal (Partner), McKinsey &amp; Company, Inc.</p> <p data-bbox="474 557 1315 627">February 2006 Executive Officer, Japan Post Holdings Co., Ltd.</p> <p data-bbox="474 631 1310 808">October 2007 Senior Executive Managing Director, Japan Post Holdings Co., Ltd Senior Managing Executive Officer, Japan Post Service Co., Ltd (currently Japan Post Co., Ltd.)</p> <p data-bbox="474 813 1121 846">April 2010 Advisor, Japan Post Co., Ltd.</p> <p data-bbox="474 851 1326 920">May 2010 Professor, Business Breakthrough University Kenichi Ohmae Graduate School of Business</p> <p data-bbox="474 925 1310 994">July 2010 Statutory Executive Officer &amp; COO, Tokyo Star Bank Ltd.</p> <p data-bbox="474 999 1273 1032">June 2011 Independent Director, Ebara Corporation</p> <p data-bbox="474 1037 1321 1176">December 2011 The Investigation Committee on the Accident at the Fukushima Nuclear Power Stations (“ICANPS”), Tokyo Electric Power Company</p> <p data-bbox="474 1180 1315 1285">November 2012 Consultant, Nuclear Damage Compensation and Decommissioning Facilitation Corporation Head of Tokyo Electric Power Company Procurement Committee</p> <p data-bbox="474 1290 1326 1359">April 2014 Dean, Faculty of Business Administration, Professor, Business Breakthrough University</p> <p data-bbox="474 1364 1230 1433">June 2014 Director, Business Breakthrough, Inc. (current)</p> <p data-bbox="474 1438 1299 1507">April 2015 Director &amp; Academic Committee Member, Japan-North America Medical Exchange Foundation</p> <p data-bbox="474 1512 1249 1581">April 2016 Vice President, Business Breakthrough University</p> <p data-bbox="474 1585 1307 1655">September 2016 Special Advisor, Tokyo Metropolitan Government Political Reform Headquarters</p> <p data-bbox="474 1659 1262 1729">July 2017 Director, Japan-North America Medical Exchange Foundation</p> <p data-bbox="474 1733 1283 1803">November 2017 Committee Member, Tokyo Metropolitan Government Urban Planning Council (current)</p> <p data-bbox="474 1807 1270 1877">March 2019 Independent Director &amp; Chairman of the Board, Ebara Corporation</p> <p data-bbox="474 1881 1294 1951">June 2021 Independent Director, The CC Innovation, Ltd.</p>	-

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
		<p>June 2022 Vice Chairman of the Board, Strategy Advisors Co., Ltd. (current) Independent Director, Dream Incubator Inc. (current)</p> <p>December 2022 Independent Director, Pacific Consultants Co., Ltd. (current)</p> <p>February 2023 Electricity Prices Advisor, Consumer Affairs Agency (current)</p> <p>(Other Positions) Director, Business Breakthrough, Inc. Committee Member, Tokyo Metropolitan Government Urban Planning Council Vice Chairman of the Board, Strategy Advisors Co., Ltd. Independent Director, Dream Incubator Inc. Independent Director, Pacific Consultants Co., Ltd. Electricity Prices Advisor, Consumer Affairs Agency</p> <p><u>Message to Our Shareholders</u></p> <p>I have demonstrated through my experience that corporate governance is not merely a formality, but the most important driver of corporate innovation and is essential for creating shareholder value. I will leverage my experience and contribute to further grow Ichigo's shareholder value.</p> <p>Thank you for your guidance and support.</p>	-

(Note 1) None of the candidates for Director or Independent Director are a related party of Ichigo.

(Note 2) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Scott Callon, Takuma Hasegawa, Minoru Ishihara, and Eri Murai for Director are as follows:

- (i) Scott Callon has extensive experience as Chairman of Ichigo since October 2008, and has knowledge and expertise derived from serving on a number of Japanese government bodies, including the Financial Services Agency (FSA) Council of Experts that drafted Japan's Corporate Governance Code and the Ministry of Economy, Trade and Industry (METI) Competitiveness and Incentives Structures for Sustainable Growth Project (the "Ito Review"). He assumed the position of Director in November 2008, and his term of office will have been 14 and a half years at the close of this shareholder meeting.
- (ii) Takuma Hasegawa has extensive knowledge and experience at Ichigo, having led a number of Ichigo's real estate businesses. He has been Ichigo's President since May 2015. His term of office will have been ten years at the close of this shareholder meeting.
- (iii) Minoru Ishihara has extensive knowledge and experience as Executive Vice



President and COO of Ichigo. He assumed the position of Director in 2009, and his term of office will have been 14 years at the close of this shareholder meeting.

- (iv) Eri Murai has extensive knowledge and experience, having led a number of key initiatives in finance, internal management, and HR since joining Ichigo in 2002. She is currently the Executive Managing Director (HR), and her term of office will have been four years at the close of this shareholder meeting.

(Note 3) All five candidates for Independent Director – Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Nobuhide Nakaido, and Sakon Uda – meet the Tokyo Stock Exchange’s (TSE) requirements for Independent Directors and will be registered with the TSE as such.

(Note 4) Ichigo’s Nominating Committee and Board of Directors’ reasons for nominating Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Nobuhide Nakaido, and Sakon Uda as candidates for Independent Director are as follows:

- (i) Tetsuya Fujita has extensive knowledge and experience working for a leading property insurance company and a leading life insurance company. He assumed the position of Independent Director in May 2010, and his term of office will have been 13 years at the close of this shareholder meeting.
- (ii) Noriko Kawate has extensive experience in statutory auditing at a major auditing firm and in accounting and tax advisory as a certified public accountant and tax accountant. She assumed the position of Independent Director in May 2011, and her term of office will have been 12 years at the close of this shareholder meeting.
- (iii) Yukio Suzuki has extensive experience and knowledge of corporate and securities research from serving important roles at a securities company, think tank, and asset management company at a major financial group, and has experience and knowledge in operational monitoring and risk control, which he can draw upon to fully monitor Ichigo’s activities on behalf of shareholders. He assumed the position of Independent Director in May 2015, and his term of office will have been eight years at the close of this shareholder meeting.
- (iv) Nobuhide Nakaido has extensive experience and knowledge as the Executive Vice President of one of Japan’s largest trading companies and President & Chairman of a leading Japanese IT systems integrator, driving innovation in the IT service industry and increasing corporate value through workstyle & workplace transformation. He has extensive knowledge and experience leading major global companies which he can draw upon to fully monitor Ichigo’s activities on behalf of shareholders. He assumed the position of Independent Director in May 2017, and his term of office will have been six years at the close of this shareholder meeting.
- (v) Sakon Uda has extensive experience in corporate strategy and management, and has served as Independent Director and Chairman of the Board of major listed companies. He has extensive knowledge in corporate governance, HR development, and corporate management which he can draw upon to fully monitor Ichigo’s activities on behalf of shareholders.

(Note 5) No candidate for Independent Director has been involved in inappropriate conduct while serving as a Director in other companies over the past five years.

(Note 6) Additional information pertaining to the independence of the candidates for Independent Director is as follows:

- (i) Tetsuya Fujita and Noriko Kawate served as Independent Directors of Ichigo subsidiary, Ichigo Investment Advisors, from July 2012 to May 2016.
- (ii) Yukio Suzuki served as an Independent Director of Ichigo subsidiary, Ichigo Investment Advisors, from May 2015 to May 2016.

- (iii) No candidate for Independent Director has received in the last two years, nor will they receive, material monetary or other financial compensation (excluding any compensation as Director or Advisor before assuming the position of Independent Director) from Ichigo or related entities.
  - (iv) No candidate for Independent Director is the spouse of the management of Ichigo or related entities, nor are they related within three degrees of consanguinity.
- (Note 7) In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, and Nobuhide Nakaido. The extent of liabilities for compensation under the agreements is the minimum limited liability amount as defined in Article 425, Paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties which cause liability in good faith and without gross negligence. Upon the re-appointment of Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, and Nobuhide Nakaido as Independent Directors, Ichigo will enter into new limited liability agreements with equivalent terms with each of them. Upon the appointment of Sakon Uda as an Independent Director, Ichigo will enter into the same limited liability agreement with him.
- (Note 8) Ichigo and the independent directors have entered into a director liability insurance contract, with the directors named as insured, which provides coverage for any damages that may be caused by directors taking on responsibilities for performing their duties or receiving claims in pursuit of responsibilities. Candidates will be named insured after the re-election, and the contract will be renewed during their tenure.
- (Note 9) Scott Callon has not received and will not receive any compensation from Ichigo.
- (Note 10) Shares owned by Yukio Suzuki, a candidate for Independent Director, include shares owned by Belle Investment Research of Japan Inc., all of whose shares are owned by Yukio Suzuki.
- (Note 11) The number of Ichigo shares owned by each of the candidates for Director is as of February 28, 2023.

Skill Matrix of Ichigo's Board of Directors (as of May 2023)

Ichigo has made sustainability a key management priority. Along with the expansion of Ichigo's businesses, our Board of Directors has been structured with a focus on diversity and a balance in skills, regardless of gender, nationality, or age.

No.	Name	Skill Matrix					Diversity	
		Corporate Management	Finance/ Investment	Risk Management	ESG	Human Resource Development	Gender	Nationality
1	Scott Callon	○	○	○			Male	United States
2	Takuma Hasegawa	○	○		○		Male	Japan
3	Minoru Ishihara	○		○	○		Male	Japan
4	Eri Murai				○	○	Female	Japan
5	Tetsuya Fujita	○		○	○		Male	Japan
6	Noriko Kawate		○	○			Female	Japan
7	Yukio Suzuki	○	○	○			Male	Japan
8	Nobuhide Nakaido	○	○			○	Male	Japan
9	Sakon Uda	○			○	○	Male	Japan

## **Business Report**

**(March 1, 2022 – February 28, 2023)**

### **I. Current Operations and Financials**

#### **A. Business Conditions in the Current Fiscal Year (FY23/2)**

##### **1. Business Results**

The Japanese economy normalized to pre-Covid levels, as its recovery accelerated during the current fiscal period on the back of the gradual lifting of Covid restrictions. Domestic tourism was supported by the Japanese government's domestic travel subsidy program, and inbound tourism continued to recover as Japanese restrictions on inbound travel lifted. Investment demand also increased, as companies resumed capital investments on the back of strong corporate earnings. On the other hand, risks associated with increases in resource prices and cost of living negatively impact the global economy and must be monitored.

In the Japanese real estate market, the hotel industry saw a recovery in revenue driven by strong hotel demand. January – February 2023 RevPAR for hotels operated by Hakata Hotels, Ichigo's subsidiary, recovered to 150 to 200% vs. 2022 average RevPAR, with growth expected to continue. Vacancies and rent for central Tokyo office buildings were flat. Ichigo's mid-size office buildings continued to see stable demand, and Ichigo will continue to keep an eye on the diversifying tenant needs arising from changes in workstyle, to provide high-quality office. Residential assets and logistics assets continued to experience stable demand as well as steady investment appetite.

Japan has been accelerating the establishment of policies aimed towards a net zero carbon society in line with global climate initiatives, and as a result the importance of clean energy businesses is on the rise. Ichigo will continue to focus on generating renewable energy that is safe for the planet.

Ichigo revised up its FY23/2 forecast when it announced its FY23/2 Q3 earnings, yet FY23/2 exceeded the revised forecasts on the back of a strong real estate market and a robust recovery in hotel demand.

To respond to the rapid changes in business environment, Ichigo has taken measures to maintain its strong financial base and robust cash flows. Ichigo's robust cash generation is funding growth investments, including asset acquisitions, investments in new businesses, and flexible deployment of share buybacks in line with our Ichigo 2030 long-term vision. During FY23/2, Ichigo conducted share buybacks of JPY 4.5 billion.

In line with our Ichigo 2030 long-term vision, Ichigo is also strategically expanding its business activities as a sustainable infrastructure company to further drive its competitive strengths. In particular, Ichigo is growing stock earnings via non-asset businesses, leveraging its real estate know-how and value-add capabilities. Ichigo will continue to grow its core businesses and develop new businesses to maximize shareholder value and further strengthen its commitment to shareholders.

## Core Business Growth

### – Sustainable Real Estate (SRE)

In FY23/2, Ichigo acquired JPY 50.7 billion of assets funded by its robust cash flow generation. Of these acquisitions, Ichigo acquired six office assets (JPY 12.4 billion) to grow its pipeline for Ichigo Office (8975).

Leveraging its real estate know-how and value-add capabilities, Ichigo launched the Ichigo Owners Co-Ownership business, which allows investors to make diversified, small-scale investments in a broad array of real estate assets, and the Ichigo Residence Token, a digital real estate business. In growing its investment products, Ichigo is expanding its client base and acquisition opportunities, leading to a virtuous cycle of asset acquisitions and sales. In FY23/2, Ichigo Owners acquired and sold JPY 36 billion and JPY 28 billion in residential assets, respectively. These transactions have led to asset management contracts, thus contributing to stock earnings. FY23/2 SRE sales was JPY 55.1 billion.

As part of Ichigo's Public-Private Partnership (PPP) business, an Ichigo-led consortium was selected to operate and manage the Yokosuka Port Market located in Yokosuka City, Kanagawa Prefecture as a PPP. Ichigo was recognized for its strong value-add capabilities transforming existing buildings into new tourist attractions, and after its reopening, the market has been extensively covered by the media and has been attracting many visitors. In addition to owning and leasing hotels, Ichigo has been selling PROPERA, an Ichigo-developed AI hotel revenue management system, and is growing sales in anticipation of hotel demand recovery from tourism.

### – Asset Management

Ichigo continued to support its TSE-listed REITs, its listed solar power producer, and private funds.

Ichigo Office (8975) and Ichigo Hotel (3463) acquired high-quality assets during FY23/2. Ichigo Office sold an asset at a price that was 2.3 times book value and 1.9 times recent appraisal value in FY22/2, and completed the sale of another asset in FY23/2 Q4, further driving shareholder value. Ichigo Office will continue to make strategic acquisitions and sales and maximize shareholder value.

As part of efforts to strengthen sponsor commitment, Ichigo has decided to purchase Ichigo Office shares. Ichigo Office and Ichigo Hotel (3463) are the only J-REITs with a no fixed fee, performance-fee only asset management structure directly linked to shareholder value creation. Ichigo will continue to proactively support Ichigo Office and Ichigo Hotel, and drive long-term shareholder value via the provision of high-quality assets, establishing bridge funds, and deploying Ichigo's value-add capabilities to increase the value of Ichigo Office and Ichigo Hotel assets.

### – Clean Energy

Ichigo's power plants in operation now total 63 (total output 174.2MW) having brought three new power plants (5MW, +3.7% year-on-year) online during FY23/2. Ichigo is also planning entry into green biomass as a third renewable energy business to make productive use of aging forest wood supply, help conserve forests, and contribute to the revitalization of local economies. Ichigo will continue to grow its clean energy business, which has proven to be stable and resilient to market fluctuations amidst the Covid pandemic.



Ichigo Ueda Yoshidaike Eco Power Plant

## Growth Strategy to Build Market Fluctuations

### – Strengthening Financial Base

Since the global financial crisis, Ichigo has been strengthening both its earnings and financial base via measures such as lengthening borrowing terms, reducing borrowing costs, hedging against increases in interest-rates, and borrowing via unsecured loans. Ichigo has also increased funding via ESG-linked loans. Ichigo will continue these measures to underpin its growth as a sustainable infrastructure company.



### – Cash Flow Management

To further strengthen its cash flows, Ichigo reclassified some of its Real Estate for Sale as Fixed Assets in order to make use of the tax effect on depreciation. The FY23/2-end Fixed Asset Ratio is 84.3%.

## Shareholder Returns

### – Flexible Share Buybacks

In line with our Ichigo 2030 long-term vision, Ichigo conducts flexible share buybacks, and has conducted share buybacks consecutively for six years. Ichigo is working to drive EPS, an important metric of shareholder value, to maximize shareholder value, and will continue to grow profits and flexibly conduct share buybacks.

	Number of Share Purchased (% of Shares Outstanding)	Average Purchase Price	Amount
FY23/2 Aug-Nov	9,448,400 (1.9%)	JPY 317	JPY 3 billion
FY23/2 Apr-Jun	5,103,800 (1.0%)	JPY 293	JPY 1.5 billion
FY22/2	4,363,500 (0.9%)	JPY 343	JPY 1.5 billion
FY21/2	9,645,800 (1.9%)	JPY 311	JPY 3 billion
FY20/2	7,081,200 (1.4%)	JPY 424	JPY 3 billion
FY19/2	7,869,700 (1.6%)	JPY 381	JPY 3 billion
FY18/2	8,436,500 (1.7%)	JPY 355	JPY 3 billion

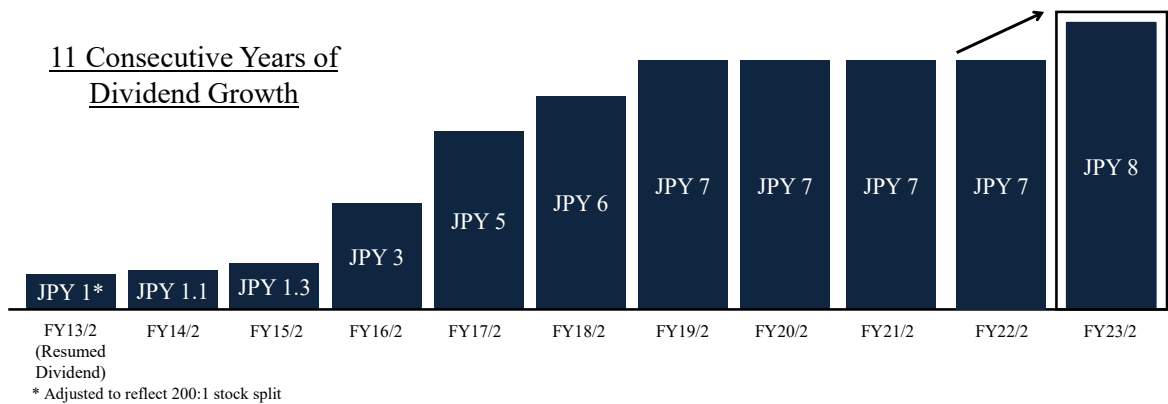
– Dividend Policy (FY23/2 Dividend Increase)

Ichigo is working to drive long-term shareholder value with a shareholder return policy that focuses on dividend stability, transparency, and growth, and has established a Dividend on Equity (DOE) payout ratio policy of greater than 3%.

Underpinned by its robust earnings stability, Ichigo has also adopted a progressive dividend policy, under which dividend is maintained or raised every year, but not cut.

Although the use of a dividend payout ratio is more common in shareholder return policies, dividend payout ratios are highly sensitive to short-term earnings fluctuations and thus result in uncertainty with respect to future dividends. Ichigo’s adoption of a progressive dividend policy underscores its commitment to long-term value growth for its shareholders.

Ichigo focuses on maximizing long-term cash flows for shareholders. Supported by a pickup in post-Covid economic activity, Ichigo generated robust cash flows in FY23/2, and increased its dividend to JPY 8.



– J.League Shareholder Program

In 2019, Ichigo became a J.League Top Partner to work with the J.League to promote local community development, and launched a Shareholder Program that offers free tickets to J.League games to Ichigo, Ichigo Office, Ichigo Hotel, and Ichigo Green shareholders.

As a J.League Top Partner, Ichigo is continuing to distribute J.League game tickets to shareholders for the 2023 season as a means to express its gratitude to shareholders and contribute to regional development.

As an extension of its Shareholder Program, Ichigo offered shareholders the chance to win via lottery a Miyazaki Thanks Market Christmas Set featuring food products selected by players of Ichigo-sponsored soccer team, Tegevajaro Miyazaki.





## FY23/2 Earnings Details

Ichigo generated consolidated FY23/2 revenue of JPY 68.1 billion (+19.6% year-on-year), operating profit of JPY 12.5 billion (+24.7% year-on-year), all-in operating profit of JPY 16.9 billion (+27.4% year-on-year), recurring profit of JPY 10.8 billion (+45.2% year-on-year), and net income of JPY 9.4 billion (+45.4% year-on-year).

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

## Segment Earnings Details

The breakdown of revenue and operating profit by segment is as follows. In order to disclose Sustainable Real Estate's actual profit contribution, Ichigo has set all-in operating profit, operating profit plus gains on sale of sustainable real estate assets recorded as extraordinary gains, as a KPI. From FY23/2, Ichigo changed its reporting of segment P&L from operating profit to all-in operating profit to improve disclosure transparency.

## Asset Management

Due to increased performance fees and gains on sale performance fee from the asset sale at Ichigo Office (8975), revenue increased to JPY 4.2 billion (+46.3% year-on-year) and segment operating profit increased to JPY 3.0 billion (+64.5% year-on-year).

## Sustainable Real Estate

A strong hotel recovery offset a decrease in real estate rental income resulting from temporary vacancies at our large office building. Furthermore, due to sales of residential, retail, and office assets, revenue increased to JPY 58.6 billion (+19.2% year-on-year). Segment operating profit increased to JPY 11.9 billion (+27.6% year-on-year) due to sales of fixed assets.

## Clean Energy

Due to full-year contributions from power plants that came online in FY22/2 and bringing online three new plants, revenue increased to JPY 5.7 billion (+6.3% year-on-year). Segment operating profit was down 5.5% year-on-year to JPY 2.0 billion due to an increase in organizational restructuring consulting fee.

## Consolidated Income Statement Details

### Revenue

Due to gains from residential asset and logistics asset sales, new solar plants increasing power generation revenue, and an increase in base AM fees from Ichigo Office, revenue increased 19.6% year-on-year to JPY 68.1 billion.

The revenue breakdown was: real estate sales JPY 41.1 billion, real estate rental income JPY 17.1 billion, real estate management fee income JPY 3.7 billion, and power production revenue JPY 5.6 billion.

### Operating Profit

Gains on sales of assets in the sustainable real estate business and an increase in performance-based AM fee in the asset management business contributed to operating profit of JPY 12.5 billion (+24.7% year-on-year).

### Non-Operating Profit & Expenses

Non-operating profit totaled JPY 979 million (+170.9% year-on-year) due to a year-on –

year increase in derivative valuation gains, with derivative valuation gains of JPY 790 million (Ichigo hedges against increases in interest rates using interest rate swaps) and dividend income of JPY 46 million.

Non-operating expenses totaled JPY 2.6 billion (-9.8% year-on-year).

By category, interest expenses were JPY 2.2 billion and debt financing-related fees were JPY 171 million.

#### Extraordinary Gains

Extraordinary gains totaled JPY 4.6 billion (+36.6% year-on-year) on gains on sale on fixed assets under the Sustainable Real Estate business of JPY 4.4 billion.

Extraordinary losses totaled JPY 1.2 billion (-1.9% year-on-year) on impairment loss on a tangible asset of JPY 803 million, valuation loss on securities investments of JPY 261 million, and allowance for doubtful accounts of JPY 127 million.

#### Net Income

Net income increased 45.4% year-on-year to JPY 9.4 billion. Incomes taxes totaled JPY 4.4 billion (which included a tax adjustment of JPY 152 million).

## 2. Capital Expenditures

During FY23/2, property, plant, and equipment (PP&E), including operating and in-development power plants, increased by JPY 904 million.

## 3. Financing

In order to maintain its strong financial base, Ichigo is improving its borrowing terms and diversifying its borrowings, including by lowering borrowing costs, staggering loan maturities, extending loan durations, and reducing loan amortizations.

As a sustainable infrastructure company, Ichigo has been recognized for its initiatives contributing to a sustainable society. As one example of this, it has established a new commitment line with a maximum loan amount of JPY 9.253 billion via Sumitomo Mitsui Banking Corporation's ("SMBC") Positive Impact Finance program on February 27, 2023 (drawdown period starting on March 3, 2023). Ichigo also established a new commitment line with a maximum loan amount of JPY 13 billion via Mizuho Bank's ("Mizuho") Positive Impact Finance Program on February 28, 2023.

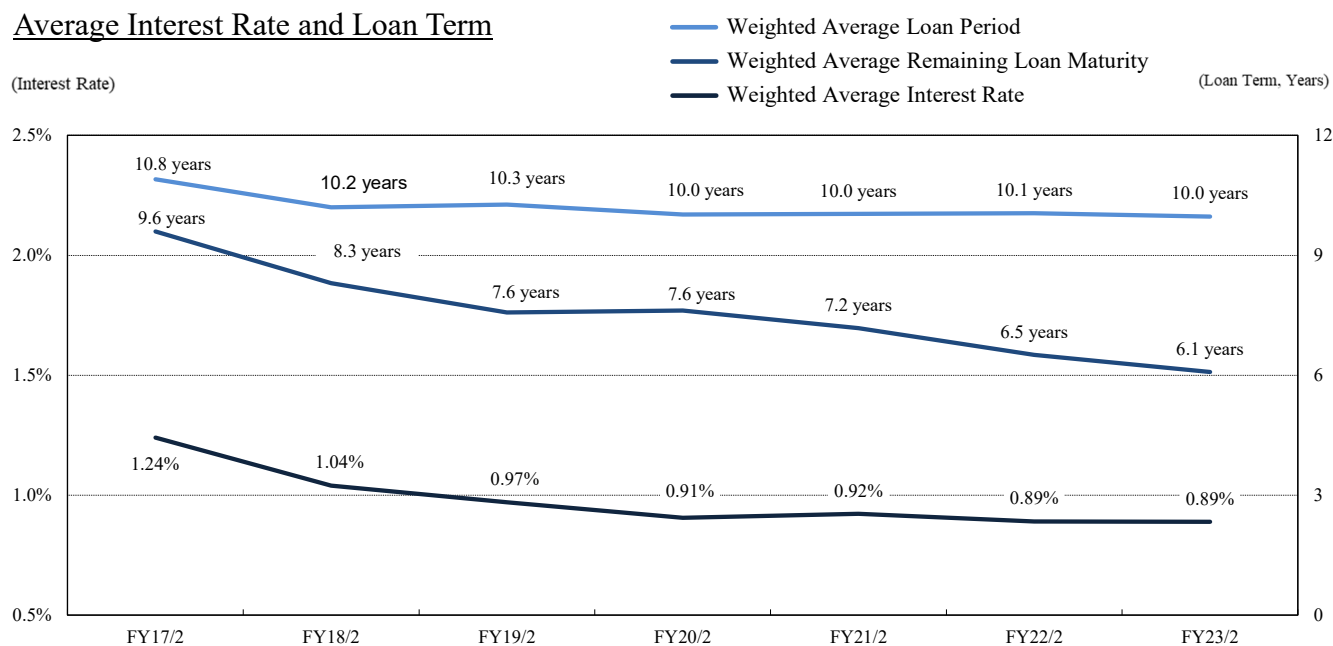
These Positive Impact Finance programs aim to provide ongoing support for corporate initiatives that are deemed to have positive societal impact based on a comprehensive and quantitative assessment of the borrowers' business activities.<sup>1</sup> These new commitment lines will support Ichigo's initiatives towards building a sustainable society and further strengthen its financial base.

<sup>1</sup> The Principles for Positive Impact Finance is a financial framework, established by United Nations Environment Programme Finance Initiative ("UNEP FI"), that aims to provide financing in support of attaining SDGs by helping companies realistically and reliably deliver positive impacts while helping them to identify and mitigate any potential negative impacts.

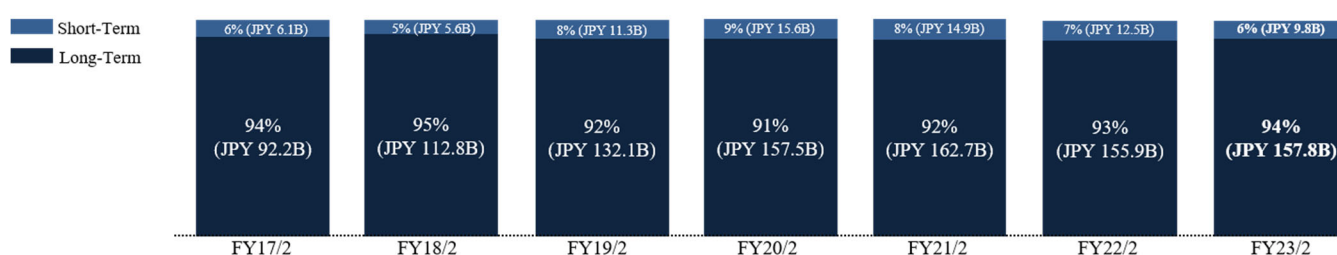
As a result, Ichigo's corporate loan balance as of FY23/2-end was JPY 167.7 billion (-0.5% year-on-year), and non-recourse loan balance was JPY 42.2 billion (+3.3% year-on-year). The average interest rate during FY23/2 for corporate loans and non-recourse loans were 0.89% (- year-on-year) and 1.06% (+0.04% year-on-year), respectively.

Ichigo continues to have an extraordinarily stable and durable balance sheet, with 94.1% of corporate loans (+1.6% year-on-year) as of FY23/2-end being long-term. JPY 90.9 billion of corporate loans have remaining loan terms of more than five years, with Ichigo's corporate loans having an average loan term of 10.0 years and an average remaining loan maturity of 6.1 years. The proportion of total uncollateralized borrowings was 25.5% (+1.3% year-on-year) as of FY23/2-end, driven by the aforementioned FY23/2 commitment lines.

## Average Interest Rate and Loan Term



## Term Structure of Loans



### 4. Business Transfers, Absorption-Type Splits or Incorporation-Type Splits

N/A

### 5. Transferred Businesses from Other Companies

N/A

### 6. Succession of Rights and Obligations relating to the Business of Other Companies by Absorption-Type Merger or Absorption-Type Split

N/A

### 7. Acquisition and Disposition of Shares and Other Interests in Other Companies and Stock Options, etc.

N/A

## B. Earnings and Assets in the Current and Past Three Fiscal Years

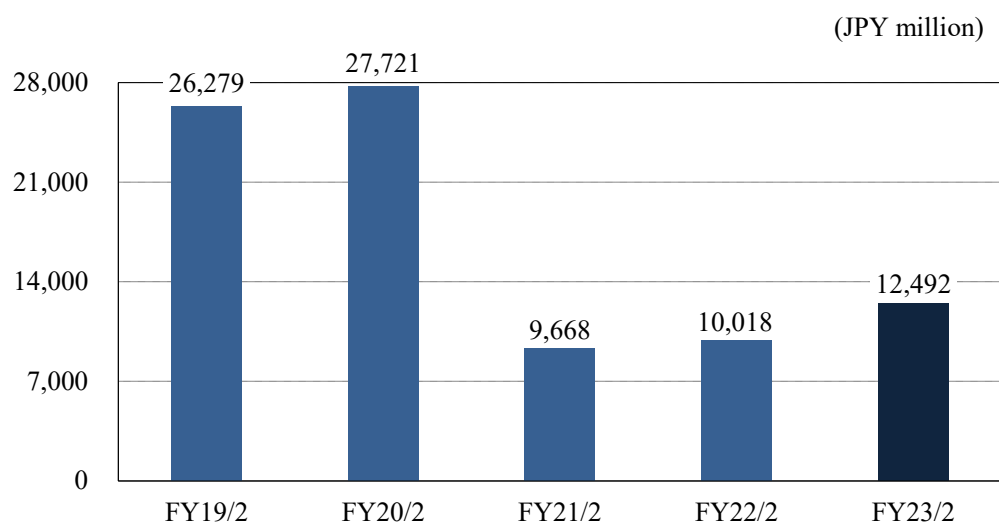
	20 <sup>th</sup> Period (FY20/2)	21 <sup>st</sup> Period (FY21/2)	22 <sup>nd</sup> Period (FY22/2)	23 <sup>rd</sup> Period (FY23/2)
Revenue (JPY million)	87,360	61,368	56,934	68,093
Operating Profit (JPY million)	27,721	9,668	10,018	12,492
All-In Operating Profit (JPY million)	27,721	10,388	13,266	16,908
Recurring Profit (JPY million)	24,395	7,179	7,471	10,848
Net Income (JPY million)	8,201	5,027	6,473	9,409
Net Income per Share (JPY)	16.89	10.48	13.81	20.45
Total Assets (JPY million)	333,726	347,076	337,887	338,619
Net Assets (JPY million)	101,607	110,255	112,191	114,393
Net Assets per Share (JPY)	208.49	209.81	215.46	227.24
Dividend per Share (JPY)	7.0	7.0	7.0	8.0
Return on Equity	8.2%	5.0%	6.5%	9.2%

(Notes) Net Income per Share is calculated based on the average number of outstanding shares, excluding treasury shares, during the period. Net Assets per Share is calculated based on the number of outstanding shares, excluding treasury shares, as of the end of the fiscal year.

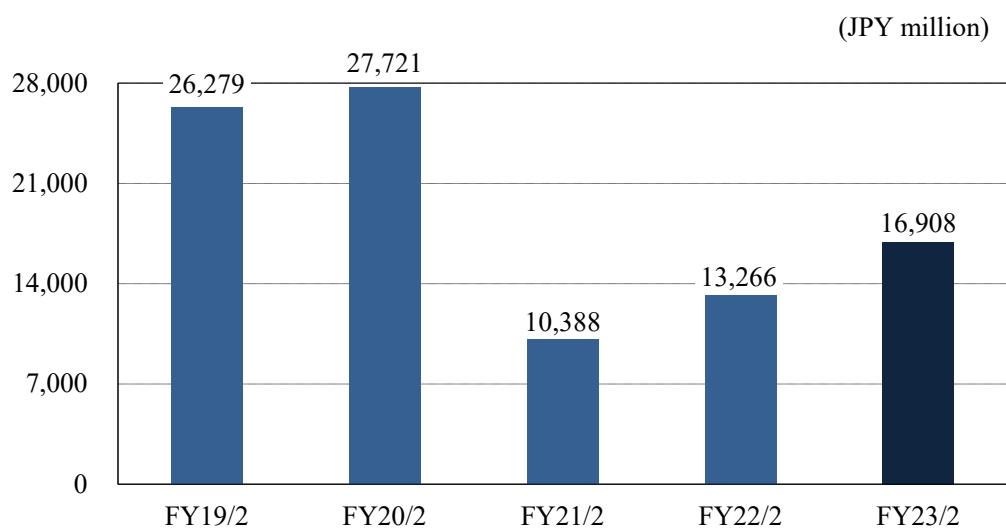
All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains

The “Accounting Standard for Revenue Recognition” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020) has been applied from the beginning of FY23/2.

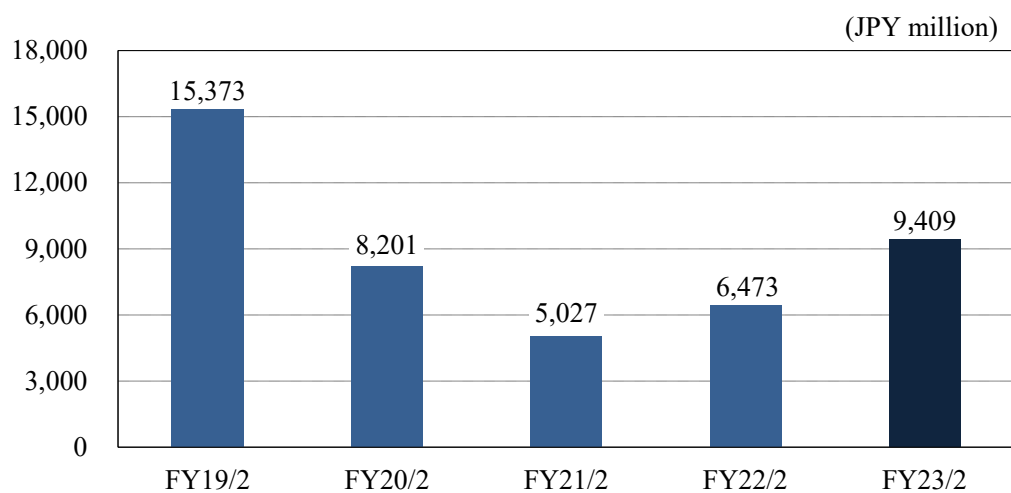
### Operating Profit



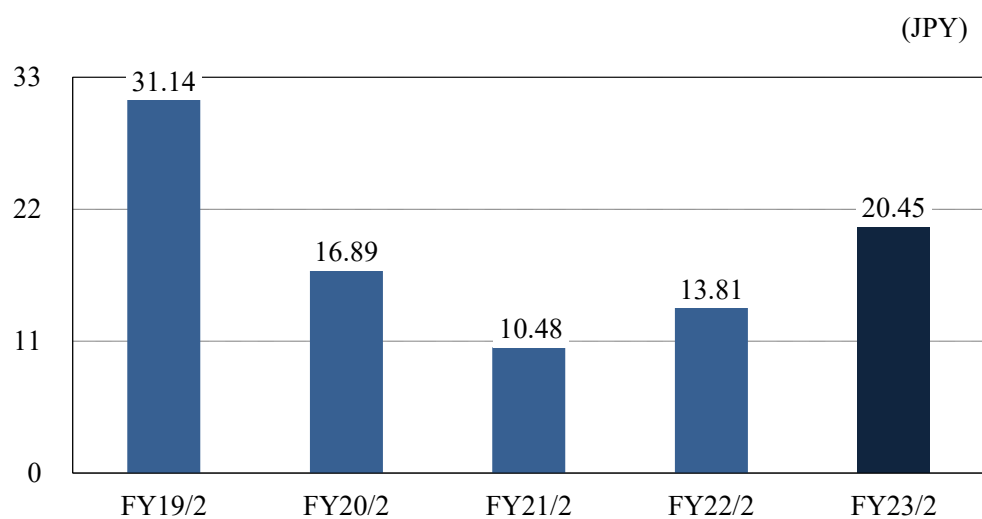
### All-In Operating Profit



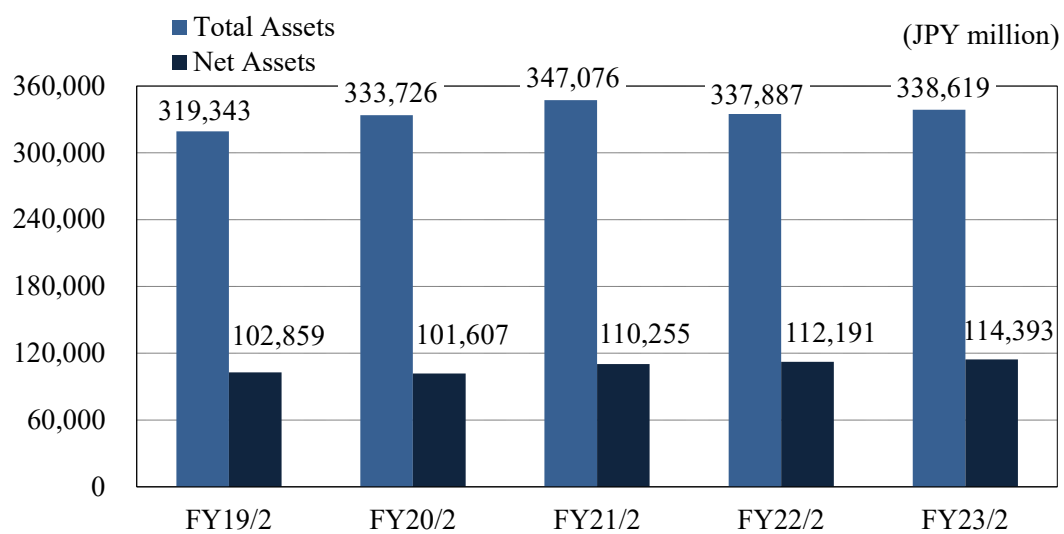
### Net Income



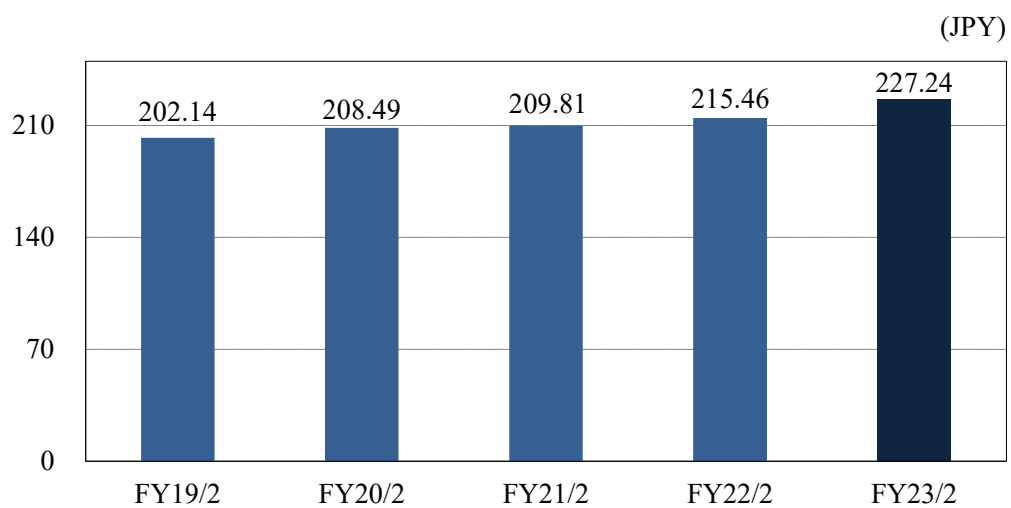
### Net Income per Share (EPS)



## Total Assets & Net Assets



## Net Assets per Share



## C. Company and Subsidiary Information

### (1) Parent Company

Ichigo Inc.

### (2) Important Subsidiaries

Name	Capital	Percentage Ownership of Voting Rights	Main Business
Ichigo Investment Advisors Co., Ltd.	JPY 400 million	100%	Asset manager of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
Ichigo Estate Co., Ltd.	JPY 500 million	100%	Sustainable real estate
Ichigo ECO Energy Co., Ltd.	JPY 150 million	100%	Clean energy business focusing on utility-scale solar and wind power production, making purposeful use of idle land nationwide
Ichigo Owners Co., Ltd.	JPY 110 million	100%	Real estate investment services
Ichigo Marché Co., Ltd.	JPY 95 million	100%	Operates Matsudo Nanbu market in Chiba Prefecture
Miyako City Co., Ltd.	JPY 50 million	100%	Operates Miyako City shopping mall in Miyazaki Prefecture
Centro Co., Ltd.	JPY 30 million	100%	New real estate-related businesses
Storage Plus Corp.	JPY 80 million	100%	High-grade self-storage
Ichigo Animation KK	JPY 590 million	100%	Japanese anime studio & real estate-related content developer
Hakata Hotels Inc.	JPY 100 million	100%	Hotel operator
Ichigo Si Co., Ltd.	JPY 20 million	100%	R&D, production, and application of silicon dioxide (SiO <sub>2</sub> )

(Notes) Ichigo Land Shinchiku Co., Ltd. and Ichigo Real Estate Services Fukuoka Co., Ltd. were merged into Ichigo Estate Co., Ltd. on December 1, 2022.

Hakata Hotels Inc. will change its name to OneFive Hotels Inc. on May 31, 2023.



## D. Key Matters to be Addressed

Ichigo's core Sustainable Real Estate business contributes towards a sustainable society via preserving and improving existing real estate, and aims to increase tenant satisfaction by capturing tenant needs. Although the outlook for office demand remains uncertain on the back of Covid-related workstyle changes, Ichigo will continue to provide high-quality offices and flexibly respond to changes in tenant needs.

As a sustainable infrastructure company, Ichigo continues to work to grow its existing businesses as well as develop new businesses that will support its sustainable growth. Ichigo believes companies exist to serve society, and is working to contribute to a sustainable society while growing long-term value for its shareholders.

In line with this mission, Ichigo has been proactively addressing environmental issues in conducting its business activities. In addition to growing its Sustainable Real Estate business with the aim of extending the useful life of real estate beyond 100 years, Ichigo has joined RE100, a global initiative to accelerate the transition of electricity used by businesses to 100% renewable energy towards a net zero carbon society. Ichigo is committed to sourcing 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463), by 2025. Towards this end, Ichigo will continue to generate renewable electricity via its Clean Energy business, while also working to reduce its energy consumption.

In order to transform its business model to drive significantly higher long-term growth for its shareholders, Ichigo developed Ichigo 2030, its long-term vision. The key elements of Ichigo 2030 are described below.

### Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

As a sustainable infrastructure company, Ichigo is growing and expanding its core real estate and clean energy capabilities into new areas. In doing so, Ichigo will generate new earnings streams and opportunities to serve clients while working to create a more sustainable society.

#### a. Sustainable

We have entered an era when humanity must tread more lightly on our planet and learn to do more with less. Ichigo already has an extensive track record in sustainable real estate through its business model of preserving and improving existing real estate, which challenges the wasteful cycle of demolition and redevelopment in Japanese real estate. With 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. Sustainability is integral to the healthy development of people, society, and the environment.

#### b. Infrastructure

Ichigo has moved beyond the traditional view of real estate as simply physical buildings and land to one in which Ichigo more broadly provides key infrastructure that is fundamental to people's lives. Ichigo first expanded beyond real estate in 2012, when it began developing solar power, offering sustainable energy to support a cleaner and safer Japan and world. Ichigo 2030 takes this strategy forward by expanding the scope of Ichigo's real estate and clean energy businesses into other types of infrastructure that contribute to creating richer, more fulfilling lives for the people of Japan.

Ichigo is now working to merge the physical infrastructure of daily life – offices, homes, hotels – with the networks and data-driven possibilities of the digital world in order to offer more enriching experiences to its clients, tenants, and other stakeholders. While continuing to grow Ichigo's existing businesses, Ichigo is increasing investments in new technologies and talent and developing new partnerships with other companies who share our sustainability vision.

## Time Period

FY20/2 to FY30/2 (11 years)

## KPIs

### 1. High Capital Productivity

(a) FY20/2~FY30/2 Average ROE >15%

Although Ichigo's growth investments in IT and new businesses will initially lower ROE, Ichigo believes these investments will increase long-term ROE by driving higher capital productivity and earnings stability. Ichigo is focused on growing long-term EPS as a key driver of shareholder value.

(b) FY20/2~FY30/2 Continuous JPX-Nikkei 400 Index Inclusion

Ichigo is targeting continuous inclusion in the JPX-Nikkei 400 Index for the entire Ichigo 2030 period (11 years). The JPX-Nikkei 400 selects companies based on ROE, operating profit, and market capitalization, resulting in an index that is comprised of companies with high capital productivity and profitability.

### 2. High Cash Flow Generation

(a) FY20/2~FY30/2 Continuous Economic Operating Cash Flow\* > Net Income

Ichigo's robust cash flows fund both growth investments and shareholder returns, so growing these cash flows is an important business priority. Ichigo is therefore setting a target of its annual Economic Operating Cash Flow exceeding its annual Net Income for the entire Ichigo 2030 period (11 years).

\* Economic Operating Cash Flow = Cash Flows from Operations +/- any changes in Real Estate and Power Plants for Sale

### 3. High Earnings Stability

FY30/2 Stock Earnings Ratio >60%

Ichigo is targeting increasing its Stock Earnings ratio from FY19/2's 53% to 60% in FY30/2. It is also working to increase and diversify its Flow Earnings in order to reduce the weighting of profits from Value-Add real estate sales, which can be sensitive to changes in the real estate market. As a result, Ichigo expects to significantly increase both its earnings and its earnings stability over the Ichigo 2030 period.

## Shareholder Return Policy

Ichigo will work to drive long-term shareholder value with a shareholder return policy that focuses on 1) dividend stability, transparency, and growth, and 2) flexible share buybacks.

### 1. Progressive Dividend Policy

Ichigo will continue its progressive dividend policy, originally adopted in FY17/2, in Ichigo 2030. Ichigo's progressive dividend policy underscores its commitment to driving continued organic earnings and dividend growth for shareholders. Under this policy, the previous year's dividend becomes the floor for the current year's dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside protection.

### 2. DOE >3%

In addition to its progressive dividend policy, Ichigo will continue its policy of a DOE (Dividend on Equity) payout ratio of greater than 3%. In contrast to a "dividend payout ratio policy," which calculates dividends based upon annual earnings which can be highly volatile, a DOE policy pays dividends based upon far more stable shareholder equity. A DOE policy thus results in more stable dividends for shareholders. Ichigo believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of Ichigo's shareholders.

### 3. Flexible Deployment of Share Buybacks

In addition to the above dividend policies, Ichigo has adopted a policy to flexibly conduct share buybacks to optimize its capital structure and drive shareholder value.

## **E. Key Business Segments (as of February 28, 2023)**

Ichigo's biggest segment is Sustainable Real Estate, in which Ichigo preserves and improves real estate. Ichigo receives rental income during the period it is carrying out its value-add, along with profits on sale that reflect the real estate's higher value after the value-add is complete.

In addition to its value-add activity with respect to mid-size offices, hotels, and retail and other assets, Ichigo develops and operates solar and wind power plants to supply clean energy and bring productive use to idle land.

## F. Employees (as of February 28, 2023)

### 1. Employees (Consolidated)

Segment	Number of employees	Increase/decrease from previous fiscal year-end
Asset Management Sustainable Real Estate	372 (110)	+59 (+26)
Clean Energy	18 (1)	+2 (-)
Company-wide	72 (2)	+17 (-2)
Total	462 (113)	+78 (+24)

- (Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo), including Directors who are also employees.
- (Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.
- (Note 3) On a year-on-year basis, the number of employees increased by 78 and the number of non-full-time employees increased by 24, primarily reflecting the addition of employees from business expansions.

### 2. Employees (Parent company only)

Number of employees	Increase/decrease from previous fiscal year-end	Average age	Average years of employment
90 (3)	-9 (-2)	43.8 years old	7.2 years

- (Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo) including Directors who are also employees.
- (Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.

## G. Principal Lenders (as of February 28, 2023)

Lenders	Amount
Mizuho Bank, Ltd.	JPY 41.2 billion
Sumitomo Mitsui Banking Corporation	JPY 31.2 billion
Kansai Mirai Banking Corporation	JPY 7.3 billion
Shinsei Bank, Ltd.	JPY 6.5 billion
The Tokyo Star Bank, Limited.	JPY 6.3 billion

- (Note) These amounts are for corporate loans and do not include non-recourse loans with respect to assets that Ichigo manages (e.g., tokumei kumiai partnerships, etc.)

**H. Policy on Dividends and Shareholder Distributions**

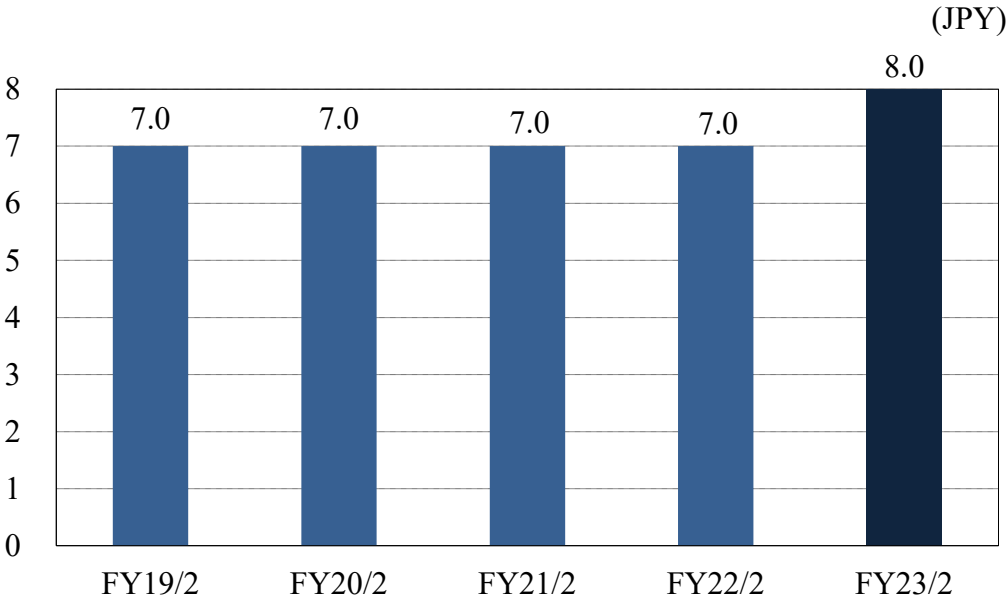
Ichigo views distributions to its shareholders as an important priority.

Ichigo’s Board of Directors adopted a progressive dividend policy on April 19, 2016. This policy underscores Ichigo’s commitment to driving continued organic earnings and dividend growth for its shareholders. Under a progressive dividend policy, the previous year’s dividend becomes the floor for the current year’s dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside protection.

In addition to this progressive dividend policy, Ichigo has adopted a minimum DOE (dividend on equity) payout ratio of 3%. In contrast to an “earnings payout ratio policy,” which pays dividends based upon more volatile annual earnings, a DOE policy that pays dividends based upon more stable shareholder equity is by its very nature more stable. Ichigo believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of Ichigo’s shareholders.

The FY23/2 dividend per share is JPY 8.

Dividend per Share



## I. Other Material Matters

Ichigo's Board of Directors decided to conduct share buybacks, pursuant to the provisions of Articles 156 and 165 of the Company Law, at the Board of Directors meetings held on April 19, 2022 and August 19, 2022. The details of the buybacks are as follows:

### 1. Share Buyback Rationale

To grow value for Ichigo shareholders

### 2. Share Buyback Summary

#### April 2022 Share Buyback

Number of Shares	5,103,800
Amount	JPY 1,499,974,600
Average Share Price	JPY 293
Buyback Period	April 20, 2022 – June 10, 2022
Buyback Method	In-market purchases via securities firm

#### August 2022 Share Buyback

Number of Shares	9,448,400
Amount	JPY 2,999,994,200
Average Share Price	JPY 317
Buyback Period	August 22, 2022 – November 16, 2022
Buyback Method	In-market purchases via securities firm

## II. Other Matters

### A. Shares and Shareholder Information (as of February 28, 2023)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 505,381,018 shares (including 51,992,200 treasury shares)
3. Number of Shareholders: 34,502

#### Top 10 Shareholders

Name	Shares Held	Shareholding Ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	225,108,200	49.65
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,671,900	6.10
MACQUARIE BANK LIMITED DBU AC (Standing Proxy: Citibank, N.A., Tokyo Branch)	22,653,000	5.00
Morgan Stanley MUFG Securities Co., Ltd.	20,455,464	4.51
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Standing Proxy: MUFG Bank, Ltd.)	20,252,000	4.47
BNYMSANV RE GCLB RE JP RD LMGC (Standing Proxy: Citibank, N.A., Tokyo Branch)	12,243,455	2.70
Custody Bank of Japan, Ltd. (Trust Bank)	9,512,300	2.10
SMBC Nikko Securities Inc.	9,137,400	2.02
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT (Standing Proxy: Citibank, N.A., Tokyo Branch)	8,124,800	1.79
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	4,775,100	1.05
TOTAL	359,933,619	79.39

(Note 1) Shareholding Ratio is calculated excluding 51,992,200 treasury shares.

(Note 2) The Shareholding Ratio of Ichigo Trust Pte. Ltd., Ichigo's largest shareholder, increased during the period from 48.11% to 49.65% as a result of share sales.

## B. Employee Stock Options

Detailed disclosure of Employee Stock Options issued as a compensation for execution of duties by officers and Directors are stated in the Additional Accounting Notes for the Twenty-Third Annual Shareholder Meeting available on Ichigo's corporate website:

[www.ichigo.gr.jp/en/ir/stocks/shareholders\\_info.html](http://www.ichigo.gr.jp/en/ir/stocks/shareholders_info.html)

## C. Directors and Officers

### 1. Directors (as of February 28, 2023)

Position	Name	Responsibility and Other Business Affiliations
Director	Scott Callon	Chairman & Representative Statutory Executive Officer Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member Partner and CEO, Ichigo Asset Management, Ltd. Chairman, CEO, & Representative Director, Japan Display Inc. Independent Director, Fujitsu Ltd.
Director	Takuma Hasegawa	President & Representative Statutory Executive Officer Chairman of Nominating Committee, Compensation Committee, and Compliance Committee Chairman & Director, Ichigo ECO Energy Co., Ltd. Director, Cost Science Inc.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Sustainable Real Estate) & COO Director, Ichigo Investment Advisors Co., Ltd. Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman & Representative Director, Ichigo Marché Co., Ltd. Chairman & Representative Director, Hakata Hotels Inc. President & Representative Director, Miyazaki Sunshine FM Co., Ltd. Chairman & Representative Director, Centro Co., Ltd. Director, I Think Rent Co., Ltd.
Director	Eri Murai	Executive Managing Director & Statutory Executive Officer (HR)
Independent Director	Tetsuya Fujita <sup>1</sup>	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member CEO & Representative Director, Creative Solutions Co., Ltd. Executive Director, Postal Club Inc.
Independent Director	Noriko Kawate <sup>2</sup>	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President, CLEA Consulting Co., Ltd. Partner, Cast Group Independent Auditor, Sumitomo Bakelite Co., Ltd. Independent Auditor, Nichireki Co., Ltd. Civil Conciliation Committee Member, Tokyo District Court



Position	Name	Responsibility and Other Business Affiliations
Independent Director	Yukio Suzuki <sup>3</sup>	Vice Chairman of Compliance Committee, Audit Committee Member CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Independent Auditor, Wills Inc. Independent Director, XNET Corporation Independent Director, Nihonbashi Value Partners Co., Ltd. Independent Director, Value Quest Partners Co., Ltd.
Independent Director	Masatoshi Matsuzaki	Nominating Committee Member, Compensation Committee Member Special Advisor, Konica Minolta Inc. Independent Director, LIXIL Corporation (Chairman of the Board) Independent Director, SmartHR, Inc. (Chairman of the Board) Independent Director, Ushio Inc.
Independent Director	Nobuhide Nakaido	Executive Director, Japan Association for Chief Human Resources Officers Independent Director, eSOL Co., Ltd. Independent Director, Sourcenext Corp. Independent Director, JAC Recruitment Co., Ltd.
Independent Director	Amina Sugimoto	Representative Director, CEO, & Co-Founder, fermata Inc.

<sup>1</sup> Audit Committee Member Tetsuya Fujita, serves as internal audit officer at a major life insurance company, and is certified as an internal auditor. He thus has extensive knowledge of internal auditing.

<sup>2</sup> Audit Committee Member Noriko Kawate is a Certified Public Accountant as well as a Certified Tax Accountant and thus has extensive knowledge of the finance and accounting fields.

<sup>3</sup> Audit Committee Member Yukio Suzuki has served important roles at financial companies and thus has extensive experience and knowledge of corporate and securities research.

<sup>4</sup> Ichigo has registered all of the Independent Directors with the Tokyo Stock Exchange as meeting the Tokyo Stock Exchange's qualifications for Independent Directors.

(Note) Ichigo has assigned officers and employees to assist the Audit Committee to fulfill its duties. Independent from other officers and employees, they proactively collect information and work closely with the Audit Committee members on a daily basis to ensure the effectiveness of auditing by the Audit Committee. As a result, Ichigo has not appointed a full-time Audit Committee member.

## 2. Statutory Executive Officers (as of February 28, 2023)

Position	Name	Responsibility and Other Business Affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall Group Management Partner & CEO, Ichigo Asset Management, Ltd. Chairman, CEO, & Representative Director, Japan Display Inc. Independent Director, Fujitsu Ltd.
President & Representative Statutory Executive Officer	Takuma Hasegawa	Overall Group Management Chairman & Director, Ichigo ECO Energy Co., Ltd. Director, Cost Science Inc.
Executive Vice President & Statutory Executive Officer & COO	Minoru Ishihara	Executive Vice President, Sustainable Real Estate Director, Ichigo Investment Advisors Co., Ltd. Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman & Representative Director, Ichigo Marché Co., Ltd. Chairman & Representative Director, Hakata Hotels Inc. President & Representative Director, Miyazaki Sunshine FM Co., Ltd. Chairman & Representative Director, Centro Co., Ltd. Director, I Think Rent Co., Ltd.
Executive Managing Director	Eri Murai	HR
Executive Managing Director	Go Watanabe	New Ventures President & Representative Director, Centro Co., Ltd. Chairman & Director, Storage Plus Corp.
Executive Managing Director	Takeyuki Yoshimatsu	Corporate Operations Executive Vice President, Ichigo Investment Advisors Co., Ltd.
Senior Statutory Executive Officer	Takanori Sakamatsu	Finance
Senior Statutory Executive Officer	Kazunori Kurita	Sustainable Engineering President & Representative Director, Ichigo Marché Co., Ltd.
Senior Statutory Executive Officer	Takashi Ohigawa	HR
Statutory Executive Officer	Yasutoyo Senda	Audit
Statutory Executive Officer	Kenichi Tanaka	Sustainable Infrastructure Business, DX Acceleration

### 3. Directors and Statutory Executive Officers Who Stepped Down during the Current Fiscal Year

Senior Statutory Executive Officer Ryutaro Yamamoto and Statutory Executive Officer Akihiko Tsukasa stepped down to assume roles as directors at Ichigo subsidiaries following a company reorganization on April 1, 2022. Kenichi Tanaka retired upon the expiration of his term.

### 4. Outline of Limited Liability Agreement with Independent Directors

In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with its Independent Directors pursuant to Article 427, Paragraph 1 of the Company Law.

The extent of liability for compensation under the agreements is the minimum limited liability amount as defined in Article 425, Paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties in good faith and without gross negligence.

### 5. Outline of Director Liability Insurance

Ichigo has entered into a director liability insurance agreement with an insurance company, pursuant to Article 430, Paragraph 3, Clause 1 of the Company Law, that insures against damages arising in relation to directors executing on their responsibilities and claims made with respect to directors executing on their responsibilities. Insured persons include Ichigo's Directors and Statutory Executive Officers as well as any Director, Auditor, or Statutory Executive Officer seconded to an Ichigo Group company. The agreement does not insure against damages arising from certain exempted reasons such as willful misconduct. All insurance premiums are borne by Ichigo.

### 6. Policy on Determining Compensation for Directors and Statutory Executive Officers

#### a. Basic Policy

Compensation for Directors and Statutory Executive Officers of Ichigo is determined based on factors including the duties of each individual, contribution to Ichigo, base compensation, and relevant work experience.

#### b. Specific Policies

##### – Compensation for Directors

Compensation of Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Director. The performance-based bonus is based on Ichigo's total corporate performance, the Director's level of contribution towards value creation across the Ichigo Group, and the Director's level of achievement of their respective goals.

##### – Compensation for Independent Directors

Compensation of Independent Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount in accordance with the number of points assigned to each Independent Director based on their respective supervisory roles and past management experience. If a performance-based director bonus is to be paid, the amount is based on a point system, similar to that used for monthly base salary, taking into consideration the importance of the supervisory function and the contribution towards value creation across the Ichigo Group.

– Compensation for Statutory Executive Officers

Compensation of Statutory Executive Officers consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role of each Statutory Executive Officer. The performance-based bonus is based on Ichigo's total corporate performance, the performance of the operating unit or area for which the Statutory Executive Officer is responsible, the Statutory Executive Officer's individual performance, and the Statutory Executive Officer's contribution towards enhancing operations and alignment with the corporate mission and corporate code of conduct.

– Employee Stock Options

Stock options are granted to further strengthen commitment towards Ichigo's sustainable growth and the maximization of shareholder value. These stock options are granted in addition to the compensation described above.

## 7. Total Compensation Paid to Directors and Statutory Executive Officers

(JPY million)

	Amount Paid	Amount by Category			Number of Recipients (persons)
		Base Salary	Performance-Based Bonus	Stock Options	
Directors (excluding Independent Directors)	244	78	156	10	3
Statutory Executive Officers	55	24	29	2	10
Independent Directors	54	35	14	3	6

(Note 1) As of the end of the period, there are ten Directors (including six Independent Directors) and 11 Statutory Executive Officers (four of whom are also Directors), resulting in a total of 17 officers. Since those who are both a Statutory Executive Officer and a Director do not receive Statutory Executive Officer's compensation, The total amount and number of recipients are shown in the row of Directors and not in the row of Statutory Executive Officers.

(Note 2) There is one Director that receives no compensation from Ichigo.

(Note 3) The total number of recipients is 19. This deviates from 17, the total number of Directors and Statutory Executive Officers as of February 28, 2023, due to the inclusion of Directors that have stepped down.

(Note 4) In addition, Ichigo paid JPY 139 million as employee compensation to eight Statutory Executive Officers who also serve as employees.

(Note 5) No compensation has been paid by Ichigo subsidiaries to Ichigo's Independent Directors.

(Note 6) Exercise of stock options during FY23/2 is stated in B. Employee Stock Options.

(Note 7) The performance-based bonus is based on a comprehensive assessment of Ichigo's total corporate performance and growth in shareholder value and incorporates metrics including achievement of Ichigo's annual operating profit, recurring profit, and net income targets, shareholder returns (dividend per share and the Dividend on Equity (DOE) ratio), and progress with respect to the KPIs set in the Ichigo 2030 long-term vision. Ichigo's FY23/2 earnings forecast is reported as a range, with the bottom of the range being a conservative forecast, given uncertainties due to the ongoing Covid pandemic. Therefore, Ichigo did not set targets for annual operating profit, recurring profit, or net income for this fiscal period. Performance-based bonus amounts were determined in light of net income increasing by 45.4% year-on-year this fiscal period.

	Forecast	Actual	Actual vs. Forecast
Operating Profit	–	JPY 12,492 million	–
Recurring Profit	–	JPY 10,848 million	–
Net Income	–	JPY 9,409 million	–
Dividend	JPY 7	JPY 8	114%
DOE	3%	3.6%	119%

(Note 8) FY23/2 compensation for Directors and Statutory Executive Officers has been reviewed by the Compensation Committee and complies with Ichigo's compensation policy.

## 8. External Positions Held by Independent Directors

### a. Positions in Other Companies and the Relationship between Ichigo and these Other Companies

- Independent Director Tetsuya Fujita is CEO of Creative Solutions Co., Ltd. and Executive Director of Postal Club Inc. Ichigo has no relationship with Creative Solutions Co., Ltd. or Postal Club Inc.
- Independent Director Noriko Kawate is President of CLEA Consulting Co., Ltd. and a Partner of Cast Group. Ichigo has no relationship with CLEA Consulting Co., Ltd. or Cast Group.
- Independent Director Yukio Suzuki is CEO of Belle Investment Research of Japan Inc. Ichigo has no relationship with Belle Investment Research of Japan Inc.
- Independent Director Amina Sugimoto is Representative Director, CEO, & Co-Founder of fermata Inc. Ichigo has no relationship with fermata Inc.

### b. Positions as Independent Directors in Other Companies

- Independent Director Noriko Kawate is an Independent Auditor of Sumitomo Bakelite Co., Ltd., an Independent Auditor of Nichireki Co., Ltd, and a Civil Conciliation Committee Member of the Tokyo District Court. Ichigo has no relationship with any of these companies.
- Independent Director Yukio Suzuki is an Independent Director of Systema Corporation, an Independent Director of WILLS Inc., an Independent Director and Audit Committee Member of XNET Corporation, an Independent Director of Nihonbashi Value Partners Co., Ltd., and an Independent Director of Value Quest Partners Co., Ltd. Ichigo has no relationship with any of these companies.
- Independent Director Masatoshi Matsuzaki is a Special Advisor of Konica Minolta Inc., an Independent Director and Chairman of the Board of Directors of LIXIL Corporation, an Independent Director of SmartHR, Ltd., and an Independent Director of Ushio Inc. Ichigo has no relationship with any of these companies.
- Independent Director Nobuhide Nakaido is an Executive Director of Japan Association for Chief Human Resources Officer, and an Independent Director of eSOL Co., Ltd., Sourcenext Corp., and JAC Recruitment Co., Ltd. Ichigo has no relationship with any of these companies.

### c. Relationship with Ichigo or Related Entities of Ichigo

The six Independent Directors have no spouses or relatives in the third degree or closer who are Statutory Executive Officers of Ichigo or related entities.

d. Independent Director Activities in the Current Fiscal Year

	Name	Activities
Independent Director	Tetsuya Fujita	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 6 out of 6 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, risk management, and ESG.
Independent Director	Noriko Kawate	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 6 out of 6 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of finance and investment, and risk management.
Independent Director	Yukio Suzuki	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, finance and investment, and risk management.
Independent Director	Masatoshi Matsuzaki	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 5 out of 5 meetings (100%) of the Nominating Committee. Attended 6 out of 6 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, ESG, and human resource development.
Independent Director	Nobuhide Nakaido	Attended 8 out of 9 meetings (88.8%) of the Board of Directors. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, finance and investment, and human resource development.
Independent Director	Amina Sugimoto	Attended 6 out of 7 meetings (85.7%) of the Board of Directors after appointment as Independent Director. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, finance and investment, and ESG.

## D. Independent Auditor

### 1. Grant Thornton Taiyo LLC

### 2. Fees Paid to the Independent Auditor

#### (i) Fees paid to the Independent Auditor during FY23/2

Fees for the services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	JPY 66 million
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Fees for the services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act	—
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JPY 66 million

(ii) Total monetary and other financial benefits payable by Ichigo and subsidiaries to the Independent Auditor	JPY 93 million
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(Note 1) Pursuant to Article 399, Paragraph 1 of the Company Law and based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee, Ichigo’s Audit Committee concurs with the Independent Auditor’s fees after a thorough confirmation and consideration of the content of the Independent Auditor’s audit plan, execution of work, audit fee trends, and the Independent Auditor’s calculation of its fee estimates.

(Note 2) Pursuant to both the Company Law and the Financial Instruments and Exchange Law, the audit agreement between Ichigo and the Independent Auditor does not call for itemizing the audit fee breakdown, and, thus as a practical matter, Ichigo is not able to itemize the fees. Therefore, the fees paid to the Independent Auditor show the total amount.

### 3. Policy for the Determination of Dismissal or Non-Reappointment of the Independent Auditor

The Audit Committee has stipulated a Policy for the dismissal or non-reappointment of the Independent Auditor based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee. The Policy is as below:

(a) The term of the Independent Auditor is one year, as specified in a one-year audit contract.

(b) The reappointment of the Independent Auditor will be decided at the Audit Committee.

(c) 1. The selection, dismissal, or the non-reappointment of the Independent Auditor will be decided at the Annual Shareholder Meeting. The Audit Committee makes the decision to place this on the shareholding meeting agenda.

2. In the event Ichigo decides to dismiss or not reappoint an Independent Auditor at Ichigo’s discretion or for the breach of laws and regulations such as the Company Law or the Certified Public Accountants Law, or the breach of the contract of engagement, the dismissal or the non-reappointment will be deliberated by the Audit Committee with reference to the views of the Directors and Statutory Executive Officers.



3. In the event the dismissal or the non-reappointment of the Independent Auditor is to become the agenda of the shareholder meeting, the details of the agenda item will be determined by the Audit Committee.

4. In the event the Independent Auditor contravenes his/her duty as an Auditor or if proper duty as an Auditor stipulated in Article 340, Paragraph 1 of the Company Law is deemed difficult, the Audit Committee may dismiss the Independent Auditor upon consent of all Audit Committee members.

## **E. Controls to Ensure Appropriate Business Conduct**

Detailed disclosure of Controls to Ensure Appropriate Business Conduct is included in the Additional Accounting Notes for the Twenty-Third Annual Shareholder Meeting available on Ichigo's corporate website:

[www.ichigo.gr.jp/en/ir/stocks/shareholders\\_info.html](http://www.ichigo.gr.jp/en/ir/stocks/shareholders_info.html)

1. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Full Compliance with Japanese Law and Ichigo's Articles of Incorporation
2. Systems to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers
3. Risk Management Policies and Systems
4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (
5. Audit Committee and Audit Systems
6. Systems to Ensure Fully Appropriate Business Activities by Ichigo and its Subsidiaries

Reference: Establishment and Status of Internal Structures to Prevent Dealings with Anti-Social Forces

## **F. Policy on Corporate Control (Takeover Defenses)**

Ichigo has not adopted any takeover defense, poison pill, or any other policy with respect to entities or persons who would seek to control decisions with respect to Ichigo's financial and business policies.

## Consolidated Balance Sheet

(As of February 28, 2023)

(JPY million)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>	<b>128,057</b>	<b>Current Liabilities</b>	<b>19,200</b>
Cash and deposits	40,536	Short-term loans	962
Trade notes and accounts receivable	3,866	Bonds (due within one year)	364
Operational loan investments	1,324	Long-term loans (due within one year)	8,539
Operational securities investments	47	Long-term non-recourse loans (due within one year)	4,218
Real estate for sale	79,151	Income taxes payable	949
Other	3,197	Accrued bonuses	112
Less: allowance for doubtful accounts	-66	Other current liabilities	4,053
<b>Fixed Assets</b>	<b>210,562</b>	<b>Long-Term Liabilities</b>	<b>205,026</b>
<b>Property, Plant, and Equipment</b>	<b>199,323</b>	Bonds	5,239
Buildings and structures	66,790	Long-term loans	152,624
Depreciation	-12,751	Long-term non-recourse loans	38,012
Buildings and structures (net)	54,039	Deferred tax liabilities	1,589
Solar and wind power plant equipment	34,956	Long-term security deposits received	7,163
Depreciation	-8,094	Other long-term liabilities	396
Solar and wind power plant equipment (net)	26,862		
Land	114,431		
Buildings under construction	679		
Solar and wind power plants under construction	2,250		
Other	3,040		
Depreciation	-1,980		
Other (net)	1,060		
<b>Intangible Assets</b>	<b>2,398</b>	<b>Total Liabilities</b>	<b>224,226</b>
Goodwill	717	<b>Net Assets</b>	
Leasehold rights	1,397	<b>Shareholders' Equity</b>	<b>102,678</b>
Other	283	Capital	26,888
<b>Investments and Other Assets</b>	<b>8,840</b>	Capital reserve	11,266
Securities investments	4,455	Retained Earnings	82,438
Long-term loans receivable	240	Treasury shares	-17,914
Deferred tax assets	341	<b>Accumulated Other Comprehensive Income</b>	<b>347</b>
Other	3,937	Valuation gains (losses) on other securities	296
Less: allowance for doubtful accounts	-133	Deferred gains (losses) on long-term interest rate hedges	51
		<b>Stock Options</b>	<b>814</b>
		<b>Minority Interests</b>	<b>10,552</b>
		<b>Total Net Assets</b>	<b>114,393</b>
<b>Total Assets</b>	<b>338,619</b>	<b>Total Liabilities and Net Assets</b>	<b>338,619</b>

## Consolidated Income Statement

(March 1, 2022 – February 28, 2023)

(JPY million)

Item	Amount	
<b>Revenue</b>		<b>68,093</b>
<b>Cost of Goods Sold</b>		<b>48,674</b>
<b>Gross Profit</b>		<b>19,418</b>
<b>SG&amp;A</b>		<b>6,926</b>
<b>Operating Profit</b>		<b>12,492</b>
<b>Non-Operating Profit</b>		
Interest income	46	
Dividend income	38	
Foreign exchange gains	10	
Mark-to-market gains on long-term interest rate hedges	790	
Other	92	979
<b>Non-Operating Expenses</b>		
Interest expense	2,165	
Debt financing-related fees	171	
Other	285	2,622
<b>Recurring Profit</b>		<b>10,848</b>
<b>Extraordinary Gains</b>		
Gains on sale of fixed assets	4,416	
Other	205	4,621
<b>Extraordinary Losses</b>		
Loss on disposal of fixed assets	23	
Valuation losses on securities investments	261	
Allowance for doubtful accounts	127	
Impairment loss	803	
Other	18	1,235
<b>Pre-Tax Net Income</b>		<b>14,234</b>
Income taxes – current	4,425	
Income taxes – deferred	152	4,578
<b>Pre-Minority Interest Net Income</b>		<b>9,656</b>
Net Income Attributable to Minority Interests		246
<b>Net Income</b>		<b>9,409</b>

## Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2022 – February 28, 2023)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2022	26,888	11,268	76,310	-13,423	101,043
Changes in the Current Fiscal Year					
Dividend Payment			-3,275		-3,275
Net Income			9,409		9,409
Change in Consolidated Subsidiaries			-6		-6
Share Buyback				-4,499	-4,499
Sale of Treasury Shares		-2		9	7
Changes in Items other than Shareholders' Equity					
Total Changes	–	-2	6,127	-4,490	1,634
Balance as of February 28, 2023	26,888	11,266	82,438	-17,914	102,678

	Other Comprehensive Income			Stock Options	Minority Interests	Total Net Assets
	Valuation Gains (Losses) on Other Securities	Deferred Gains (Losses) on Long-Term Interest Rate Hedges	Total Other Comprehensive Income			
Balance as of March 1, 2022	25	-254	-228	961	10,415	112,191
Changes in the Current Fiscal Year						
Dividend Payment						-3,275
Net Income						9,409
Changes in Consolidated Subsidiaries						-6
Share Buyback						-4,499
Sale of Treasury Shares						7
Changes in Items other than Shareholders' Equity	270	305	576	-146	136	566
Total Changes	270	305	576	-146	136	2,201
Balance as of February 28, 2023	296	51	347	814	10,552	114,393

**Parent Balance Sheet**  
(As of February 28, 2023)

(JPY million)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>	<b>44,492</b>	<b>Current Liabilities</b>	<b>7,377</b>
Cash and deposits	16,861	Short-term loans	962
Accounts receivable	838	Bonds (due within one year)	72
Operational securities investments	47	Long-term loans (due within one year)	4,543
Short-term loans to affiliates	23,617	Accounts payable	1,201
Long-term loans to affiliates (due within one year)	513	Accrued expenses	157
Advance payments	100	Income taxes payable	255
Accounts receivable – other	673	Advances received	36
Accounts receivable due to consolidated taxation	1,369	Deposits received	22
Other	502	Other	125
Less: allowance for doubtful accounts	-31		
<b>Fixed Assets</b>	<b>111,245</b>	<b>Long-Term Liabilities</b>	<b>76,228</b>
<b>Property, Plant, and Equipment</b>	<b>8,036</b>	Bonds	3,000
Buildings and structures	3,725	Long-term loans	62,698
Depreciation	-631	Long-term loans of affiliates	10,371
Buildings and structures (net)	3,094	Long-term security deposits received	155
Land	4,847	Other long-term liabilities	3
Other	222	<b>Total Liabilities</b>	<b>83,605</b>
Depreciation	-127	<b>Net Assets</b>	
Other (net)	95	<b>Shareholders' Equity</b>	<b>71,034</b>
<b>Intangible Assets</b>	<b>352</b>	Capital	26,888
Software	257	Capital reserve	11,264
Leasehold rights	92	Retained earnings	11,204
Other	2	Capital reserve – other	60
<b>Investments and Other Assets</b>	<b>102,856</b>	Retained earnings	50,795
Securities investments	3,157	Earnings reserve	44
Securities investments in affiliates	5,296	Earnings reserve – other	50,751
Affiliate bonds	4,002	Retained earnings carried forward	50,751
Securities investments in affiliates – other	39,938	Treasury shares	-17,914
Long-term loans receivable	10	<b>Revaluations and Adjustments</b>	<b>283</b>
Long-term loans to affiliates	48,285	Valuation gains (losses) on other securities	230
Deferred tax assets	24	Deferred gains (losses) on long-term interest rate hedges	53
Other	2,269	Stock Options	814
Less: allowance for doubtful accounts	-127	<b>Total Net Assets</b>	<b>72,132</b>
<b>Total Assets</b>	<b>155,738</b>	<b>Total Liabilities and Net Assets</b>	<b>155,738</b>

## Parent Income Statement

(March 1, 2022 – February 28, 2023)

(JPY million)

Item	Amount	
<b>Revenue</b>		<b>6,936</b>
<b>Cost of Goods Sold</b>		<b>342</b>
<b>Gross Profit</b>		<b>6,594</b>
<b>SG&amp;A</b>		<b>3,331</b>
<b>Operating Profit</b>		<b>3,262</b>
<b>Non-Operating Profit</b>		
Interest income	709	
Dividend income	32	
Mark-to-market gains on long-term interest rate hedges	790	
Credit guarantees income	6	
Other	15	1,554
<b>Non-Operating Expenses</b>		
Interest expense	967	
Debt financing-related fees	141	
Other	111	1,220
<b>Recurring Profit</b>		<b>3,597</b>
<b>Extraordinary Gains</b>		
Gains on reversal of stock options	205	205
<b>Extraordinary Losses</b>		
Valuation losses on securities investments	201	
Allowance for doubtful accounts	863	
Impairment loss	117	1,181
<b>Pre-Tax Net Income</b>		<b>2,620</b>
Income taxes – current	434	
Income taxes – deferred	26	460
<b>Net Income</b>		<b>2,159</b>

## Parent Statement of Changes in Shareholders' Equity

(March 1, 2022 – February 28, 2023)

(JPY million)

	Shareholders' Equity								
	Capital	Capital Surplus			Retained Earnings			Treasury Shares	Total Shareholders' Equity
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Earnings Reserve	Other Retained Earnings Carried Forward/ Retained Earnings	Total Retained Earnings		
Balance as of March 1, 2022	26,888	11,204	62	11,266	44	51,866	51,911	-13,423	76,643
Changes in the Current Fiscal Year									
Dividend Payments						-3,275	-3,275		-3,275
Share Buyback								-4,499	-4,499
Sale of Treasury Shares			-2	-2				9	7
Net Income						2,159	2,159		2,159
Changes in Items other than Shareholders' Equity									
Total Changes	—	—	-2	-2	—	-1,115	-1,115	-4,490	-5,608
Balance as of February 28, 2023	26,888	11,204	60	11,264	44	50,751	50,795	-17,914	71,034

	Revaluation and Adjustment			Stock Options	Total Net Assets
	Valuation Gains (losses) on Other Securities	Deferred Gains (losses) on Long-Term Interest Rate Hedges	Total Revaluation and Adjustment		
Balance as of March 1, 2022	-30	-250	-280	961	77,323
Changes in the Current Fiscal Year					
Dividend Payments					-3,275
Share Buyback					-4,499
Decrease due to Company Split					7
Net Income					2,159
Changes in Items other than Shareholders' Equity	260	303	564	-146	417
Total Changes	260	303	564	-146	-5,190
Balance as of February 28, 2023	230	53	283	814	72,132

## Auditor's Report on the Consolidated Financial Statements

### Report of Independent Auditor

April 14, 2023

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

Daisuke Noda, CPA, Designated and Engagement Partner (seal)

### Auditing Opinion

We have audited the consolidated financial statements of Ichigo Inc., namely the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements, for the fiscal year from March 1, 2022 to February 28, 2023 pursuant to Article 444, Paragraph 4 of the Company Law.

The consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Ichigo Group consisting of Ichigo Inc. and its consolidated subsidiaries for the period for the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

### Auditing Opinion Rationale

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements. We are independent from Ichigo Inc. and its consolidated subsidiaries in accordance with the code of professional ethics in Japan, and we have fulfilled other ethical responsibilities as the auditor. We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

### Other Contents

Other contents refer to the business report and its supplementary information. It is the Management's responsibility to compile and disclose these contents. In addition, it is the Audit Committee's responsibility to monitor the execution of duties by Executive Officers and Directors in the development and operation of the reporting process for these other content.

Our audit opinion on the consolidated financial statements does not include any other content, and we do not express an opinion on the other contents.

Our responsibility in the audit of the consolidated financial statements is to read through the business report and its supplementary information, and examine if there is a difference between these contents and the consolidated financial statements or the knowledge we acquired during the audit process, and whether there are other indications of material error in these contents.

We are required to report the fact if we determine that there are material errors.

We note that there are no material errors to report.

### Management & Audit Committee's Responsibilities with Respect to the Consolidated Financial Statements

Management is responsible for compiling and indicating the consolidated financial statements in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the consolidated financial statements are compiled and indicated free of material misstatement in the form of fraud or error.

In preparing the Consolidated Financial Statements, the management shall evaluate whether it is appropriate to prepare the Consolidated Financial Statements based on the assumption of a going concern, and if it is required to disclose matters of a going concern based on the corporate accounting standards generally accepted in Japan, the management shall be responsible to disclose such matters.



The Audit Committee is responsible for overseeing the performance of duties of the Statutory Executive Officers and Directors in developing and operating the Company's financial reporting process.

#### Auditor's Responsibility with respect to Auditing the Consolidated Financial Statements

The Auditor's responsibility is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free of material misstatement due to fraud or error, based on the audit performed by the Auditor, and to create an independent Auditor's report and express its opinion on the consolidated financial statements. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of those referring to the consolidated financial statements. Audit is conducted in accordance with the auditing standards generally accepted in Japan by exercising professional judgement and conducting the following with professional skepticism throughout the auditing process:

- Identify and assess material misstatement risks, whether due to fraud or error. In addition, develop and implement audit procedures in accordance with such material misstatement risks. The selection and application of audit procedures shall be at the discretion of the auditors. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of auditing the Consolidated Financial Statements is not to express an opinion on the effectiveness of internal controls, the Auditors have considered internal controls related to auditing in carrying out risk assessments in order to establish audit procedures that are appropriate to the circumstances.
- Evaluate the appropriateness of the accounting policy adopted by the management and its application method, as well as the reasonableness of the accounting estimates made by the management and the adequacy of the related notes.
- Conclude whether it is appropriate for the management to prepare the Consolidated Financial Statements based on the assumption of a going concern, and based on the audit evidence obtained, whether there is any material uncertainty regarding events or circumstances that may raise significant doubts about the assumption of a going concern. If there is any material uncertainty regarding the assumption of a going concern it is required to include in its Audit report cautions regarding the notes of the Consolidated Financial Statements, and to include a qualified opinion regarding the Financial Statements if the notes of the Consolidated Financial Statements concerning significant uncertainties are inappropriate. The auditors' conclusions are based on the audit evidence obtained by the date of the audit report, but future events or circumstances may prevent an entity from continuing as a going concern.
- Evaluate whether the presentation and notes of the Consolidated Financial Statements are in compliance with the corporate accounting standards generally accepted in Japan, as well as the presentation (including the related notes), composition and contents of the Consolidated Financial Statements and whether the Consolidated Financial Statements fairly presents the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising and performing the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

We communicate with the Audit Committee and its members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant inadequacies in internal control that we identify during our audit.

We also report to the Audit Committee and its members that we have complied with relevant ethical requirements regarding independence, and other matters that may reasonably be thought to bear on our independence, and if any, related safeguards in order to remove or reduce the risk of matters which may affect our independence.

#### Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and its consolidated subsidiaries and us or the engagement partner.

## Auditor's Report on the Parent Financial Statements

### Report of Independent Auditor

April 14, 2023

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

Daisuke Noda, CPA, Designated and Engagement Partner (seal)

### Auditing Opinion

We have audited the consolidated financial statements of Ichigo Inc., namely the balance sheet, the income statement, the statement of changes in shareholders' equity, the notes to financial statements, and their supplementary information for the fiscal year from March 1, 2022 to February 28, 2023 pursuant to Article 436, Paragraph 2 Item 1 of the Company Law.

The financial statements referred to above present fairly, in all material respects, the financial position of Ichigo Inc. for the period for the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

### Auditing Opinion Rationale

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements. We are independent from Ichigo Inc. in accordance with the code of professional ethics in Japan, and we have fulfilled other ethical responsibilities as the auditor. We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

### Other Contents

Other contents refer to the business report and its supplementary information. It is the Management's responsibility to compile and disclose these contents. In addition, it is the Audit Committee's responsibility to monitor the execution of duties by Executive Officers and Directors in the development and operation of the reporting process for these other content.

Our audit opinion on the financial statements does not include any other content, and we do not express an opinion on the other content.

Our responsibility in the audit of the financial statements is to read through the business report and its supplementary information, and examine if there is a difference between these contents and the financial statements or the knowledge we acquired during the audit process, and whether there are other indications of material error in these contents.

We are required to report the fact if we determine that there are material errors.

We note that there are no material errors to report.

### Management & Audit Committee's Responsibilities with Respect to the Financial Statements

Management is responsible for compiling and indicating the financial statements in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the financial statements are compiled and indicated free of material misstatement in the form of fraud or error.

In preparing the Financial Statements, the management shall evaluate whether it is appropriate to prepare the Financial Statements based on the assumption of a going concern, and if it is required to disclose matters of a

going concern based on the corporate accounting standards generally accepted in Japan, the management shall be responsible to disclose such matters.

The Audit Committee is responsible for overseeing the performance of duties of the Statutory Executive Officers and Directors in developing and operating of the Company's financial reporting process.

#### Auditor's Responsibility with respect to Auditing the Financial Statements

The Auditor's responsibility is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatement due to fraud or error, based on the audit performed by the Auditor, and to make an independent Auditor's report and express its opinion on the financial statements. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of those referring to the financial statements.

Audit is conducted in accordance with the auditing standards generally accepted in Japan by exercising professional judgement and conduct the following with professional skepticism throughout the auditing process:

- Identify and assess material misstatement risks, whether due to fraud or error. In addition, develop and implement audit procedures in accordance with such material misstatement risks. The selection and application of audit procedures shall be at the discretion of the auditors. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of auditing the Financial Statements is not to express an opinion on the effectiveness of internal controls, the Auditors have considered internal controls related to auditing in carrying out risk assessments in order to establish audit procedures that are appropriate to the circumstances.
- Evaluate the appropriateness of the accounting policy adopted by the management and its application method, as well as the reasonableness of the accounting estimates made by the management and the adequacy of the related notes.
- Conclude whether it is appropriate for the management to prepare the Financial Statements based on the assumption of a going concern, and based on the audit evidence obtained, whether there is any material uncertainty regarding events or circumstances that may raise significant doubts about the assumption of a going concern. If there is any material uncertainty regarding the assumption of a going concern it is required to include in its Audit report cautions regarding the notes of the Financial Statements, and to include a qualified opinion regarding the Financial Statements if the notes of the Financial Statements concerning significant uncertainties are inappropriate. The auditors' conclusions are based on the audit evidence obtained by the date of the audit report, but future events or circumstances may prevent an entity from continuing as a going concern.
- Evaluate whether the presentation and notes of the Financial Statements are in compliance with the corporate accounting standards generally accepted in Japan, as well as the presentation (including the related notes), composition and contents of the Financial Statements and whether the Financial Statements fairly presents the underlying transactions and accounting events.

We communicate with the Audit Committee and its members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant inadequacies in internal control that we identify during our audit.

We also report to the Audit Committee and its members that we have complied with relevant ethical requirements regarding independence, and other matters that may reasonably be thought to bear on our independence, and if any, related safeguards in order to remove or reduce the risk of matters which may affect our independence.

#### Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or the engagement partner.

## Audit Committee Report

April 19, 2023

Audit Committee, Ichigo Inc.

Tetsuya Fujita, Audit Committee Member (seal)

Noriko Kawate, Audit Committee Member (seal)

Yukio Suzuki, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the twenty-third fiscal year from March 1, 2022 to February 28, 2023. We report the method and results of this audit as follows:

### 1. Method and Description of Audit

The Audit Committee has received regular reports and has made requests for explanations as necessary from the Directors, Statutory Executive Officers, and employees of Ichigo regarding the details of resolutions by the Board of Directors with respect to Article 416, Paragraph 1, Item 1, b and e of the Company Law and the system established under the resolutions (internal control system) and in accordance with audit policy and duties prescribed by the Audit Committee. In cooperation with the Internal Audit Department and other internal control related divisions of Ichigo, the Audit Committee has investigated the process and details of decision-making at important meetings, the details of principal-approved documents and other material documents relating to the execution of business, the execution of duties by Statutory Executive Officers and employees and reviewed Ichigo's business and assets. With respect to subsidiaries, we have communicated and exchanged information with Directors and auditors of subsidiaries and received business reports from subsidiaries as necessary.

In addition, we have supervised and verified that the Independent Auditor was independent and conducting an appropriate audit and received reports on the execution of duties from the Independent Auditor and requested explanations as necessary. We have also received a report from the Independent Auditor that the structure to ensure appropriate performance of duties (matters described in Article 131, each Item of the Company Calculation Rules) has been established pursuant to laws and regulations including the Standards for Quality Control of Audits (issued by Business Accounting Council on October 28, 2005) and that management structures have been properly established within the audit firm.

By these methods, we have reviewed Ichigo's own business report, financial statements (balance sheet, income statement, statement of changes in shareholders' equity and notes) and their schedules, along with Ichigo's consolidated financial statements (including the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated notes).

### 2. Results of Audit

#### A. Audit Results of Business Report

- (1) We note that the business report and its schedules present Ichigo's status correctly pursuant to all laws and regulations and the Articles of Incorporation.
- (2) We note that there has been no misconduct with respect to the execution of duties by Directors and Statutory Executive Officers, nor have we discovered any material facts which violate laws and regulations or the Articles of Incorporation.
- (3) We note that the details of the resolution by the Board of Directors with respect to the internal control system are reasonable. Also, there is nothing material to be pointed out with respect to the execution of duties on the internal control system by Statutory Executive Officers.

**B. Audit Results of Financial Statements and their Schedules**

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

**C. Audit Results of Consolidated Financial Statements**

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

(Note) All members of the Audit Committee are Independent Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.