



# FY24/2 Q1 Corporate Presentation

July 13, 2023

## Ichigo (2337)





**Make The World  
More Sustainable**



# World-Class Excellence

Ichigo's  
Hiromi Miyake



# Ichigo



Ichigo is a J.League Top Partner



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## Sustainable Growth as a Sustainable Infrastructure Company

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# FY24/2 Q1 Earnings

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# FY24/2 Q1 Summary

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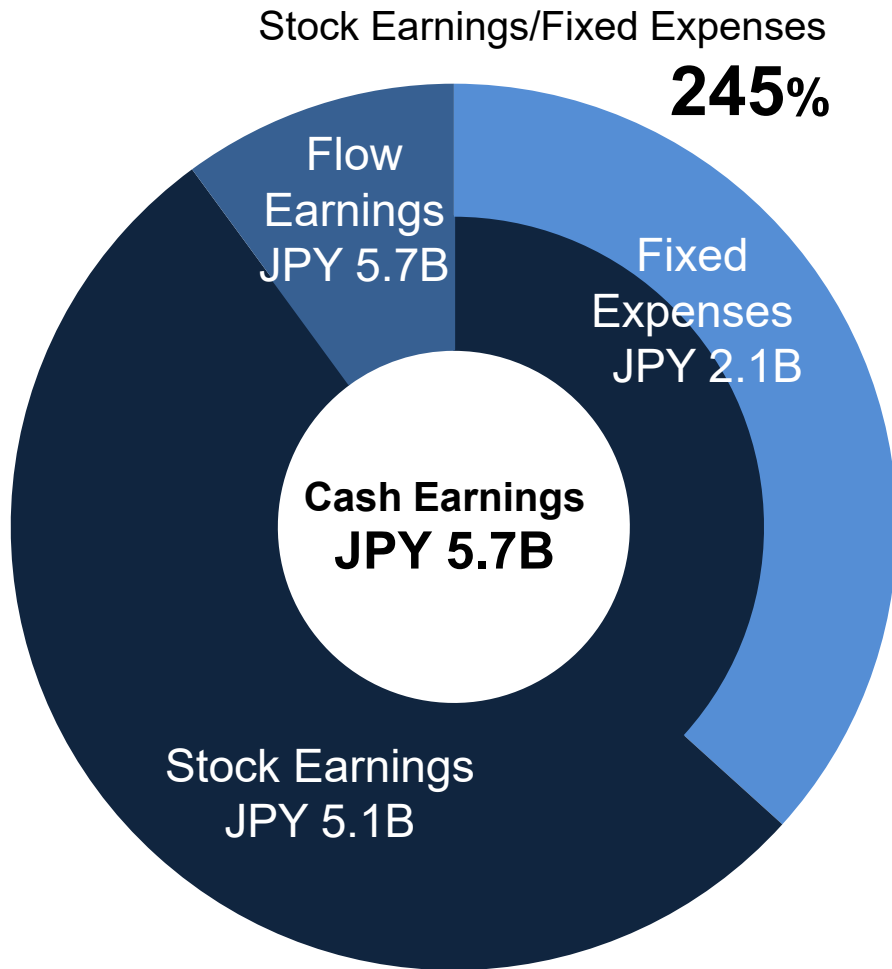
- Stock Earnings JPY 5.1B (+44% vs. FY23/2 Q1)  
Stock Earnings/Fixed Expenses Ratio: 245% (+52% vs. FY23/2-end)
  - ✓ SRE: Strong Hotel Revenue Recovery, RevPAR +28% vs. Pre-Covid
    - Rapid Growth on Back of Significant Increase in Inbound Travel
    - Capturing Growing Hotel Demand Despite Industry-Wide Labor Shortage by Building Strong Organization
  - ✓ AM: Increase in Asset Management Fees on Growing NOI
    - Ichigo Office: Acquired Assets via Sponsor Pipeline
    - Ichigo Hotel: Hotel Revenue Growth
- Ichigo Owners Expanding Sales Channels & Actively Acquiring Assets
  - ✓ AM Launch of 3<sup>rd</sup> Ichigo Owners Co-Ownership Asset (June 1, 2023)
  - ✓ AM Launch of 2<sup>nd</sup> Ichigo Residence Token (August 9, 2023)
  - ✓ JPY 32.9B Acquisitions in First 4.5 Months of FY24/2 (Includes Contracted, Pre-Settlement Assets)



Note: RevPAR (Revenue Per Available Room) = ADR (Average Daily Rate) \* Occupancy

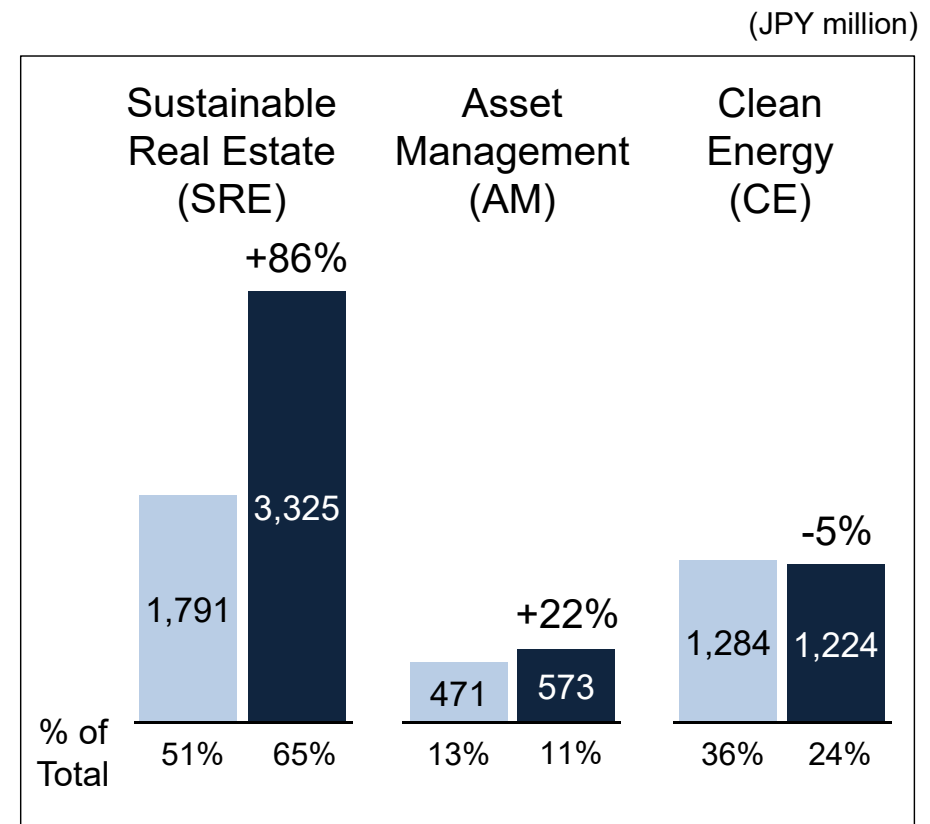
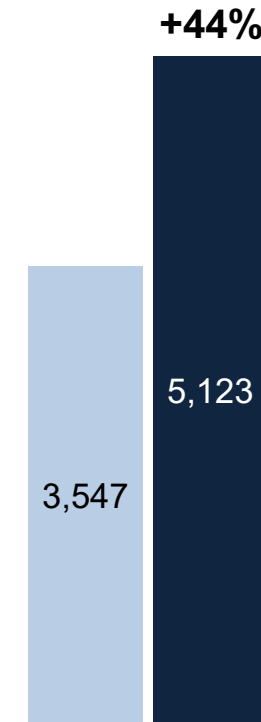
# FY24/2 Q1 Summary

## Durable Earnings Model



## Robust Stock Earnings

■ FY23/2 Q1  
■ FY24/2 Q1



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



# All-In Disclosure for Increased Earnings Transparency

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

# All-In OP -1%, Cash EPS +23% (YOY)

Cash Earnings 2.4X Accounting Earnings Due to Ichigo's Focus on Maximizing Long-Term Cash Flows for Shareholders

(JPY million)

	FY23/2 Q1	FY24/2 Q1	YOY	FY24/2 Forecast
Operating Profit	2,723	<b>2,445</b>	<b>-10.2%</b>	9,500
All-In Operating Profit	2,723	<b>2,691</b>	<b>-1.2%</b>	18,000
Recurring Profit	2,367	<b>1,469</b>	<b>-37.9%</b>	6,000
All-In Recurring Profit	2,367	<b>1,715</b>	<b>-27.5%</b>	14,500
Net Income	1,534	<b>1,455</b>	<b>-5.2%</b>	10,000
Cash Net Income	2,896	<b>3,463</b>	<b>+19.6%</b>	15,500
EPS	JPY 3.29	<b>JPY 3.21</b>	<b>-2.3%</b>	JPY 22.06
Cash EPS	JPY 6.20	<b>JPY 7.64</b>	<b>+23.2%</b>	JPY 34.19

All-In Operating Profit (All-In Recurring Profit) = Operating Profit (Recurring Profit) + SRE Extraordinary Gains on Sales

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

Cash EPS = Cash Net Income / Average Number of Shares Outstanding in the Fiscal Year

# Segment Earnings Details

- Asset Management: Office Increase Due to NOI Growth on 4 Asset Acquisitions, Hotel Increase on Hotel NOI Growth
- SRE Stock Earnings: Hotel RevPAR +28% vs. Pre-Covid
- SRE Flow Earnings: Q1 Light, Asset Sales Accelerate from Q2
- Clean Energy: Lower on One-Off Plant Maintenance

(JPY million)

Segment	All-In Operating Profit				All-In Gross Profit		Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY23/2 Q1	FY24/2 Q1	YOY	FY24/2 Forecast	FY23/2 Q1	FY24/2 Q1	
<b>Asset Management (AM)</b>	322	<b>386</b>	<b>+19.7%</b>	1,000	471	<b>618</b>	Base AM Fees 548 (+102) Ichigo Office 455 (+86) Ichigo Hotel 44 (+27) Private Funds 38 (-8) Ichigo Green Operator Fees 11 (-2) Flow Earnings 45 (+45)
<b>Sustainable Real Estate (SRE)</b>	1,751	<b>1,726</b>	<b>-1.4%</b>	15,300	2,998	<b>3,078</b>	Rental Income 2,550* (+1,602) * Depreciation 774 (-68) Gains on Sales 529 (-1,517) Fixed Asset Gains on Sales 246 (+246)
Multi-Asset	1,771	<b>1,586</b>	<b>-10.4%</b>	11,100	2,801	<b>2,675</b>	
Ichigo Owners	-19	<b>140</b>	<b>-</b>	4,200	197	<b>403</b>	
<b>Clean Energy</b>	659	<b>576</b>	<b>-12.5%</b>	1,700	847	<b>785</b>	Power Generation Revenue 785* (-61) * Depreciation 438 (+1)
<b>Adjustment (including offsets of cross-segment transactions)</b>	-9	<b>2</b>	<b>-</b>	-	-	<b>-</b>	
<b>Total</b>	2,723	<b>2,691</b>	<b>-1.2%</b>	18,000	4,317	<b>4,483</b>	

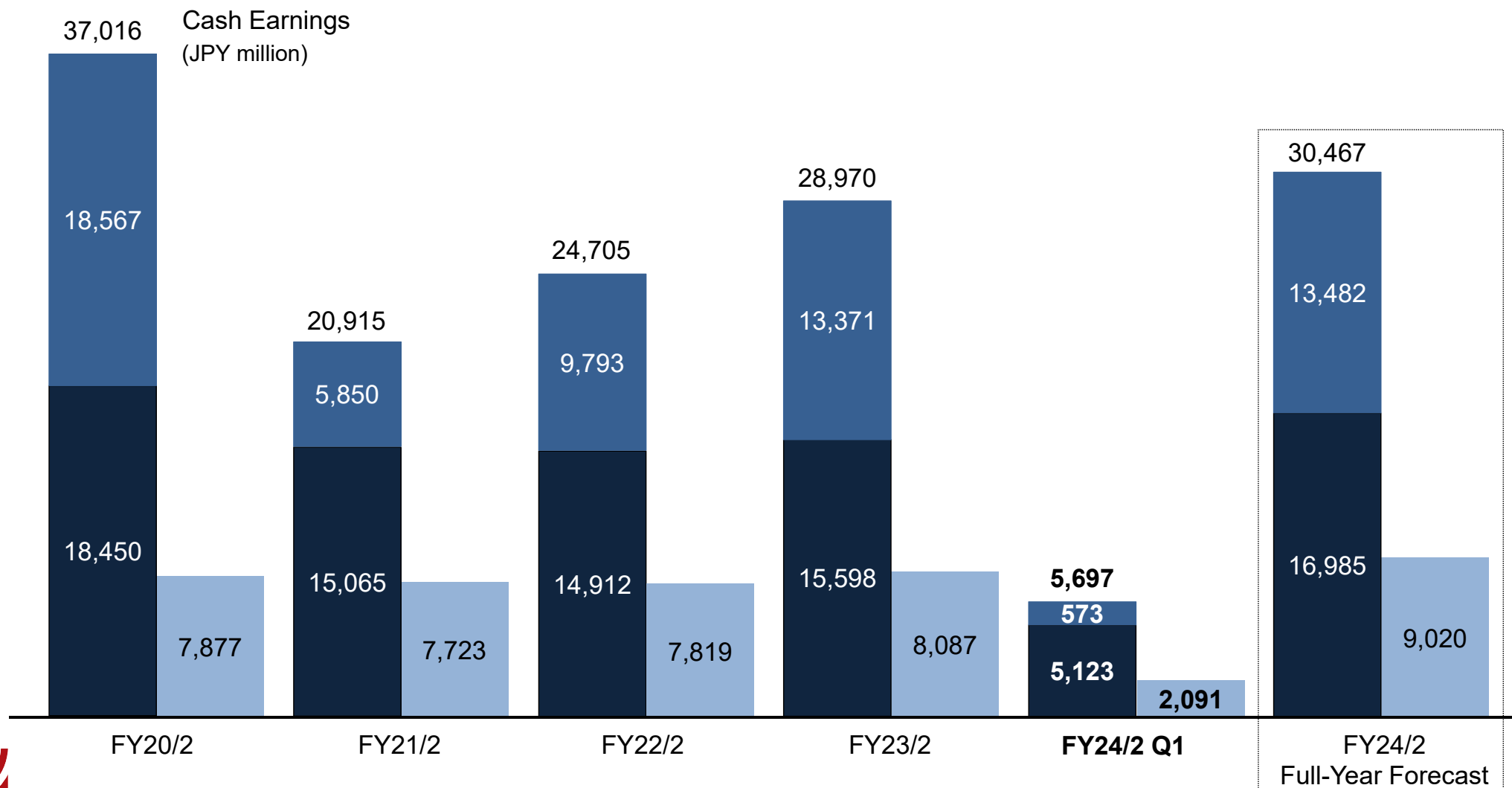
AM & CE All-In Operating Profit = Operating Profit; SRE All-In Operating Profit = Operating Profit + SRE Extraordinary Gains on Sales  
 AM & CE All-In Gross Profit = Gross Profit; SRE All-In Gross Profit = Gross Profit + SRE Extraordinary Gains on Sales

# Powerful Value-Add Business Model & Sustainability Focus Drives Sustainable Growth

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# Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, Power Generation Revenues, Base AM Fees, & Non-Cash Expenses (e.g., Depreciation))
- Flow Earnings (Primarily Gains on Value-Add Real Estate Sales )
- Fixed Expenses (Fixed SG&A + Interest Expenses)

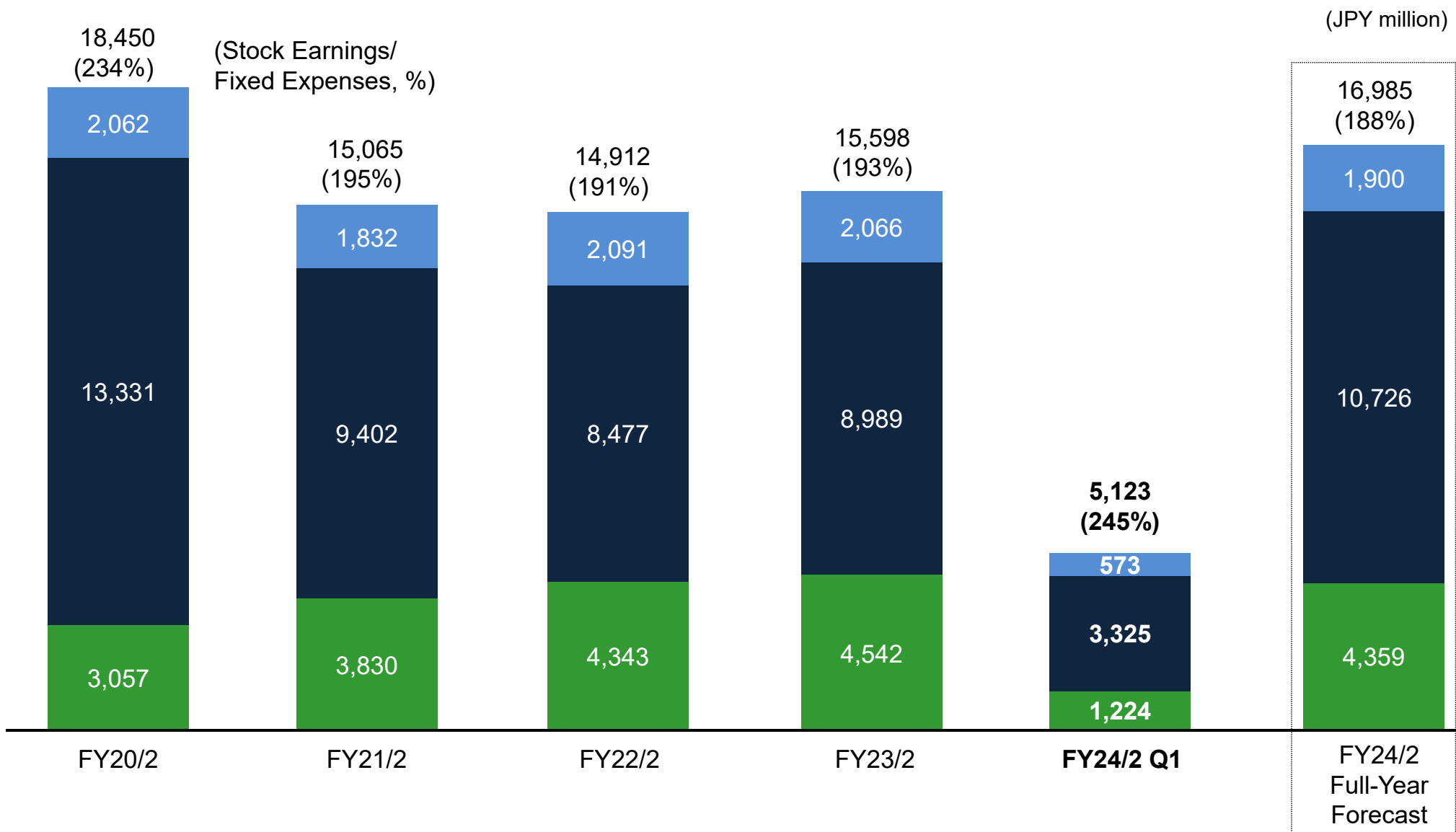


Note: Cash Earnings = Gross Profit + SRE Extraordinary Gains on Sales + Depreciation Expenses (Non-Cash)

# Stable Stock Earnings

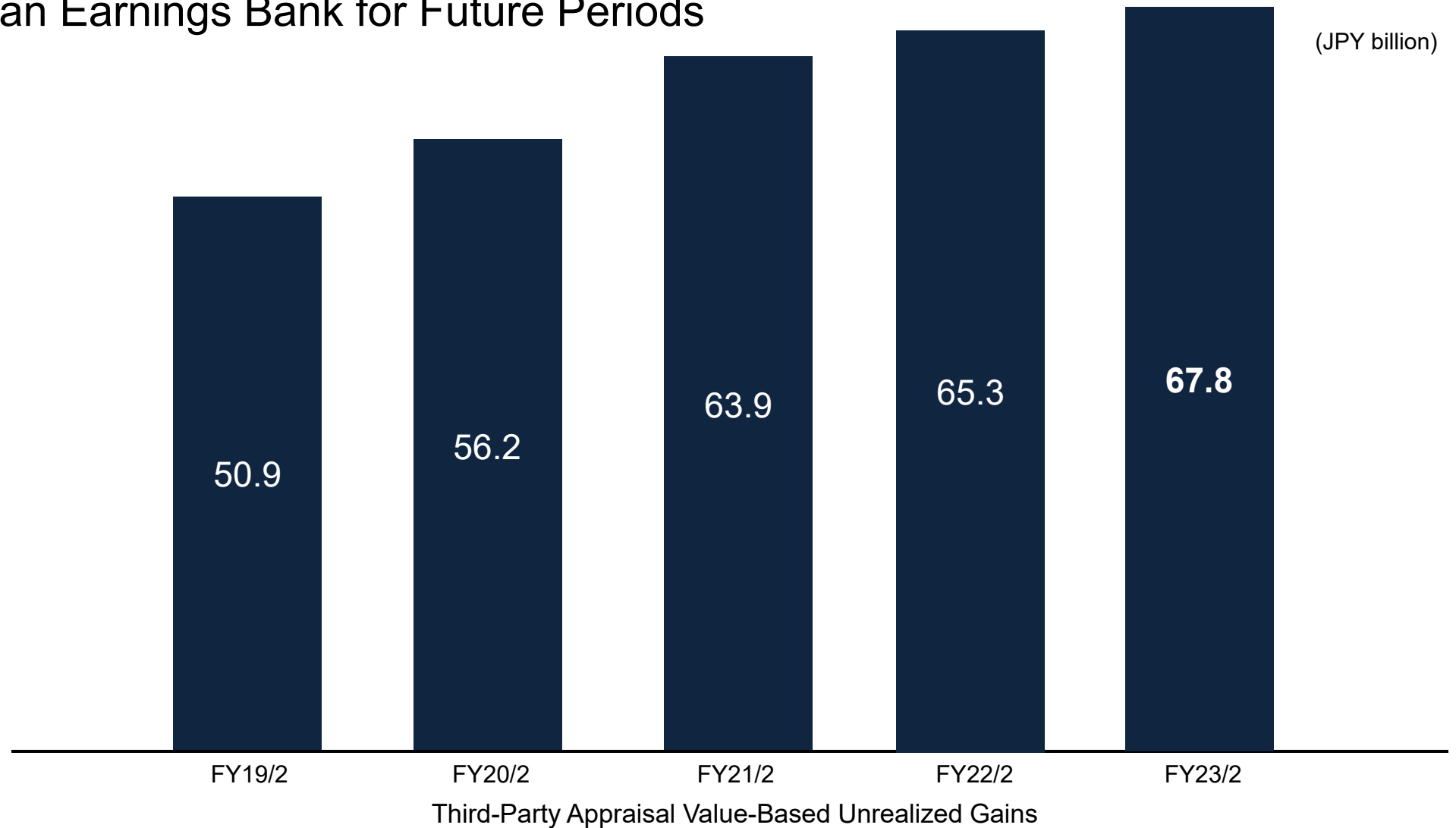
## Stock Earnings by Segment

■ Asset Management ■ Sustainable Real Estate ■ Clean Energy

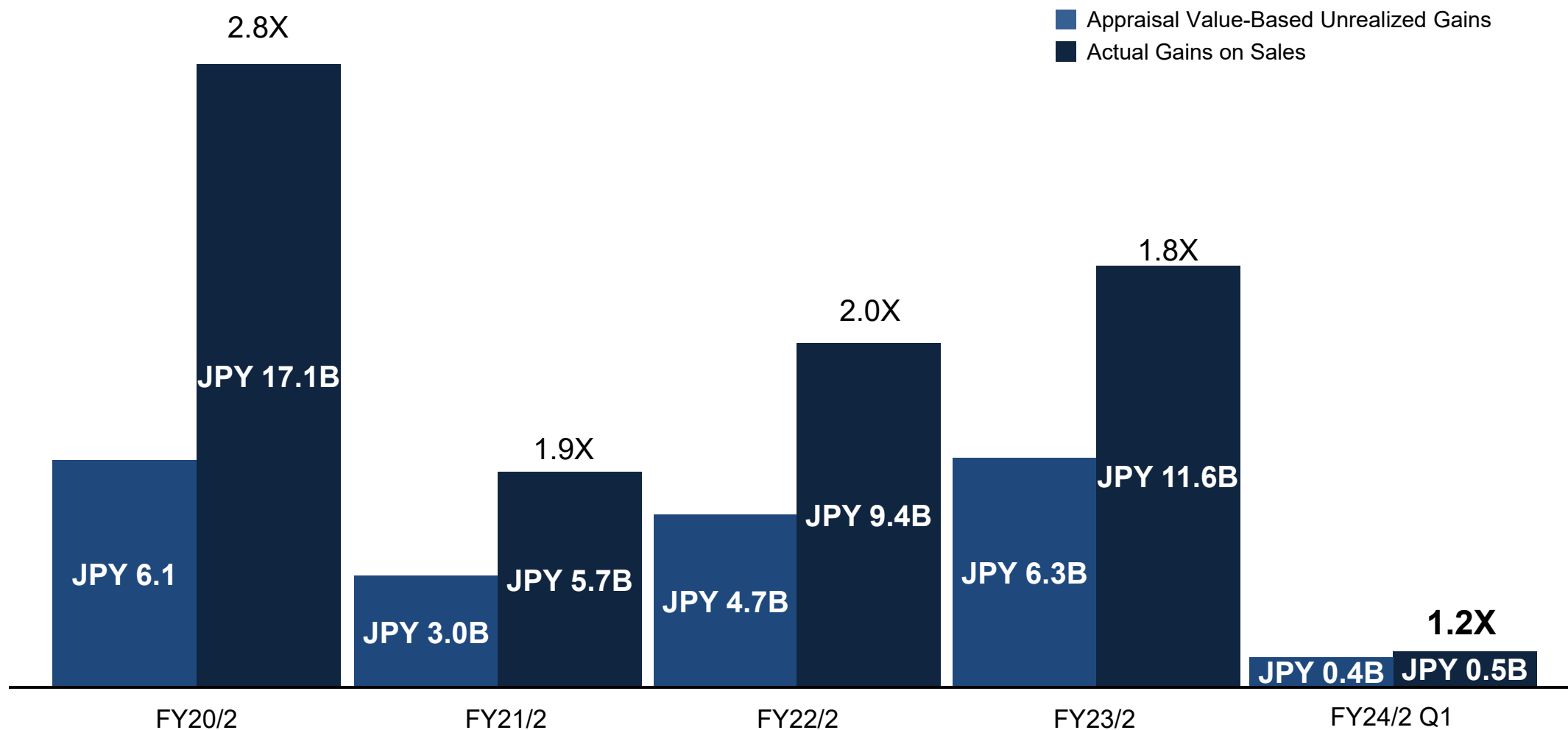


# Embedded Forward Earnings

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



# Value-Add Drives Durable Value Growth

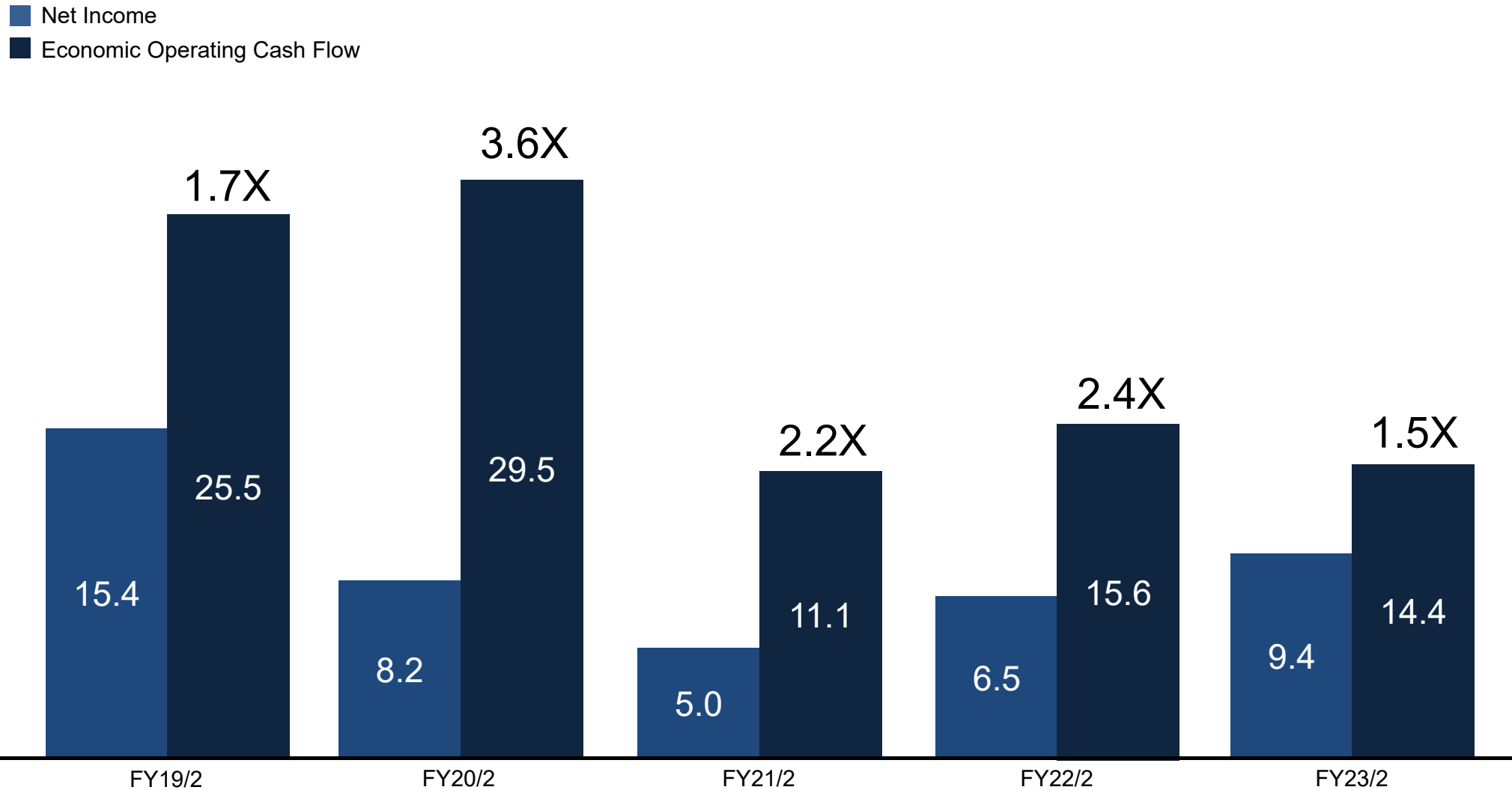




# Robust Cash Generation

## Economic Operating Cash Flow Exceeds Net Income

(JPY billion)

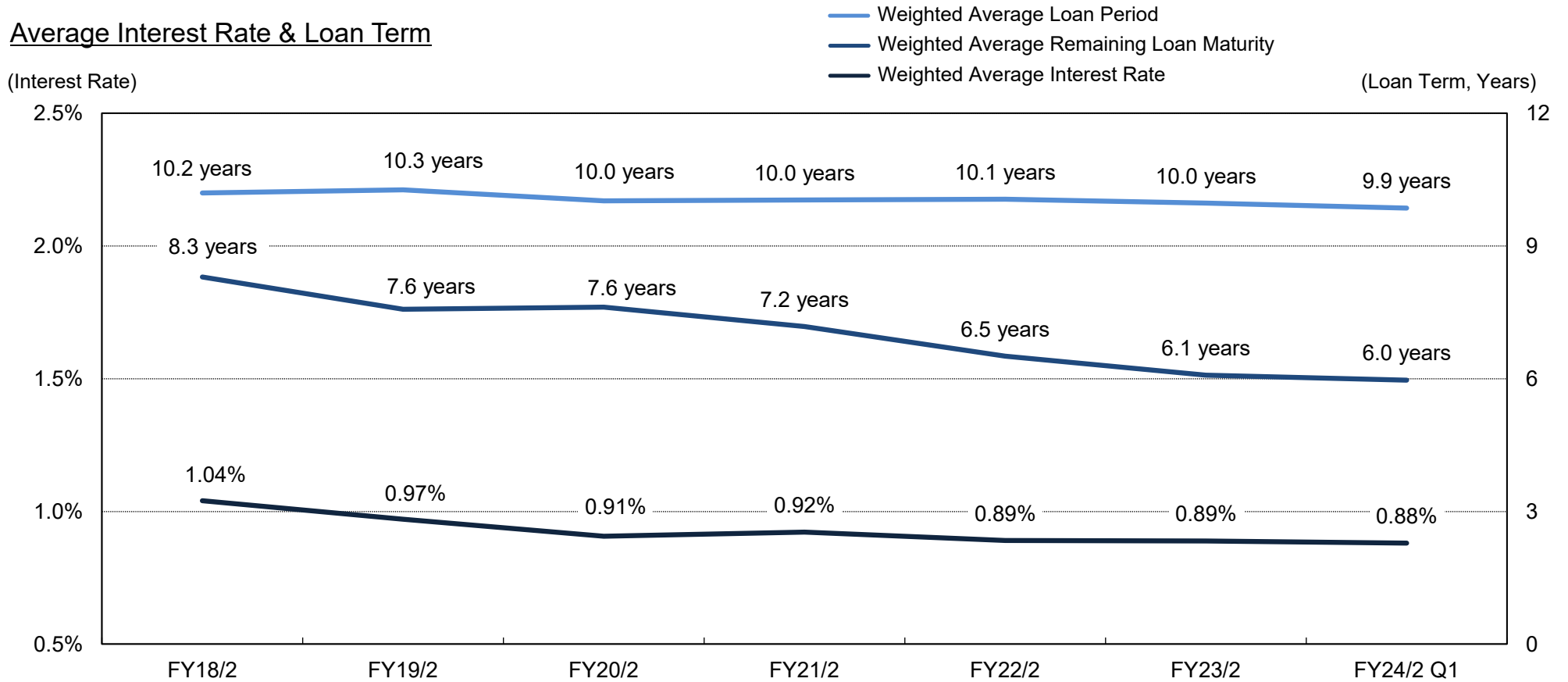


Note: Economic Operating Cash Flow = Cash Flows from Operations, excluding net change in Real Estate and Power Plants for Sale, plus SRE Extraordinary Gains on Sales

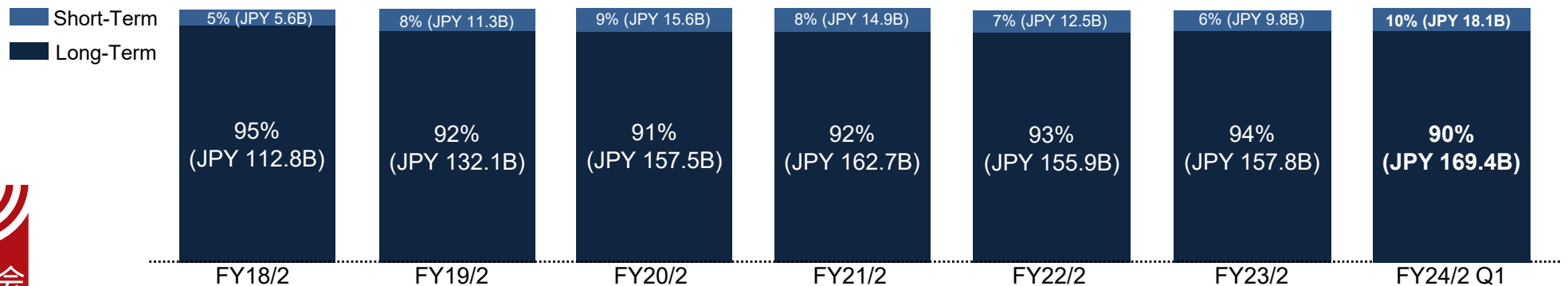
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# Strong Financial Base

## Average Interest Rate & Loan Term



## Term Structure of Loans

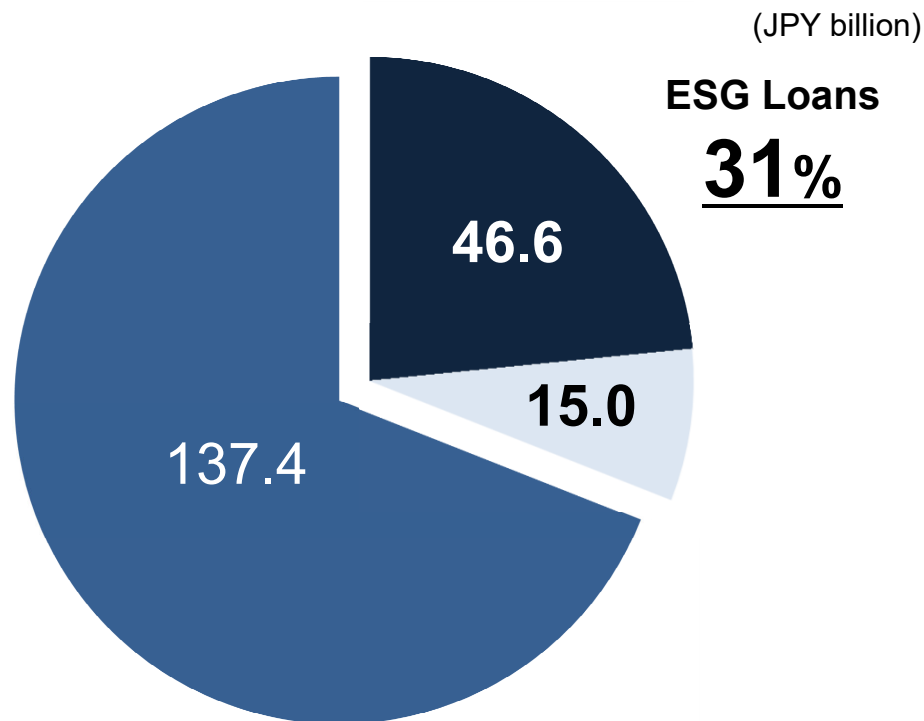


# Sustainable/ESG Finance

## Ichigo's ESG Execution Driving Attractive Financing Terms Strengthening Financial Base via Diversified Borrowing

### ESG Loans as % of Total Borrowings

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

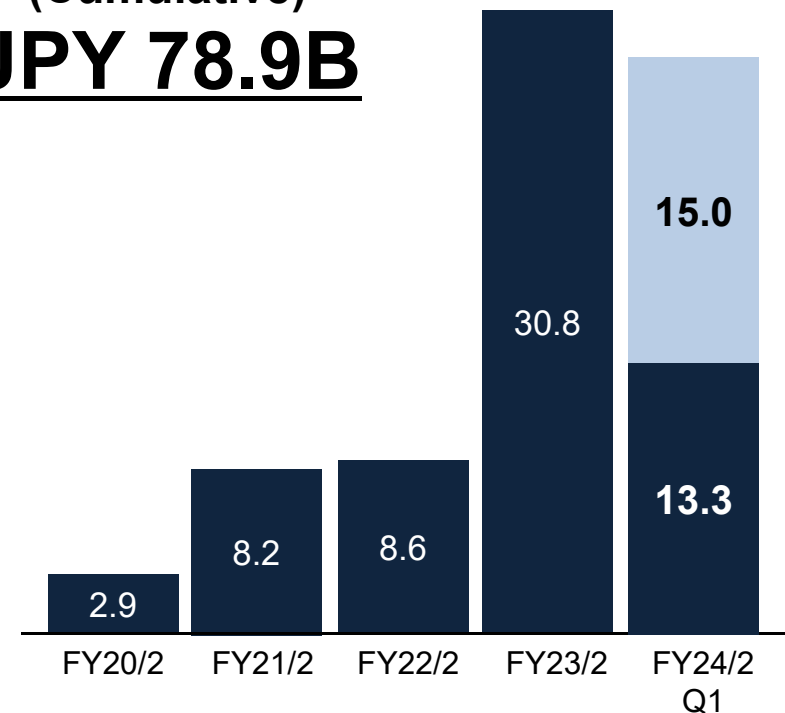


### ESG Loans

(JPY billion)

- ESG loans (including green bonds)
- Remaining ESG commitment line (as of FY24/2 Q1-end)

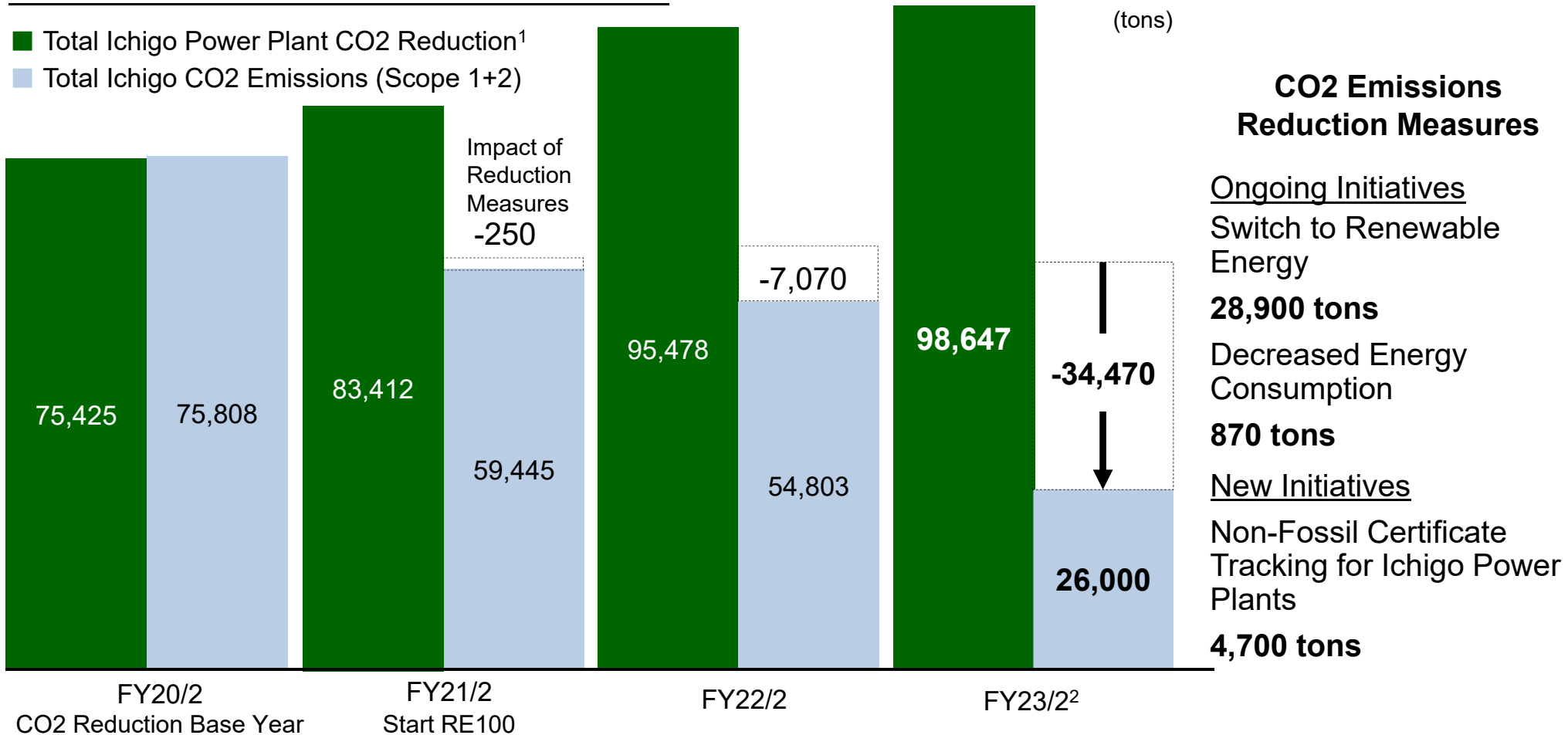
### Total ESG Loans (Cumulative) **JPY 78.9B**



# Ichigo Climate Positive: CO2 Reduction vs. Emissions

Ongoing Ichigo Clean Energy Production Growth (CO2 Reduction Increase) & Renewable Energy Transition & Carbon Offsets (CO2 Emissions Reduction)

## CO2 Reduction vs. CO2 Emissions

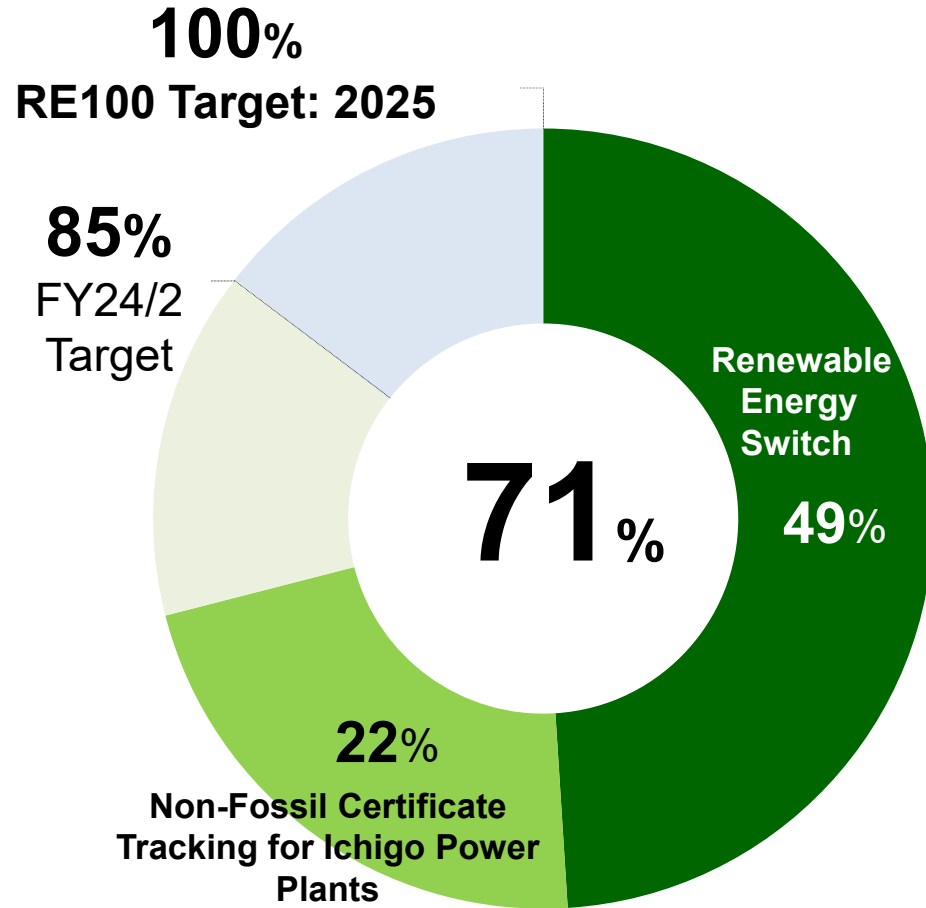


<sup>1</sup> Calculated using each EPCO's adjusted CO2 emission factor disclosed by the Ministry of Environment as a fixed constant for each period

<sup>2</sup> FY23/2 figures are forecasts, pending calculations of CO2 reductions and emissions

# Renewable Energy Transition Towards a Sustainable Society

Ichigo RE100 Progress (as of FY24/2 Q1)



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

FY24/2 Renewable Energy Transition Impact

**CO2 Reduction**      **35,000** tons p.a.

CO2 Emissions of Cars



×

**15,200** cars p.a.

**RE100**

**CLIMATE GROUP**



# Sustainable Growth as a Sustainable Infrastructure Company

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# Selective on Acquisitions & Sales

Acquisitions: JPY 17.7B (JPY 35.7B Including Contracted, Pre-Settlement)

- Multi-Asset: JPY 2.7B, 1 Office Asset, Strengthening Ichigo Office Acquisition Pipeline
- Owners: JPY 14.9B, Broadening of Sales Channels Supporting Proactive Acquisitions

Sales: JPY 3.2B, Sales Will Accelerate from Q2

- JPY 6.9B in Sales of Securitized Token Offerings to be Recorded in Q2

FY24/2 Q1 Net Acquisitions: JPY 14.4B

(JPY million)

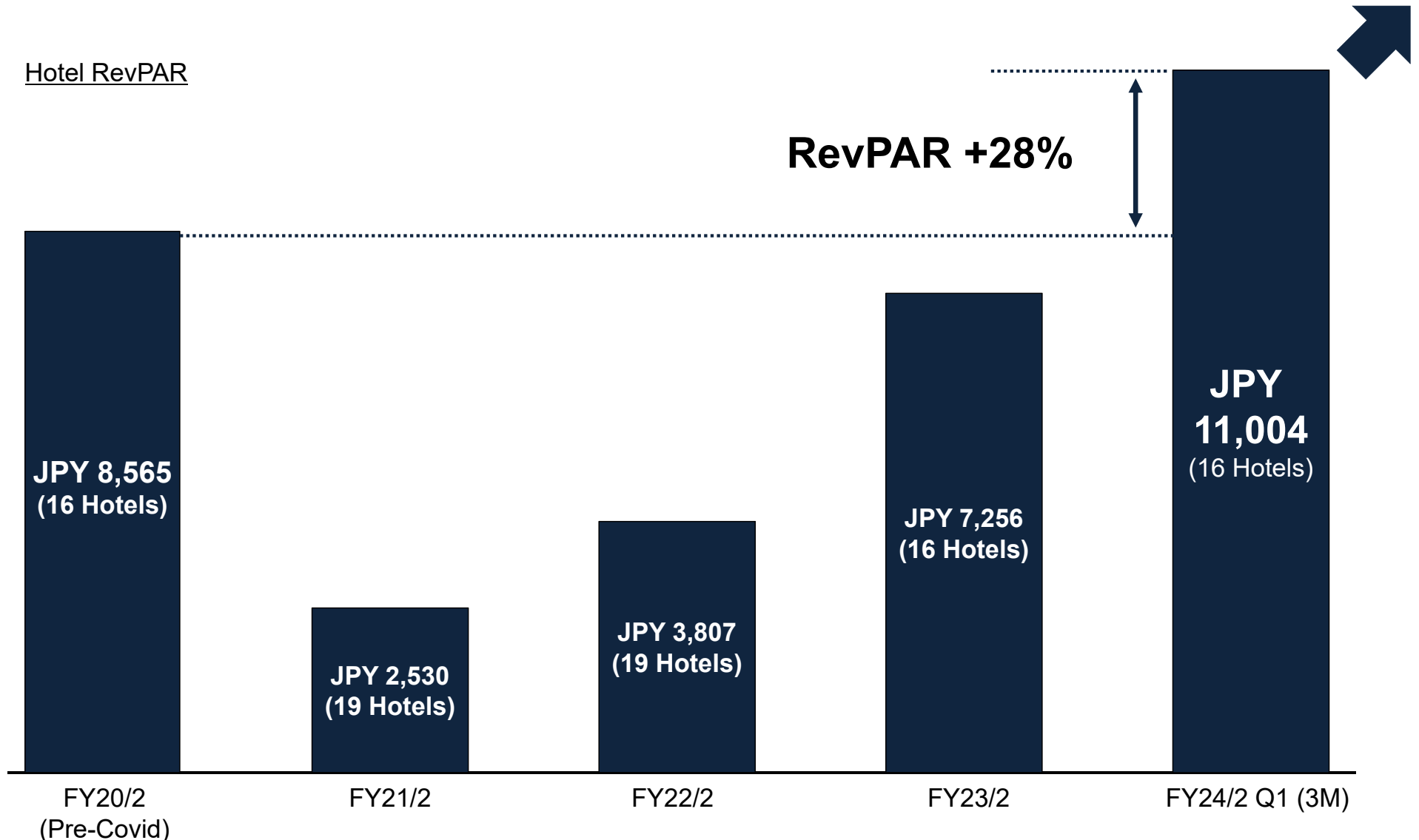
		Acquisitions		Sales <sup>1</sup>		Difference (A) - (B)
		No. Of Assets	Book Value (A)	No. Of Assets	Sale Price (B)	
Multi-Asset	Office	1	2,723	–	–	+2,723
	Retail	–	–	1	952	-952
	Residential	–	–	1	53	-53
	Other	–	–	1	81	-81
Ichigo Owners	Residential	12	14,997	2	1,423	+13,574
	Retail	–	–	1	750	-750
<b>Total</b>		<b>13</b>	<b>17,721</b>	<b>6</b>	<b>3,259</b>	<b>+14,462</b>

<sup>1</sup> Book Value of Sales: JPY 26.45B, includes JPY 247M of SRE Gains on Sale Recorded as Extraordinary Gains

# RevPAR Exceeds Pre-Covid (+28%)

Further RevPAR Growth Expected on Back of Continued Growth  
Inbound Tourism Still Just c. 70% of Pre-Covid (2019)

Hotel RevPAR





# Capturing Rapidly Growing Hotel Demand

Expanded Hotel Business During Covid to Position for Long-Term Growth

## Ichigo's Hotel Operator: OneFive Hotels



Maintained c. 90% occupancy throughout Covid, focused on hiring and employee training, & supported vendor supply chain

## DX: AI-Based Hotel Revenue Management System PROPERA



AI-based dynamic pricing system that maximizes hotel operator revenue & reduces operating costs

## Branding: Ichigo Hotel Brands "THE KNOT" & "The OneFive"

**THE KNOT: Ichigo's Boutique Hotel Brand**

**The OneFive: Japanese Hospitality & Services**



# Broadening & Diversifying Hotel Earnings

Fee Business Driving Further Earnings Opportunities in Addition to Operating Income & Gains on Sales

**Hotel Operations**



Hotel operator achieving high efficiency via diverse employee skill sets

**AI Revenue Management**



Automatically sets optimal room prices to maximize hotel earnings  
(10~40% earnings increase p.a.)

**Asset Management**



**Ichigo Hotel  
(3463)**

Focused on growing Ichigo Hotel shareholder value

Generating Stock Earnings via Non-Asset Businesses

# Robust Value-Add of Akihabara Retail Assets

## Successful in Attracting Major Tenants during Covid

### Retail Asset in Front of Akihabara Station

**Rent +46%**

Leased to Sofmap, a leading electronics store in Akihabara



### Retail Asset in Front of Akihabara Station

**Rent +35%**

Leased to Bandai Namco for its first gaming center



# Ichigo Owners: Robust Demand Driving Growth

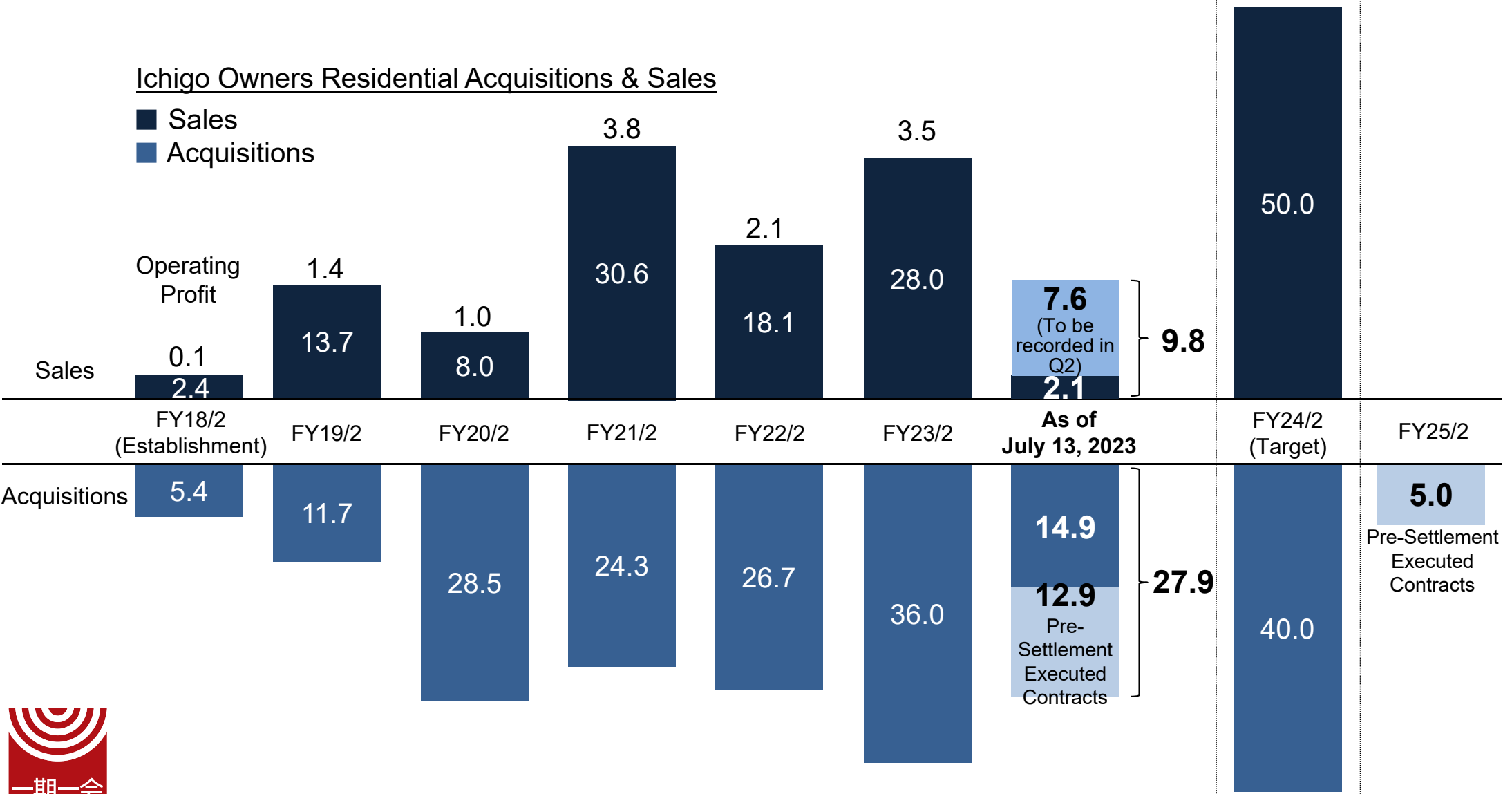
FY24/2 Sales: JPY 2.1B (JPY 9.8B Including Pre-Settlement)

FY24/2 Acquisitions: JPY 14.9B (JPY 32.9B Including Pre-Settlement)

## Ichigo Owners Residential Acquisitions & Sales

■ Sales  
■ Acquisitions

(JPY billion)



# New Investment Products Addressing Diverse Client Needs

## Ichigo Owners Co-Ownership Business

- Offering diversified, small-scale investments responding to asset management, asset transfer, and inheritance needs

### 3<sup>rd</sup> Co-Ownership Asset

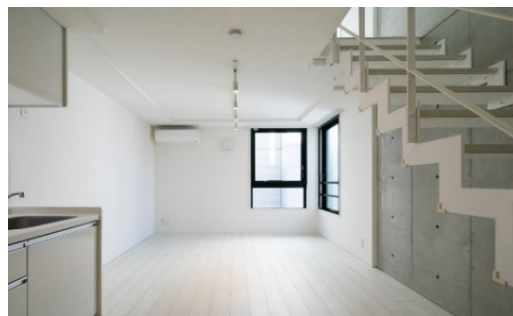
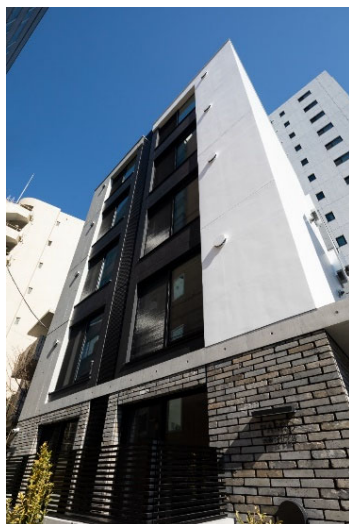
#### PASEO Nishi Shinjuku 5 Chome I

(from June 1, 2023)

Total Investment Amount: JPY 600M

Ownership Term: 10~15 years

Operator: Ichigo Owners



PASEO Nishi Shinjuku 5 Chome I

## Ichigo Residence Token (Security Tokens<sup>1</sup>)

- Leverages highly secure security tokens on a blockchain platform
- Offers alternative investment opportunities to individual investors

<sup>1</sup> A digital asset that represents ownership of an underlying asset, transferable via electronic information processing system such as a blockchain

### 2<sup>nd</sup> Ichigo Residence Token

#### Nakameguro, Kagurazaka, Meidaimae,

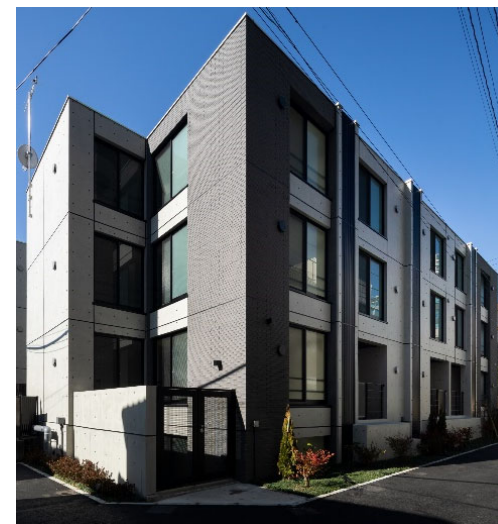
#### Yoyogi, & Sangenjaya

Total Issue Price: JPY 2.1B

Total AUM: JPY 6.8B (5 assets)

Investment Term: 5 years 3 months

Asset Manager: Ichigo Investment Advisors



GRAN PASEO Nakameguro East & West

# Growth & ESG Support for Ichigo REITs & Ichigo Green (1)

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## Ichigo Office (8975)

- Ichigo Office acquired 2 assets (JPY 6.2B) of 4 assets in Ichigo-created bridge fund with preferential negotiation right, free of charge to Ichigo Office
- Added Ichigo Office assets to Ichigo's disaster management system to enable rapid disaster response

## Ichigo Hotel (3463)

- Reduced Ichigo Hotel operator risk via bringing in OneFive Hotels (5 Hotels, 594 rooms) when there have been issues at Ichigo Hotel operators
- Ichigo bought Ichigo Hotel subordinated bonds (JPY 870M) to support finances during Covid – Early redemption completed on June 12, 2023

## Ichigo Green (9282)

- Ichigo ECO Energy operating all 15 power plants
- Ichigo earnings support via minimum daylight hour guarantee

## ESG Support

- Assessing asset risks using value-add know-how and supporting group-wide ESG initiatives
- Strengthening ESG initiatives via third-party assessments

## Growth & ESG Support for Ichigo REITs & Ichigo Green (2)

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### Ichigo Office & Ichigo Hotel Share Purchases by Ichigo as Sponsor

- Further underscores Ichigo’s commitment to drive Ichigo Office & Ichigo Hotel shareholder value

**Ichigo Office  
(8975)**

Total Purchase Amount: **JPY 3B**

Purchase Period: Up to 120 days from January 26, 2023

Ownership: 2.04% (as of May 23, 2023)

**Ichigo Hotel  
(3463)**

Total Purchase Amount: **JPY 1B**

Purchase Period: Up to 120 days from June 9, 2023

# All Ichigo Office Proposals Approved at EGM

Ichigo Office’s Shareholders Overwhelmingly Reconfirmed Their Support for Ichigo Office’s Track Record of Strong Governance & Outperformance

EGM Proposals			For Votes %	Result
<b>Ichigo Office Proposals</b>	Proposal 1	Amendment to the Articles of Incorporation (Reduce NOI & Dividend Performance Fee)	93.54%	<b>Approved</b>
	Proposal 2	Amendment to the Articles of Incorporation (Amend Gains on Sale Performance Fee)	95.72%	<b>Approved</b>
	Proposal 3	Amendment to the Articles of Incorporation (Amend Gains on Merger Performance Fee)	72.90%	<b>Approved</b>
	Proposal 4	Amendment to the Articles of Incorporation (Amend Gains on REIT TOB Sale Performance Fee)	72.95%	<b>Approved</b>
	Proposal 5	Appointment of Takafumi Kagiyama as Executive Director	72.06%	<b>Approved</b>
	Proposal 6	Appointment of Yuji Maruo as Supervisory Director	72.15%	<b>Approved</b>
	Proposal 7	Amendment to the Articles of Incorporation (Reduce upper limit on Director compensation and add Director compensation shareholder approval requirement)	82.42%	<b>Approved</b>
	Proposal 8	Amendment to the Articles of Incorporation (Change upper limit on number of Directors)	78.67%	<b>Approved</b>
<b>Shareholder Proposals</b>	Proposal 11	Partial amendments to the Articles of Incorporation (regarding abolition of Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee, and adoption of Merger Fee)	22.61%	<b>Disapproved</b>
	Proposal 12	Appointment of Mr. Toru Sugihara as an executive director	15.46%	<b>Disapproved</b>
	Proposal 13	Appointment of Mr. Akihiko Fujinaga as a supervisory director	21.73%	<b>Disapproved</b>
	Proposal 14	Partial amendments to the Articles of Incorporation (regarding adoption of a cap on remuneration for Executive Directors and Supervisory Directors)	7.27%	<b>Disapproved</b>

\* Shareholder Proposals 9 & 10 were withdrawn from the EGM agenda based on a request by the proposing shareholder



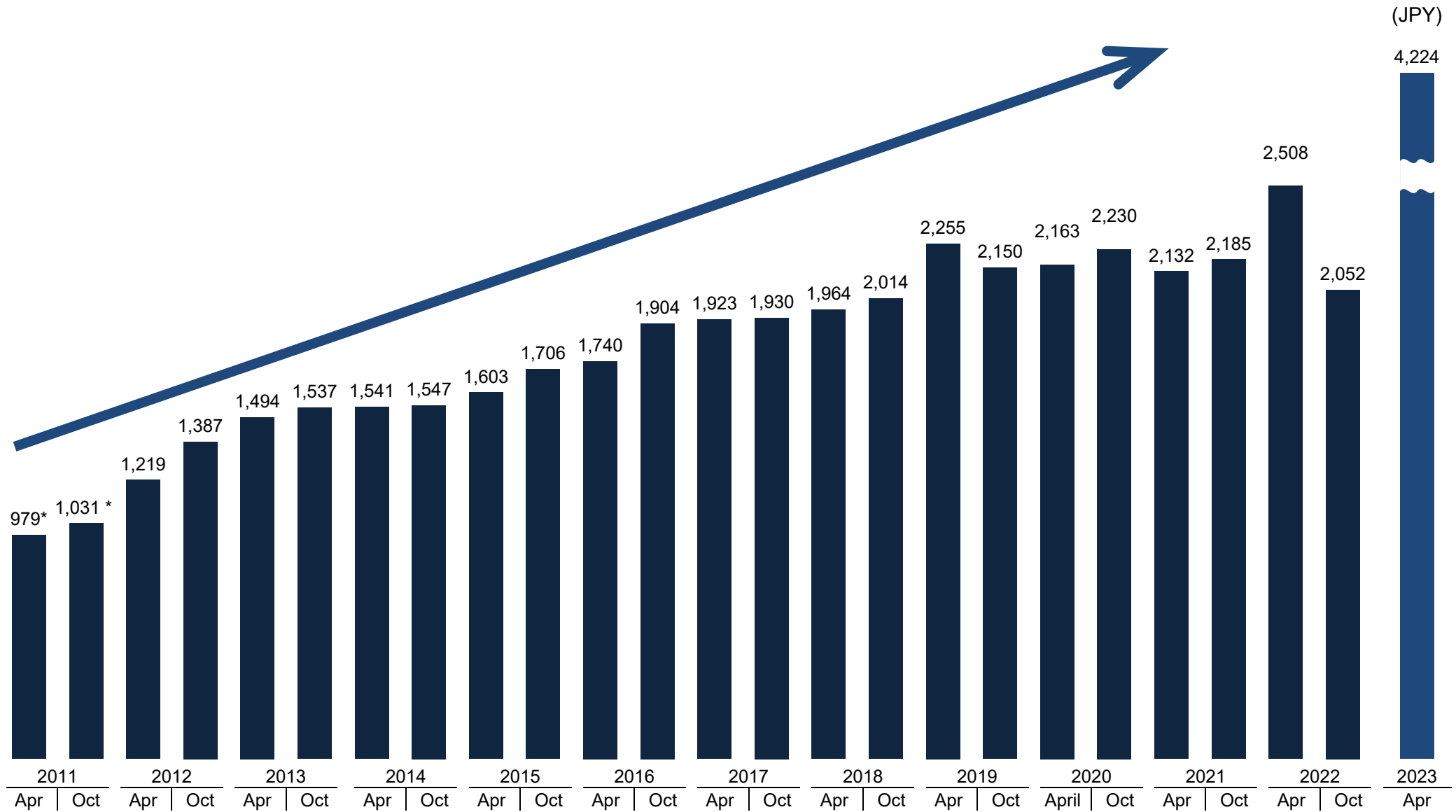
# Significant Long-Term Outperformance vs. TSE REIT Index

## Ichigo Office Total Returns

	1-Year	3-Year	10-Year
Total Returns	<b>+9.73%</b>	<b>+46.97%</b>	<b>+129.23%</b>
Outperformance vs. TSE REIT Index	<b>+13.11%</b>	<b>+17.16%</b>	<b>+62.52%</b>

Total Returns: Change in share price + dividends (reinvested) divided by share price  
 As of March 17, 2023, the date of shareholder's EGM request. Source: Bloomberg data

# Robust Dividend Growth



(JPY)

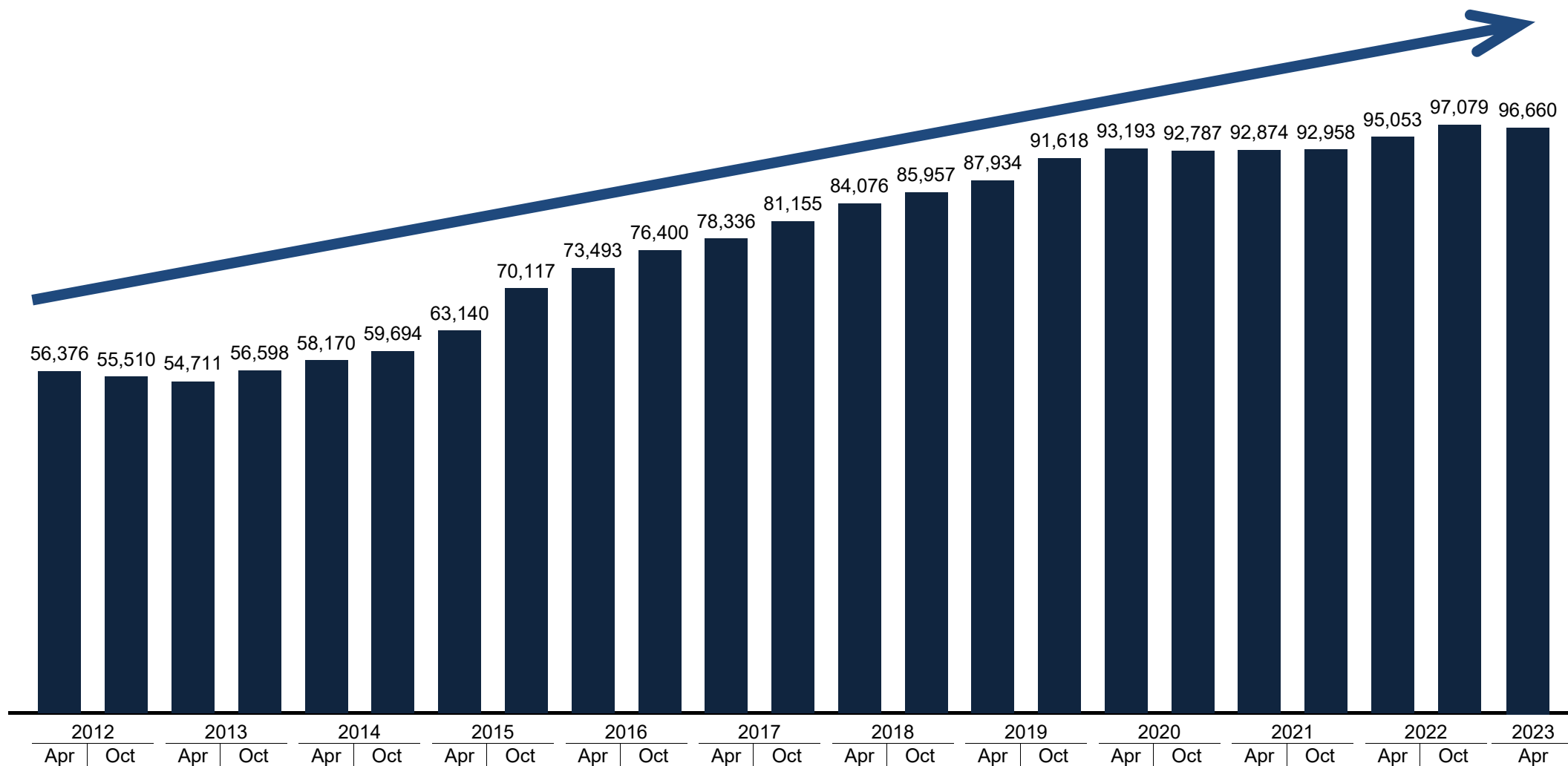
4,224



Reflects 1-to-7 stock split upon Nov 1, 2011 merger

# Robust NAV Per Share Growth

(JPY)



NAV per Share = (Net Assets After Deduction of Dividends + Unrealized Gains)/No. of Shares Outstanding at Fiscal Period-End

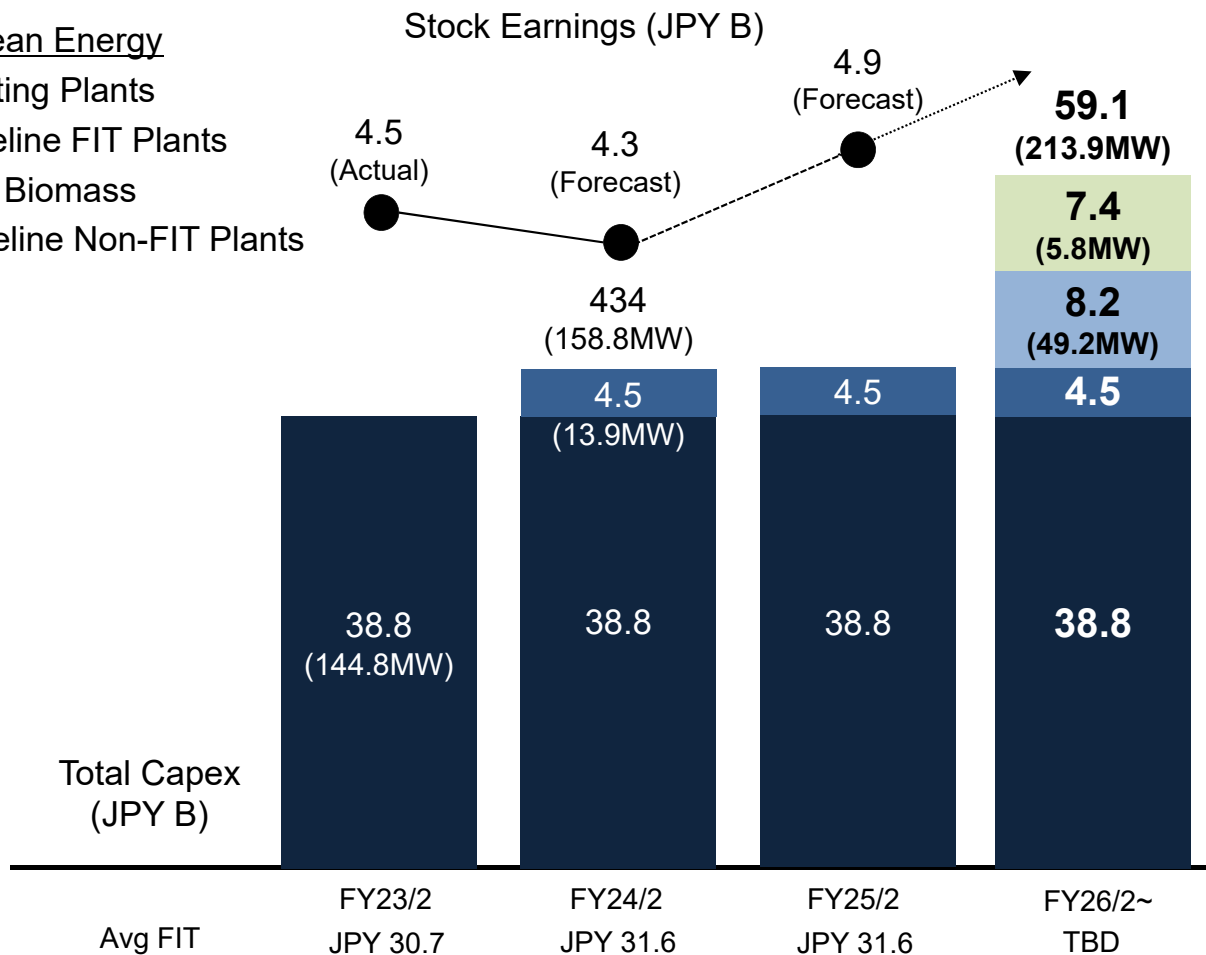
# Environmental Contribution & Long-Term Growth

1 New Plant (13.9MW) to be Online in FY24/2; Stock Earnings to be Down Slightly on One-Off Maintenance Costs

Green Biomass and Non-FIT Solar Power Plants in Pipeline (Capex JPY 15.7B)

### Ichigo Clean Energy

- Operating Plants
- In-Pipeline FIT Plants
- Green Biomass
- In-Pipeline Non-FIT Plants



### Growth Drivers

**Green Biomass**

Biomass power generation using domestic feedstocks via partnerships with local governments and communities

Contribute to solving environmental issues via domestic forest conservation and forest revitalization by using only domestic feedstocks

In-Pipeline: 4Plants 5.8MW

**Non-FIT Solar Power**

Solar power generation to meet increasing renewable energy demand, strengthen our contribution to domestic environmental issues

In-Pipeline: 9 Plants 49.2MW

Note: FY25/2 forecast is calculated based on each plant's forecast average earnings over 20-year forecast period

# Ichigo J.League Shareholder Program

## Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (76,000 shareholders in total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

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



Ichigo J.League Shareholder Program Website Landing Page

## J.League 30<sup>th</sup> Anniversary Event (May 14, 2023)

Invited shareholders to participate in opening ceremony as flag bearers and watch a special match



## Appendix: Ichigo's Sustainability Commitment (ESG)

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# Ichigo Sustainability Policy

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## Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

## Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

## Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

## Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

## Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

# ESG Initiatives: Environmental

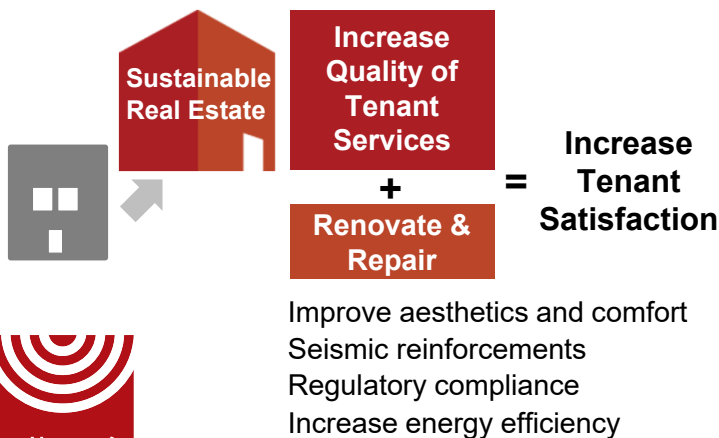


## Climate Positive & Sustainability-Driven

### Preserve & Improve Real Estate to End Wasteful Demolition

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

### Ichigo's Sustainable Real Estate Preserve & Create Value



### Community-Based, Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.



#### Annual Power Production

**222,927,029 kWh**

Equivalent to annual energy consumption of 51,600 households  
 Annual Energy Consumption (Japan Average) 4,322kWh/household (Ministry of Environment document)

#### Annual CO2 Reduction

**98,647,576 tons**

Equivalent to annual CO2 emission of 43,000 cars  
 Gasoline Passenger Cars 2,300kg/car per year (Ministry of Environment document)



\*Ichigo, Ichigo Green FY23/2 Actuals

### Pro-Active Environmental Certifications

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

#### Ichigo Group-Wide



Ichigo & Ichigo Office (8975)  
 Total 16 Assets



Ichigo Office (8975)  
 3 Stars / Green Star

GRESB  
 ★★☆☆☆ 2022



Ichigo Hotel (3463)  
 2 Stars / Green Star

GRESB  
 ★★☆☆☆ 2022

BELS 3 Assets  
 DBJ Green Building 2 Assets  
 Tokyo Low-Carbon Small and Medium-Sized Model Building 8 Assets





# ESG Initiatives: Social



## Contributing to Society

### Contributing to Regional Revitalization

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



◀ Miyako City Retail Asset / Miyazaki  
[www.miyakocity.com](http://www.miyakocity.com)

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



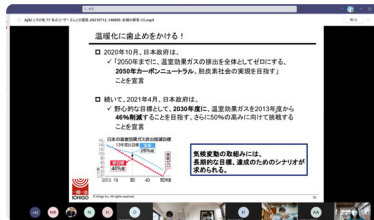
### Ichigo University

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

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

Average Annual Number of Courses: 30

#### Ichigo University Classes



Online



In-Person

### Sports Initiatives

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



Hiromi Miyake (Weightlifting)



Chisato Kiyoyama (Track and Field)

Certified as a Sports Yell Company & Tokyo Metropolitan Government Sports Promotion Company for 6<sup>th</sup> year in a row

Ichigo Sports Site (Japanese only)  
[www.ichigo.gr.jp/ichigosports](http://www.ichigo.gr.jp/ichigosports)



## Global Best Practice Governance



### Early Adopter of Global Best Practice Corporate Governance Structure

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

#### Major Initiatives

- Adopted Independent Director-led, committee based governance system in 2006
- Exceeded legal requirements by establishing Compliance Committee in addition to Nominating, Audit, and Compensation Committees
- Nominating Committee: 5 members (3 Independent Directors)
- Audit Committee: 3 members (All Independent Directors)
- Compensation Committee: 5 members (3 Independent Directors)
- Compliance Committee: 4 members (2 Independent Directors)

### Majority Independent Director Board Underpins Strong Governance

Of 9 members of Ichigo's Board of Directors, majority are Independent Directors, including former CEOs of TSE Prime (formerly 1st Section)

#### FY18/2 to present

Nobuhide Nakaido (former CEO of SCSK)

#### FY17/2 to May 2023

Masatoshi Matsuzaki (former CEO of Konica Minolta)

#### FY16/2 to May 2019

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

#### FY16/2 to FY17/2

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

### Annual Board of Directors Evaluation

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

- (1) Board Composition
- (2) Board Operation
- (3) Board Effectiveness
- (4) Board Support Resources
- (5) Engagement with Shareholders and Stakeholders
- (6) Board Operation Under Covid
- (7) SDGs and Sustainability Initiatives

# Sustainability Initiatives

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



### UN Global Compact

UN Global Compact is a global sustainability initiative that calls for companies and organizations to take leadership and take actions as members of society to implement universal sustainability principles. Companies and organizations that sign the UN Global Compact are required to achieve the Ten Principles regarding human rights, labor, environment, and anti-corruption based on CEO commitments.

### TCFD (Task Force on Climate-related Financial Disclosures)

TCFD was established by the Financial Stability Board ("FSB") in December 2015, at the request of the G20, to develop a framework on climate-related financial risk disclosures and how the financial sector can address climate change. TCFD recommends that companies disclose their climate-related risks and opportunities.

### CDP

CDP is a global initiative led by a non-profit organization representing over 500 global investors that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Assessment is based on governance, risk management, business strategy, targets and performance, etc., and companies are scored from A to D-.

Ichigo's scores for 2022: A- (Climate Change Assessment), A- (Water Security Assessment)

### RE100

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

Ichigo's RE100 Target: 100% renewable electricity across its operations, including Ichigo Office (8975) and Ichigo Hotel (3463), by 2025

### Fun to Share

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

# Ichigo RE100 Initiative

Further Lowering Energy Impacts as a Sustainable Infrastructure Company

## Ichigo RE100 Target

### **100% Renewable Electricity by 2025**

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

#### RE100

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a net zero carbon society.



#### CDP

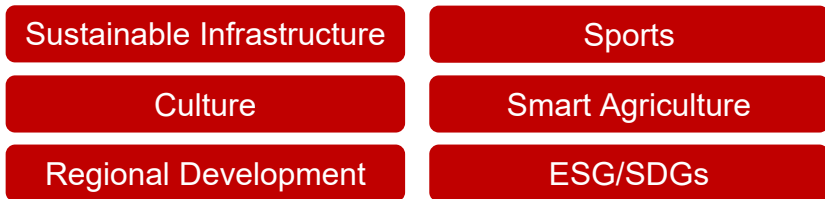
A global initiative led by a non-profit organization representing over 500 global investors that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

# Rich ESG Content

## ICHIGO Sustainable City



Introducing Ichigo's Vision for Society's Future

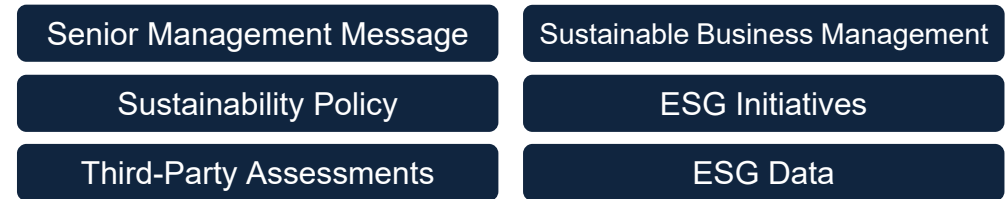


Ichigo Brand Site: ICHIGO Sustainable City  
[www.ichigo.gr.jp/company/brand](http://www.ichigo.gr.jp/company/brand) (Japanese only)

## Ichigo Sustainability Report



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



Ichigo Sustainability Report  
[www.ichigo.gr.jp/pdf/esg/Ichigo\\_Sustainability\\_Report\\_ENG.pdf](http://www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_ENG.pdf)



## Appendix: Financial & Operational Data

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# Business Segments

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## Asset Management

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

## Sustainable Real Estate

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

## Clean Energy

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

# Significant Unrealized Gains on Balance Sheet

Real Estate Directly Held by Ichigo

(JPY million)

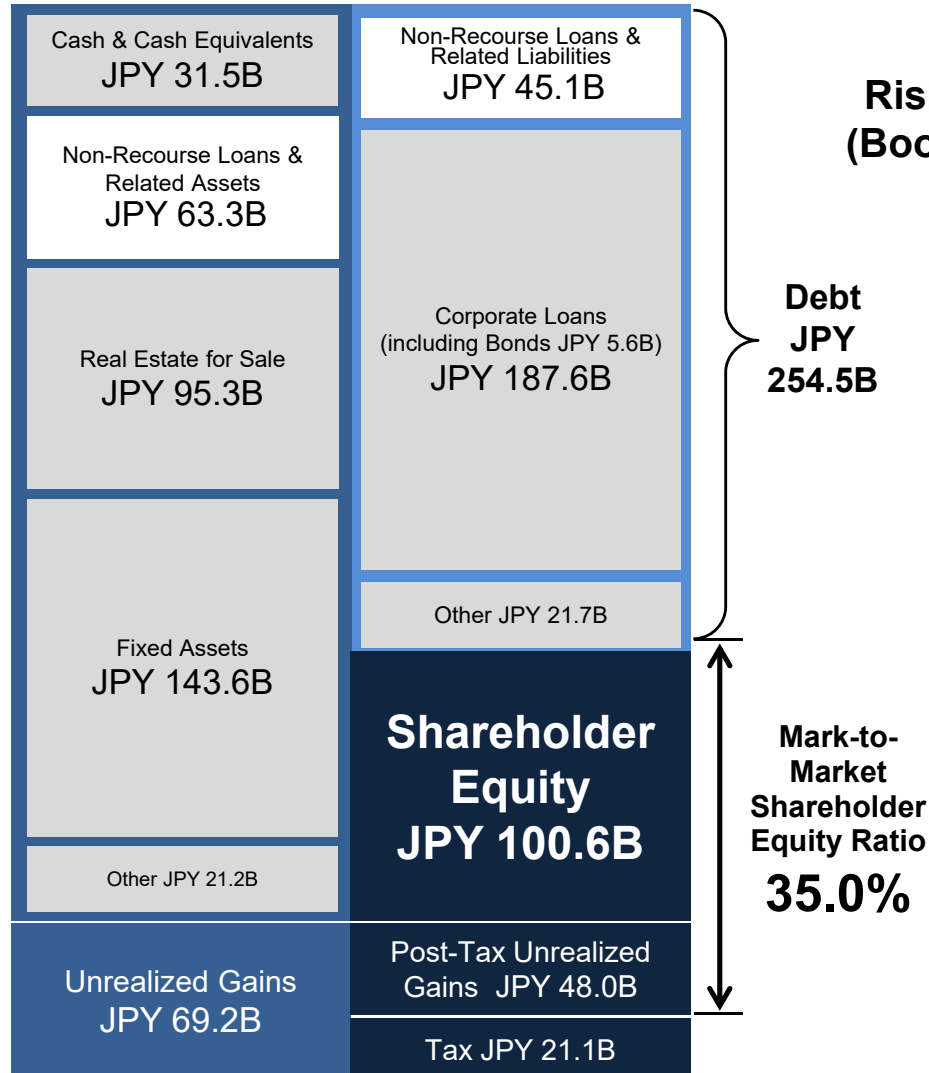
Location	Book Value as of May 31, 2023 (A)	Appraisal NOI (B)	Cap Rate (B)/(A)	Appraisal Value (C)	Unrealized Gains (C) - (A)
Tokyo	89,001	5,353	6.0%	125,252	+36,251
Outside Tokyo	98,103	6,598	6.7%	126,322	+28,219
<b>Total</b>	<b>187,104</b>	<b>11,951</b>	<b>6.4%</b>	<b>251,574</b>	<b>+64,470</b>

Note: Excludes Ichigo Owners, Centro, and self-storage assets (book value JPY 76.82B)

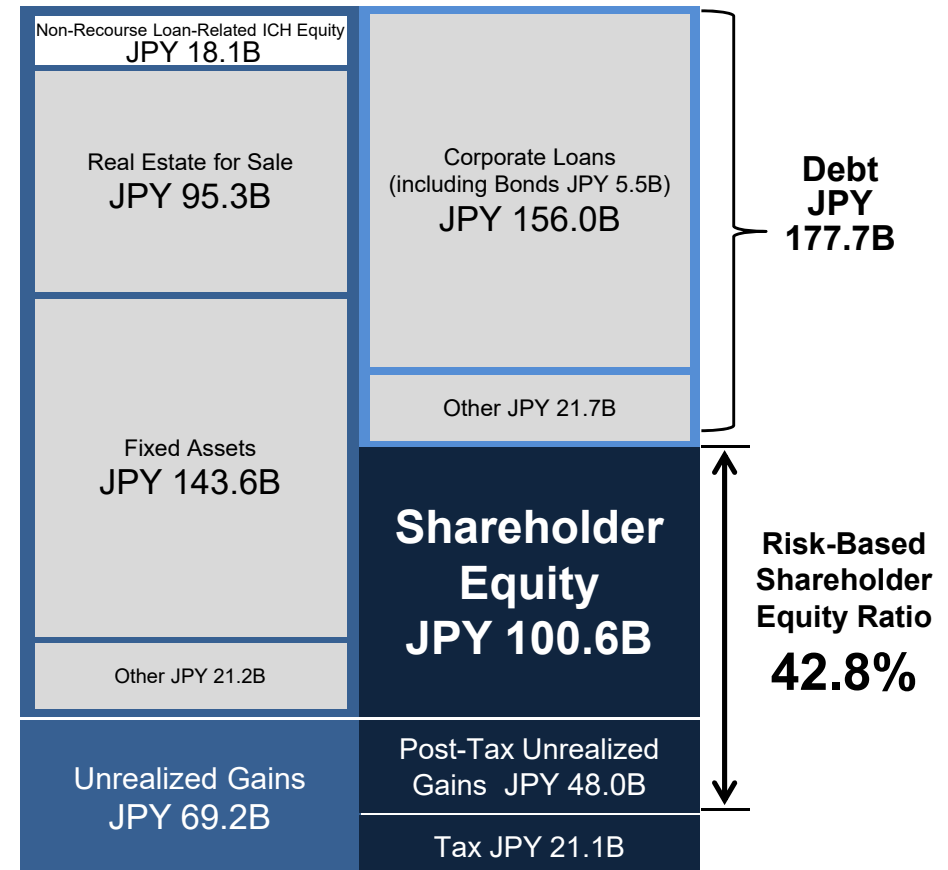


# Risk-Based Balance Sheet

**Mark-to-Market Consolidated Balance Sheet: JPY 424.4B**  
**(Book Value JPY 355.1B + Unrealized Gains JPY 69.2B)**



**Risk-Based Consolidated Balance Sheet: JPY 347.6B**  
**(Book Value JPY 278.4B + Unrealized Gains JPY 69.2B)**



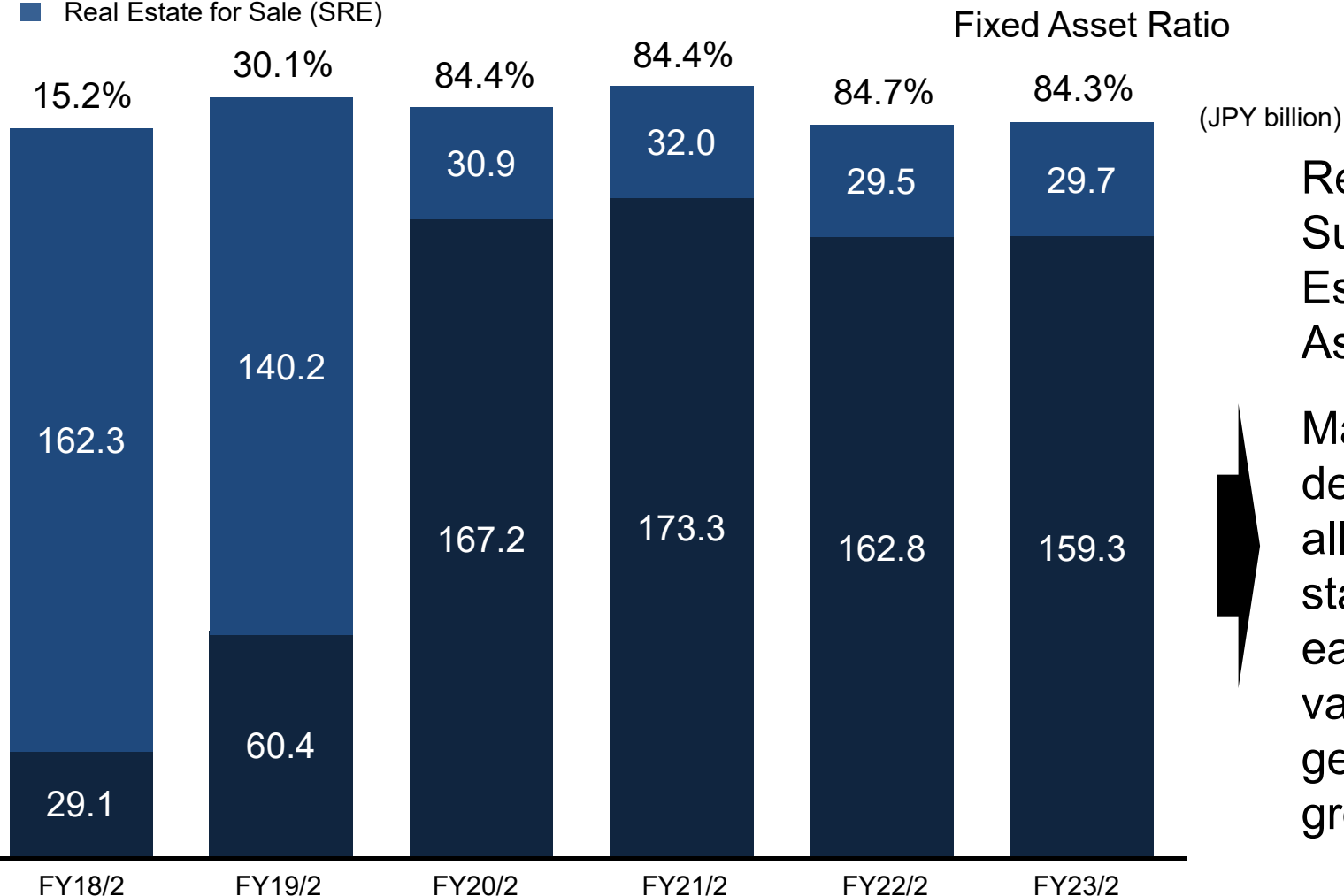
Note: Risk-Based Balance Sheet excludes client and non-recourse assets & liabilities and nets out Cash & Cash Equivalents.

# Cash Flow Maximization

## Maximal Use of Depreciation Allowances to Increase Cash Flow

### Real Estate for Sale & Fixed Assets

- Fixed Assets (SRE)
- Real Estate for Sale (SRE)



Reclassification of Sustainable Real Estate Assets to Fixed Assets in FY20/2

Maximal use of depreciation allowances lowers stated accounting earnings, but creates value by being cash-generative to fund growth investments

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

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# Robust Cash Flow Generation & Strong Earnings Base

## Key Ichigo Strength: Robust Cash Generation to Fund Growth



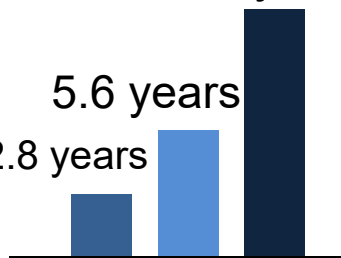
- Maximal use of depreciation allowances to lower accounting earnings & increase cash flow
- Majority of cash earnings are Stock Earnings
- Maintained high Stock Earnings/Fixed Expenses Ratio even amidst Covid

(JPY million)

	FY18/2	FY19/2	FY20/2	FY21/2	FY22/2	FY23/2	FY24/2 Q1	FY24/2 Forecast
<b>Stock Earnings (A)</b>	14,939	18,485	18,450	15,065	14,912	15,598	5,123	16,985
<b>Depreciation</b>	967	1,632	2,507	4,603	5,278	5,135	1,213	4,769
<b>Flow Earnings</b>	13,015	15,273	18,567	5,850	9,793	13,371	573	13,482
<b>Cash Earnings</b>	27,953	33,759	37,016	20,915	24,705	28,970	5,697	30,467
<b>Fixed Expenses (B)</b>	6,371	7,071	7,877	7,723	7,819	8,087	2,091	9,020
<b>Stock Earnings/ Fixed Expenses (A/B)</b>	234%	261%	234%	195%	191%	193%	245%	188%

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

# Post-GFC Shift in Earnings Base & Financial Position

	FY09/2 GFC	FY14/2 Start of Shift Up MTP	FY23/2	vs. GFC
<b>Stock Earnings/ Fixed Expenses Coverage Ratio</b>	75%	140%	193%	<u>2.6X</u>
<b>Loan Maturity</b> (Weighted avg., corporate + non-recourse loans)	2.8 years	2.8 years, 5.6 years	2.8 years, 5.6 years, 10.0 years	<u>3.6X</u>
<b>% of &lt;3 Year Loans</b> (corporate + non-recourse loans)	93% 	28% 	21% 	<u>-72%</u>
<b>Interest Rate</b> (Weighted avg., corporate loans)	2.22%	1.96%	0.89%	<u>-60%</u> (Interest Rate -1.33%)

# Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loan Investments	Operational Securities Investments	Real Estate for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management (AM)	–	–	–	–	–	543	126	2,973	<b>3,643</b>
Sustainable Real Estate (SRE)	14,796	1,324	–	95,341	167,757	1,594	1,416	5,539	<b>287,770</b>
Clean Energy (CE)	3,650	–	–	–	31,311	154	–	1,922	<b>37,038</b>
Company-Wide Assets	19,418	–	–	–	100	50	4,945	2,230	<b>26,746</b>
<b>Total</b>	<b>37,865</b>	<b>1,324</b>	<b>–</b>	<b>95,341</b>	<b>199,168</b>	<b>2,343</b>	<b>6,489</b>	<b>12,665</b>	<b>355,198</b>

# Consolidated P&L: Segment Breakdown

(JPY million)

Segment	All-In Gross Profit			All-In Operating Profit			
	FY23/2 Q1	FY24/2 Q1	YOY	FY23/2 Q1	FY24/2 Q1	YOY	FY24/2 Forecast
<b>Asset Management (AM)</b>	<b>471</b>	<b>618</b>	<b>+31.3%</b>	<b>322</b>	<b>386</b>	<b>+19.7%</b>	<b>1,000</b>
Base AM Fees	471	573	+21.7%	–	–	–	–
Acquisition/Disposition Fees	–	45	–	–	–	–	–
<b>Sustainable Real Estate (SRE)</b>	<b>2,998</b>	<b>3,078</b>	<b>+2.7%</b>	<b>1,751</b>	<b>1,726</b>	<b>-1.4%</b>	<b>15,300</b>
Rental Income	947	2,550	+169.0%	509	1,420	+178.7%	–
Asset Sales	2,046	529	-74.1%	1,241	306	-75.3%	–
Other Flow Earnings	4	–	–	–	–	–	–
<b>Clean Energy (CE)</b>	<b>847</b>	<b>785</b>	<b>-7.3%</b>	<b>659</b>	<b>576</b>	<b>-12.5%</b>	<b>1,700</b>
<b>Adjustment (including offsets of cross-segment transactions)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-9</b>	<b>2</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>4,317</b>	<b>4,483</b>	<b>+3.8%</b>	<b>2,723</b>	<b>2,691</b>	<b>-1.2%</b>	<b>18,000</b>

AM & CE All-In Gross Profit = Gross Profit; SRE All-In Gross Profit = Gross Profit + SRE Fixed Asset Gains on Sales

AM & CE All-In Operating Profit = Operating Profit; SRE All-In Operating Profit = Operating Profit + SRE Fixed Asset Gains on Sales

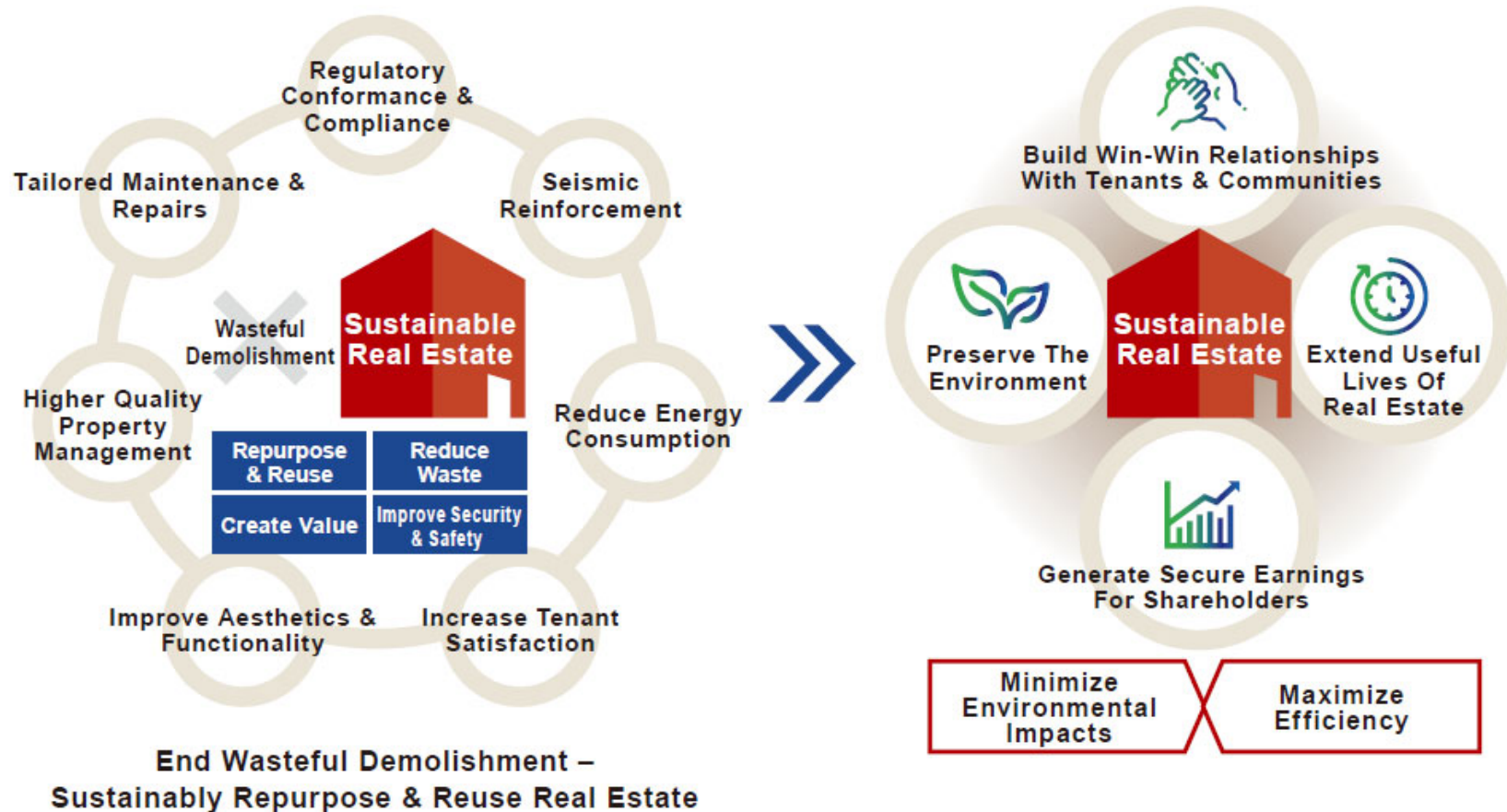
## Appendix: Sustainable Real Estate Details

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# Sustainable Infrastructure for a Sustainable Society

## End Wasteful Demolishment and Embrace Sustainable Real Estate

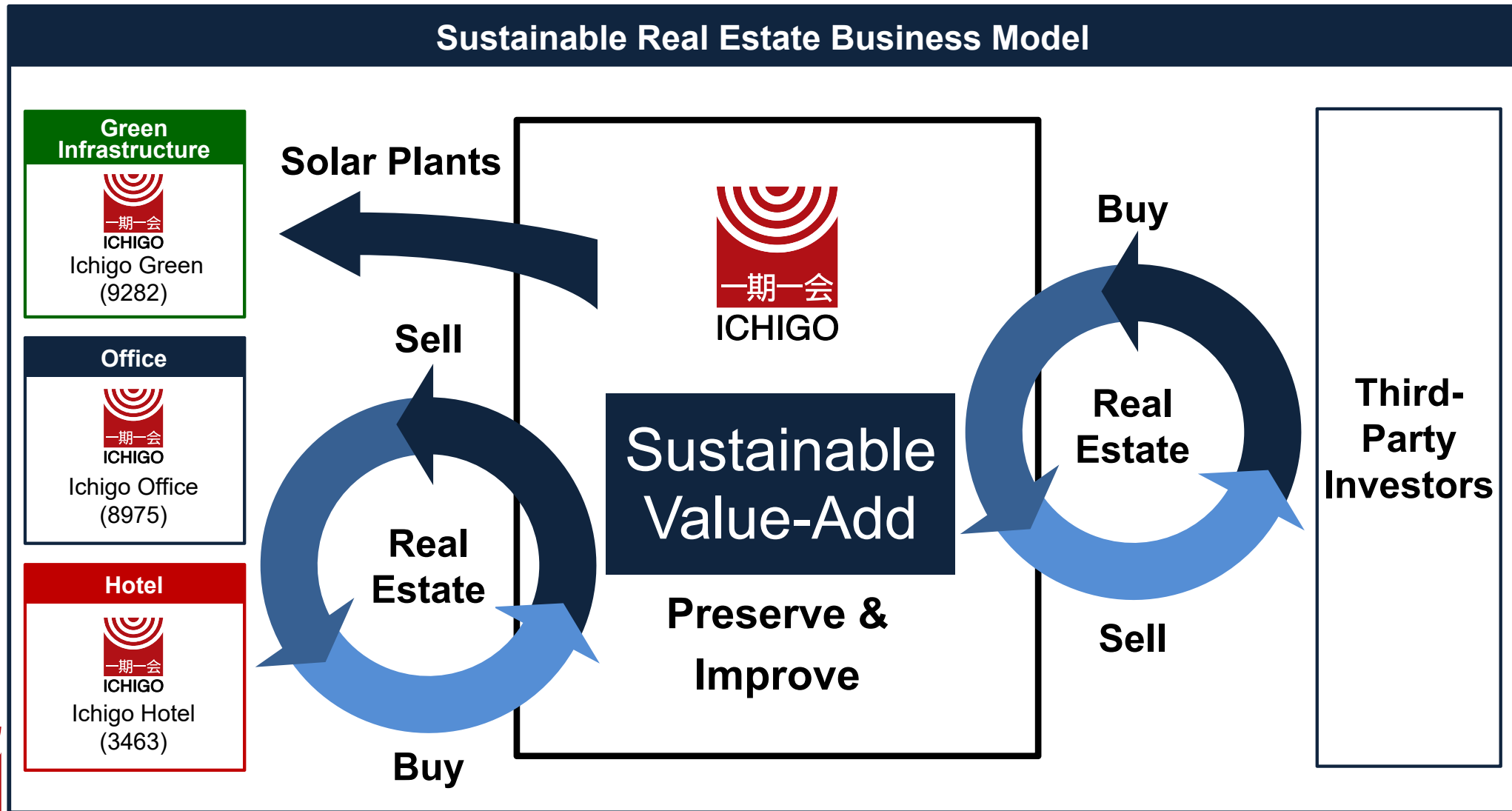
- Improve quality of assets via Sustainable Value-Add
- Preserve and improve highly functional real estate to contribute to environmental conservation and sustainability
- Lengthening buildings' useful lives beyond 100 years





# Powerful Sustainable Real Estate Business Model

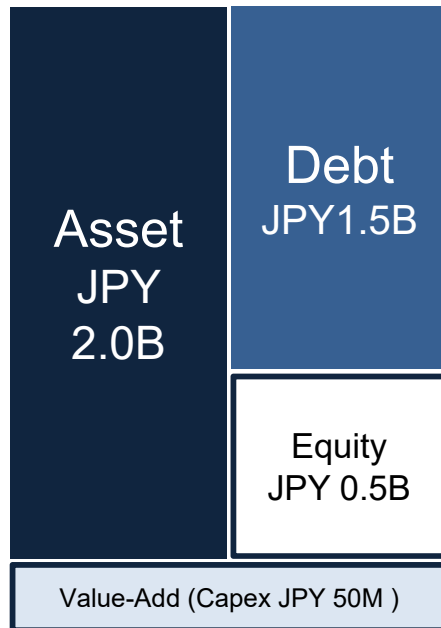
## Significant Synergies Between Ichigo's Sustainable Real Estate & Asset Management Businesses



# Ichigo Sustainable Real Estate Earnings Model Example

5.5% NOI Yield, JPY 2B Purchase, LTV 75%, 1.5% Interest Rate, JPY 50M Capex, 15% Increase in NOI, 3-Year Value-Add Period

Value-Add Measures: Improved exterior, interior, & tenant services; seismic strengthening; increased energy efficiency; new tenant leasing; etc.



## NOI at Acquisition

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

## NOI after Value-Add

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

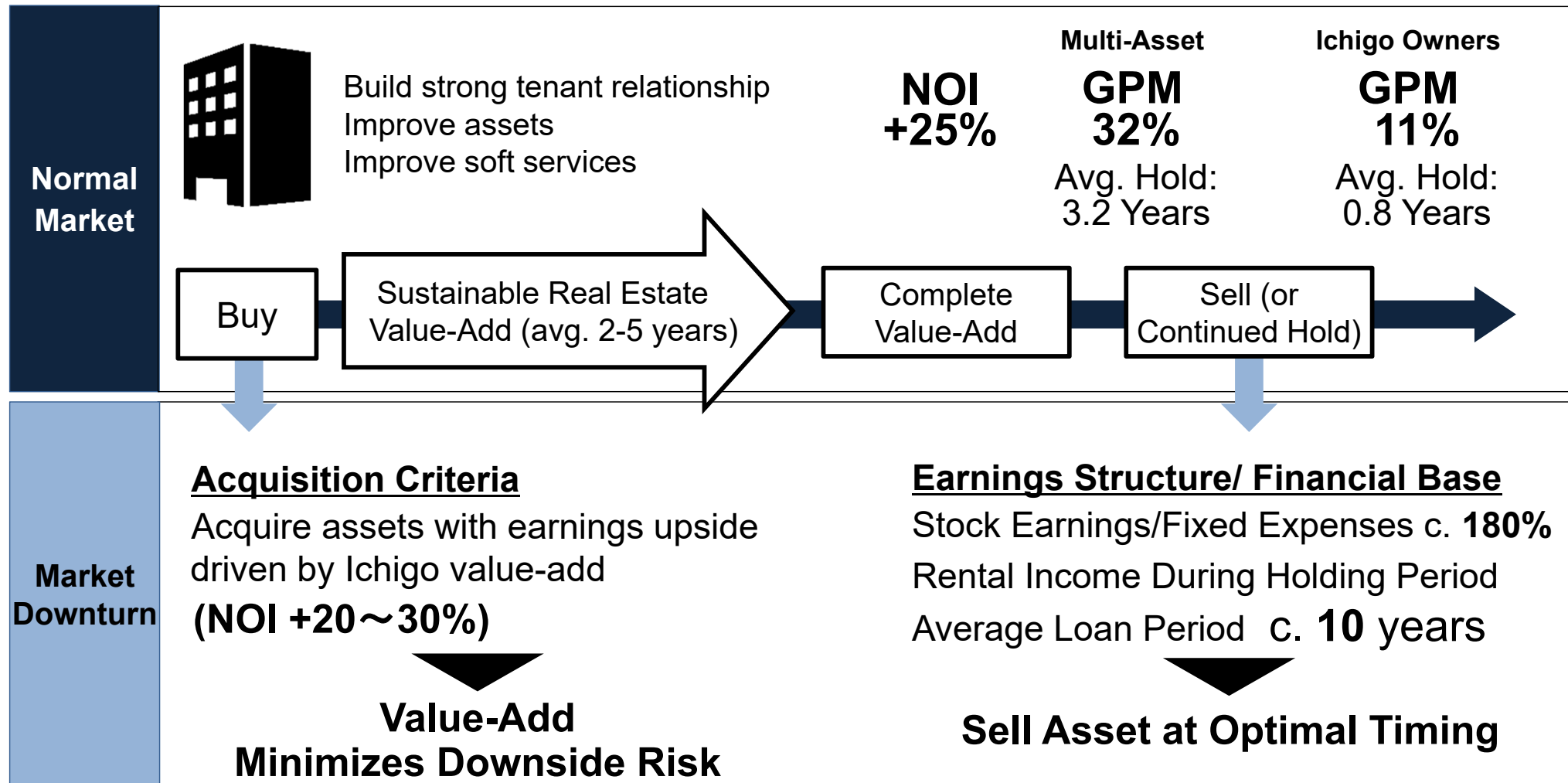
## Capital Gain

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

## Outcome

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

# Value-Add Robust to Changes in Market Environment



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

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

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

# Sustainable Real Estate: Gross Profit Margin (GPM)

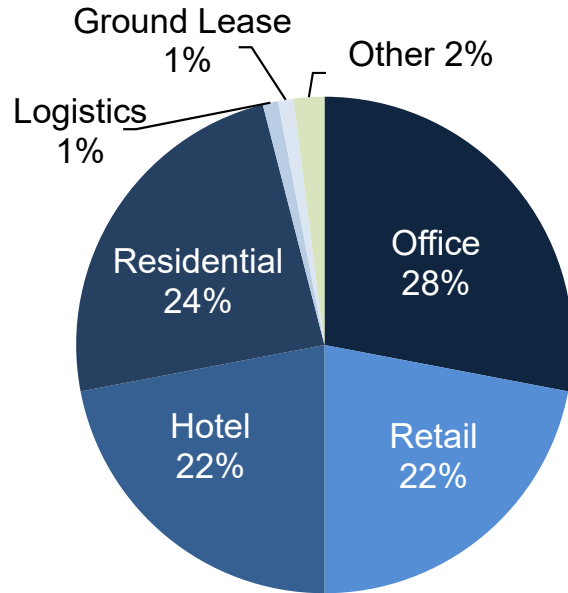
## Ichigo Sustainable Value-Add Supports Ongoing High GPM

	FY20/2	FY21/2	FY22/2	FY23/2	FY24/2 Q1
GPM (vs. Revenue)	28.3%	13.9%	20.6%	21.1%	16.3%
GPM (vs. Book Value)	39.5%	16.2%	26.2%	27.1%	20.1%
Revenue (JPY M)	60,601	41,430	45,830	55,166	3,259
Gross Profit (JPY M)	17,158	5,762	9,421	11,648	530

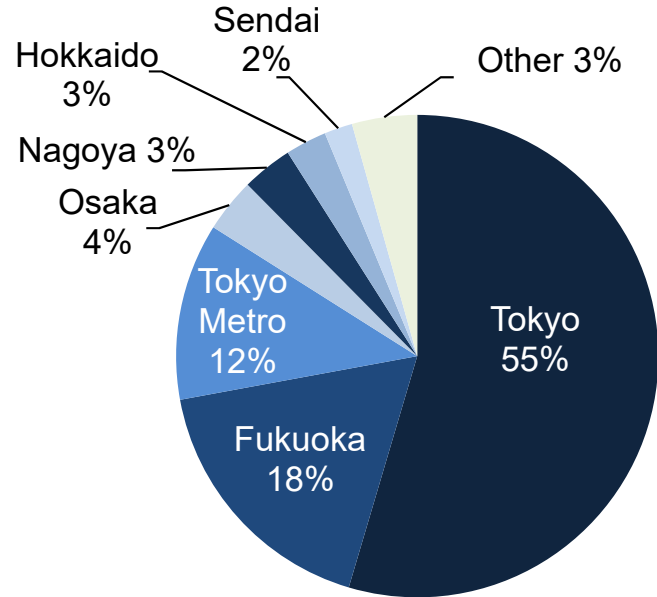
Includes Fixed Asset Gains on Sales

# Ichigo-Owned Real Estate Portfolio

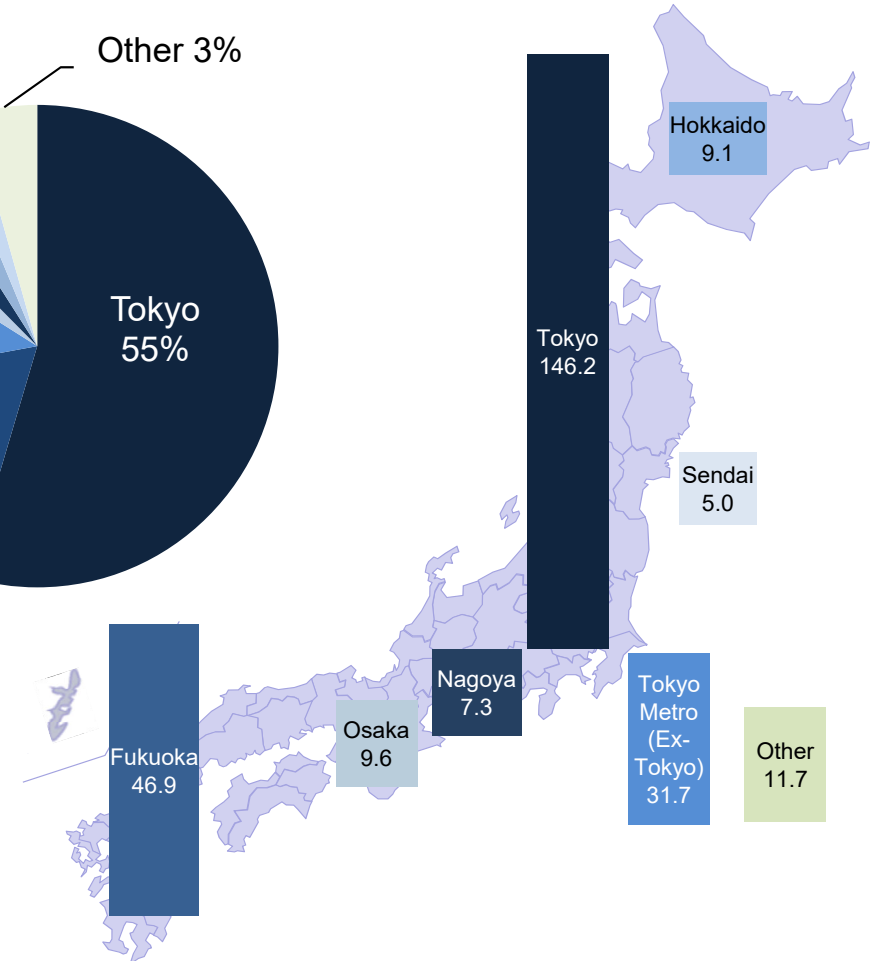
**By Asset Type**



**By Location**

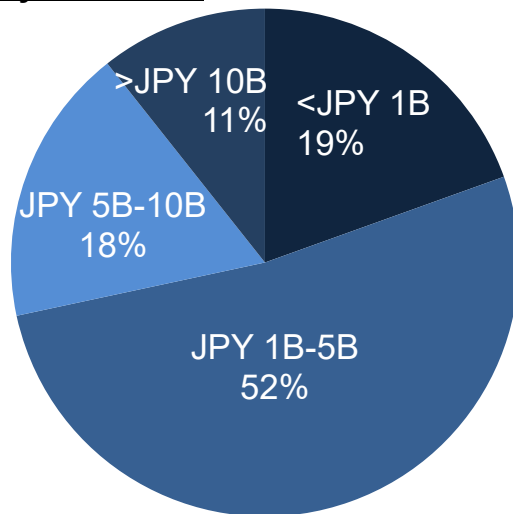


(JPY billion)



\*Ex-Tokyo

**By Asset Size**



**Total Ichigo-Owned Assets: JPY 268.0B**  
**Including Ichigo-Managed AUM: JPY 586.4B**

\* Acquisition price basis

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

Total Ichigo-Owned Assets Book Value: JPY 261.9B



# Sustainable Real Estate Asset Breakdown (1)

187 Assets, JPY 261.9B, Annual NOI JPY 11.9B (6.4% Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
1	Retail	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	51 years	–	JPY 1,900M	–	–
2	Retail	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2005/10	54 years	JPY 136M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2006/03	37 years	JPY 165M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	18 years	JPY 60M	JPY 1,157M	–	–
5	Office	Fixed Asset	Sendai	>JPY 3B	2006/10	15 years	JPY 240M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	>JPY 3B	2006/12	14 years	JPY 350M	JPY 1,339M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	43 years	JPY 85M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	JPY 1B-2B	2007/06	42 years	JPY 125M	JPY 233M	–	–
14	Ground Lease	Fixed Asset	Atsugi, Kanagawa	JPY 2B-3B	2011/06	–	JPY 172M	JPY 147M	–	–
15	Retail	Fixed Asset	Hiratsuka, Kanagawa	<JPY 1B	2012/02	27 years	JPY 75M	JPY 172M	–	–
16	Retail	Fixed Asset	Yokohama	<JPY 1B	2012/10	9 years	JPY 34M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	>JPY 3B	2013/03	12 years	JPY 243M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	36 years	JPY 57M	JPY 154M	–	–
19	Retail	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	38 years	JPY 136M	JPY 310M	–	–
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	15 years	JPY 74M	JPY 92M	–	–

Note: Annual NOI & Yield excludes Ichigo Owners, Centro, and self-storage assets.

<sup>1</sup> Forecast NOI/ Year is based on the business plan of each asset and is the forecast NOI after value-add is completed.

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

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

# Sustainable Real Estate Asset Breakdown (2)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
29	Ground Lease	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2014/03	–	JPY 113M	JPY 273M	–	–
30	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2014/03	39 years	JPY 51M	JPY 108M	–	–
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	17 years	JPY 58M	JPY 279M	–	–
35	Office	Fixed Asset	Minato-ku, Tokyo	JPY 2B-3B	2014/05	14 years	JPY 144M	JPY 434M	–	–
37	Retail	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2014/07	50 years	JPY 47M	JPY 77M	–	–
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	19 years	JPY 50M	JPY 213M	–	–
40	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/09	38 years	JPY 49M	JPY 252M	–	–
41	Hotel	Fixed Asset	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	36 years	JPY 143M	JPY 400M	–	–
42	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/09	22 years	JPY 59M	JPY 177M	–	–
43	Retail	Fixed Asset	Osaka	JPY 1B-2B	2014/09	21 years	JPY 114M	JPY 301M	–	–
57	Residential	Fixed Asset	Minato-ku, Tokyo	JPY 1B-2B	2014/12	19 years	–	JPY 186M	–	–
62	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/12	19 years	JPY 41M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	16 years	JPY 85M	JPY 129M	–	–
64	Retail	Fixed Asset	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	–	JPY 26M	–	–	–

<sup>1</sup> Forecast NOI/ Year is based on the business plan of each asset and is the Forecast NOI after value-add is completed.

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

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

# Sustainable Real Estate Asset Breakdown (3)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	21 years	JPY 48M	JPY 79M	—	—
69	Hotel	Fixed Asset	Osaka	JPY 2B-3B	2015/05	20 years	JPY 174M	JPY 633M	—	—
71	Retail	Fixed Asset	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	8 years	JPY 100M	JPY 126M	—	—
110	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/03	37 years	JPY 273M	JPY 905M	—	—
111	Hotel	Fixed Asset	Yokohama	JPY 2B-3B	2016/03	39 years	JPY 207M	JPY 228M	—	—
112	Hotel	Fixed Asset	Yokohama	>JPY 3B	2016/03	35 years	JPY 319M	JPY 354M	—	—
114	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2016/04	33 years	JPY 182M	JPY 550M	—	—
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	34 years	JPY 63M	JPY 86M	—	—
118	Retail	Fixed Asset	Nagoya	JPY 1B-2B	2016/06	26 years	JPY 83M	JPY 102M	—	—
119	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2016/06	36 years	JPY 42M	JPY 136M	—	—
120	Hotel	Fixed Asset	Shinjuku-ku, Tokyo	>JPY 3B	2016/09	43 years	JPY 554M	JPY 349M	—	—
121	Office	Fixed Asset	Minato-ku, Tokyo	>JPY 3B	2016/10	22 years	JPY 1,540M	JPY 3,450M	—	—
122	Hotel	Fixed Asset	Shima, Mie	<JPY 1B	2017/01	25 years	JPY 78M	JPY 73M	—	—
138	Hotel	Fixed Asset	Ogaki, Gifu	JPY 1B-2B	2017/05	33 years	JPY 116M	—	—	—

<sup>1</sup> Forecast NOI/ Year is based on the business plan of each asset and is the forecast NOI after value-add is completed.

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

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.



# Sustainable Real Estate Asset Breakdown (4)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
145	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2018/03	5 years	JPY 194M	JPY 301M	–	–
147	Hotel	Fixed Asset	Kyoto	>JPY 3B	2018/08	4 years	JPY 327M	JPY 1,666M	–	–
149	Retail	Fixed Asset	Chiyoda-ku, Tokyo	>JPY 3B	2018/09	33 years	JPY 308M	JPY 2,269M	–	–
151	Office	Fixed Asset	Fukuoka	<JPY 1B	2018/10	24 years	JPY 36M	JPY 38M	–	–
155	Office	Fixed Asset	Shinagawa-ku, Tokyo	JPY 2B-3B	2019/03	38 years	JPY 169M	JPY 616M	–	–
157	Office	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2019/04	40 years	JPY 52M	–	–	–
159	Retail	Fixed Asset	Shibuya-ku, Tokyo	JPY 2B-3B	2019/05	43 years	JPY 123M	JPY 210M	–	–
161	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	28 years	JPY 354M	JPY 1,636M	–	–
162	Hotel	Fixed Asset	Fukuoka	>JPY 3B	2019/07	24 years	JPY 353M	JPY 1,170M	–	–
164	Hotel	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2020/03	14 years	JPY 61M	JPY 62M	–	–
165	Hotel	Fixed Asset	Sapporo	>JPY 3B	2020/03	3 years	JPY 268M	JPY 700M	–	–
167	Hotel	Fixed Asset	Hiroshima	>JPY 3B	2020/08	2 years	JPY 306M	–	–	–
171	Office	Fixed Asset	Taito-ku, Tokyo	<JPY 1B	2022/02	44 years	JPY 71M	JPY 38M	–	–
172	Office	Fixed Asset	Sapporo, Hokaido	>JPY 3B	2022/04	–	JPY 624M	JPY 3,349M	–	–
175	Office	Fixed Asset	Utsunomiya, Tochigi	JPY 2B-3B	2022/09	15 years	JPY 203M	JPY 217M	–	–
177	Retail	Fixed Asset	Matsudo, Chiba	JPY 1B-2B	2023/01	18 years	JPY 69M	JPY 1,189M	–	–
<b>59 Fixed Assets</b>				JPY 164,346M			JPY 10,230M	JPY 33,260M	–	–
				JPY 158,164M (Book Value)						

<sup>1</sup> Forecast NOI/ Year is based on the business plan of each asset and is the forecast NOI after value-add is completed.

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

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

# Sustainable Real Estate Asset Breakdown (5)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple <sup>2</sup>	Forecast IRR <sup>3</sup>
61	Retail	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	60 years	JPY 120M	JPY 57M	15.26X	51.7%
89	Office	Real Estate for Sale	Musashino, Tokyo	>JPY 3B	2015/07	34 years	JPY 134M	JPY 670M	1.72X	13.3%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	38 years	JPY 105M	JPY 223M	3.78X	19.9%
153	Hotel	Real Estate for Sale	Fukuoka	JPY 1B-2B	2019/02	29 years	JPY 110M	–	5.00X	20.3%
156	Logistics	Real Estate for Sale	Fukuoka	JPY 2B-3B	2019/03	35 years	JPY 150M	JPY 651M	3.60X	30.0%
163	Retail	Real Estate for Sale	Nagoya	>JPY 3B	2019/08	25 years	JPY 481M	JPY 1,146M	3.47X	17.0%
166	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2020/03	17 years	JPY 39M	JPY 83M	3.23X	13.5%
168	Office	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2020/11	33 years	JPY 105M	–	3.17X	53.6%
169	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/10	37 years	JPY 54M	JPY 109M	2.70X	170.5%
170	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2021/11	14 years	JPY 64M	JPY 270M	1.68X	23.9%
173	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2022/05	15 years	JPY 74M	JPY 121M	5.02X	74.2%
174	Office	Real Estate for Sale	Meguro-ku, Tokyo	JPY 2B-3B	2022/08	33 years	JPY 106M	JPY 344M	3.25X	41.2%
176	Office	Real Estate for Sale	Fukuoka	<JPY 1B	2022/09	18 years	JPY 41M	JPY 65M	3.85X	36.7%
178	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2022/12	14 years	JPY 35M	JPY 28M	7.96X	44.6%
179	Office	Real Estate for Sale	Minato-ku, Tokyo	JPY 1B-2B	2023/02	32 years	JPY 59M	JPY 170M	2.38X	33.6%
180	Office	Real Estate for Sale	Funabashi, Chiba	JPY 1B-2B	2023/04	31 years	JPY 178M	JPY 2,723M	7.05X	27.3%
16 Real Estate For Sale				JPY 30,829M			JPY 1,855M	JPY 6,660M	4.81X	41.9%
				JPY 32,532M (Book Value)						
Subtotal 75 Assets				JPY 195,176M			JPY 12,086M	JPY 39,920M	–	–
				JPY 190,696M (Book Value)						

<sup>1</sup> Forecast NOI/ Year is based on the business plan of each asset and is the forecast NOI after value-add is completed.

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

<sup>3</sup> Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow.

# Sustainable Real Estate Asset Breakdown (6)

No.	Asset Type	Acquisition Price	vs. FY23/2 Q4	Forecast NOI/Year <sup>1</sup>	Ichigo Equity Investment	Forecast Equity Multiple	Forecast IRR	
A	Ichigo Owners (Residential)	53 Assets	JPY 59,676M	+JPY 13,860M	JPY 2,336M	JPY 15,713M	–	–
B	Ichigo Owners (Other)	3 Assets	JPY 2,323M	-JPY 787M	JPY 175M	JPY 1,048M	–	–
C	Centro (Primarily Office & Residential)	20 Assets	JPY 6,548M	–	JPY 460M	JPY 1,619M	–	–
D	Self-Storage	36 Assets	JPY 4,295M	–	JPY 433M	JPY 896M	–	–
<b>Total 187 Assets</b>			<b>JPY 268,020M</b>		<b>JPY 15,492M</b>	<b>JPY 59,199M</b>	<b>–</b>	<b>–</b>
			<b>JPY 261,934M (Book Value)</b>					
<b>Assets acquired in FY24/2 Q1 (3M)</b>		<b>Total 13 Assets</b>	<b>JPY 17,720M</b>		<b>JPY 749M</b>	<b>JPY 5,912M</b>	<b>–</b>	<b>–</b>

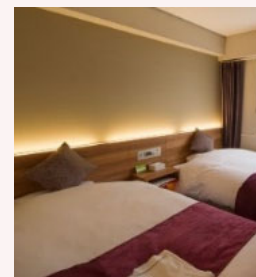
## Appendix: Asset Management Details

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# Ichigo REITs & Ichigo Green

	Ichigo Office 8975	Ichigo Hotel 3463	Ichigo Green 9282
Portfolio	JPY 212.1B (88 Assets)	JPY 54.7B (25 Hotels)	JPY 11.4B (15 Solar Plants)
Dividend Yield (as of July 11, 2023)	4.5%	3.4%	5.7%

## Overview



- Entered FTSE Global REIT Index, a key benchmark for global investors
- Ichigo Office & Ichigo Hotel only J-REITs with a no fixed fee, performance fee-only fee structure
- 100% renewable energy for all assets with full Ichigo ownership (74 assets, excludes partially-owned and co-owned assets)

- Geographically diversified portfolio focused on lodging-focused hotels
- Ichigo Office & Ichigo Hotel only J-REITs to implement no fixed fee, performance fee-only structure
- Driving earnings & value growth via value-add, strategic acquisitions & sales
- 31% renewable energy  
\*as of FY24/2 Q1-end

- Solar power producers focused on driving shareholder value via income stability and earnings growth and contributing to Japan's self-sufficiency in clean energy
- Portfolio of robust assets that have suffered no injuries or damages from natural disasters

# Asset Management AUM Detail

		FY19/2 (12M)	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)	FY24/2 Q1 (3M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 203.0B	JPY 203.2B	JPY 206.1B	JPY 205.4B	JPY 212.1B	JPY 212.1B
	Base AM Fee Gross Profit (Actual)	JPY 1,426M	JPY 1,436M	JPY 1,524M	JPY 1,725M	JPY 1,517M	JPY 455M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	JPY 50.7B	JPY 50.8B	JPY 51.9B	JPY 51.9B	JPY 54.7B	JPY 54.7B
	Base AM Fee Gross Profit (Actual)	JPY461M	JPY 381M	JPY 42M	JPY 95M	JPY 201M	JPY 44M
Ichigo Green (9282)	AUM (Fiscal Year End)	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B	JPY 11.4B
	Base AM Fee Gross Profit (Actual)	JPY 85M	JPY 82M	JPY 79M	JPY 77M	JPY 78M	JPY 21M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 20.6B	JPY 36.8B	JPY 36.8B	JPY 49.3B	JPY 48.2B	JPY 39.9B
	Base AM Fee Gross Profit (Actual)	JPY 41M	JPY 116M	JPY 137M	JPY 144M	JPY 207M	JPY38M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 285.8B	JPY 302.4B	JPY 306.4B	JPY 318.2B	JPY 326.6B	JPY 318.3B
	Base AM Fee Gross Profit (Actual)	JPY 2,014M	JPY 2,016M	JPY 1,782M	JPY 2,042M	JPY 2,004M	JPY 560M

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

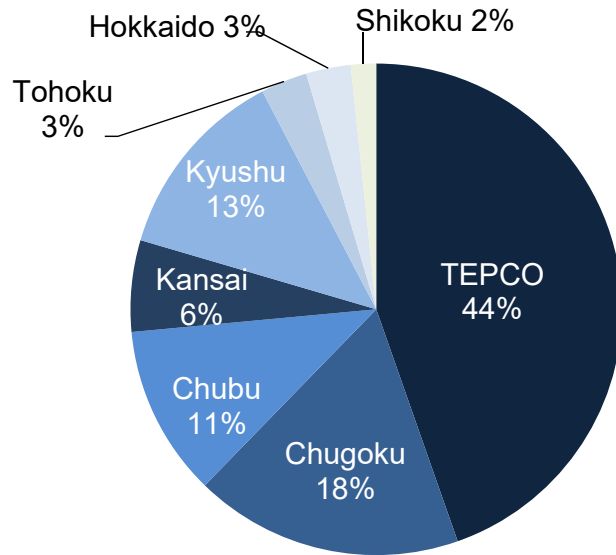
## Appendix: Clean Energy Details

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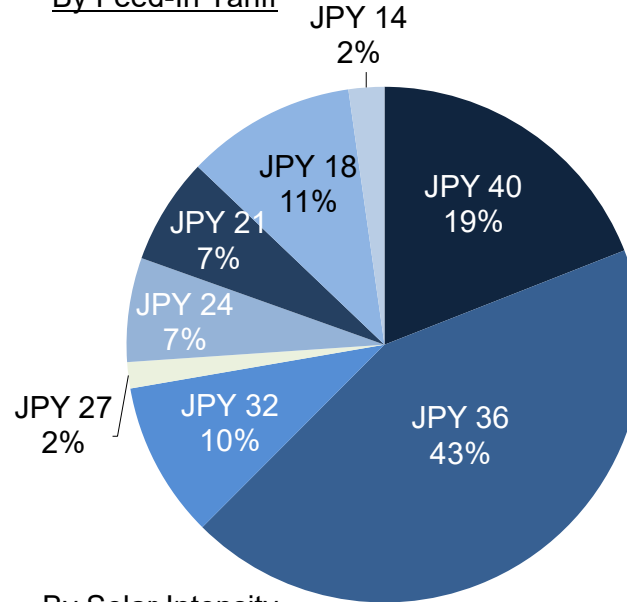
# Ichigo Solar Power Plant Portfolio

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

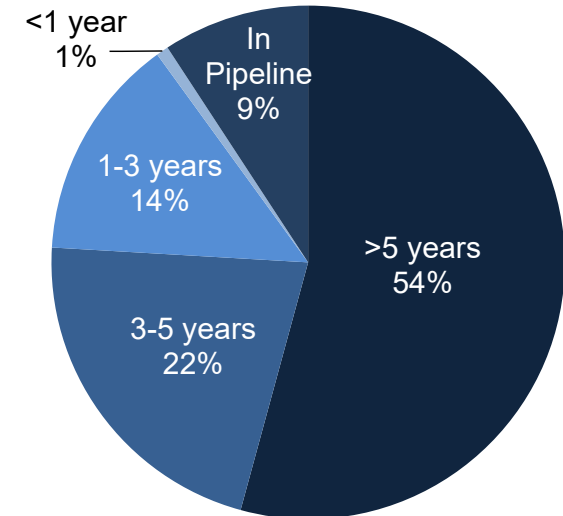
By Customer (Electric Power Utility Co)



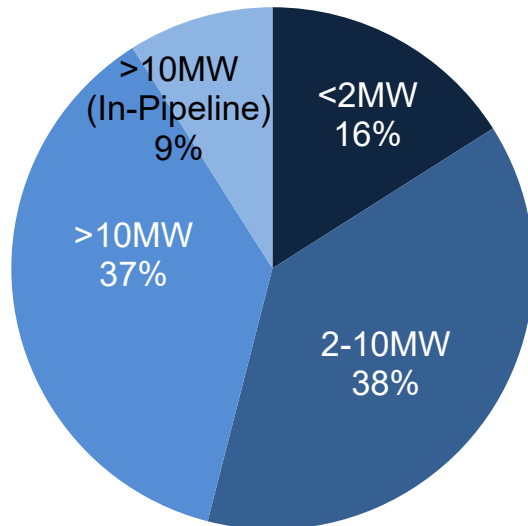
By Feed-In Tariff



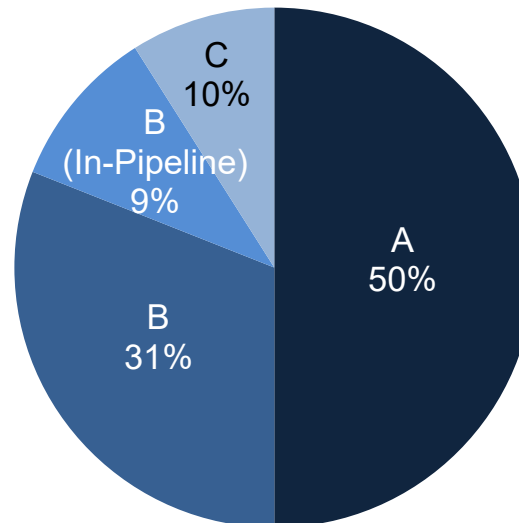
By Years in Operation



By Output



By Solar Intensity



Panel Output and FIT by Customer

Area	Operating		In-Pipeline	
	Panel Output (MW)	FIT (Pre-Tax) (JPY)	Panel Output (MW)	FIT (Pre-Tax) (JPY)
TEPCO	67.4	14-40	—	—
Chugoku	26.6	18-40	—	—
Kyushu	5.3	32-40	13.9	40
Chubu	16.9	14-36	—	—
Kansai	9.3	18-32	—	—
Tohoku	4.6	36	—	—
Hokkaido	4.4	40	—	—
Shikoku	2.5	40	—	—
Total	137.4		13.9	

Solar Intensity Rank  
 A:  $\geq 4.00$  B:  $\geq 3.75, < 4.00$  C:  $\geq 3.50, < 3.75$  D:  $< 3.5$   
 Unit: kWh/m<sup>2</sup> per day





# Ichigo Solar Power Plant Portfolio

## Operating

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

# Ichigo Solar Power Plant Portfolio

## Operating

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
31	Ichigo Hitachiomiya	Kanto	2.99	JPY 24	2020/03
32	Ichigo Hokota Aoyagi	Kanto	2.48	JPY 27	2020/04
33	Ichigo Kasaoka Osakaike	Chugoku	2.66	JPY 21	2020/04
34	Ichigo Minokamo Hachiyacho Kamihachiya	Chubu	1.29	JPY 18	2020/09
35	Ichigo Seto Jokojicho	Chubu	1.45	JPY 18	2020/10
36	Ichigo Toride Shimotakai Nishi	Kanto	2.84	JPY 18	2021/01
37	Ichigo Chiba Wakaba-ku Omiyacho Higashi	Kanto	0.74	JPY 14	2021/09
38	Ichigo Kasaoka Idachiike	Chugoku	2.66	JPY 18	2021/10
39	Ichigo Komagane Akaho Minami	Chubu	0.74	JPY 14	2021/11
40	Ichigo Komagane Akaho Kita	Chubu	0.39	JPY 14	2021/11
41	Ichigo Chiba Wakaba-ku Omiyacho Nishi	Kanto	0.74	JPY 14	2021/11
42	Ichigo Tatsunomachi Sawasoko	Chubu	0.74	JPY 14	2021/12
43	Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.96	JPY 32	2021/12
44	Ichigo Kobe Pompuike	Kansai	2.73	JPY 18	2022/01
45	Ichigo Obu Yoshidamachi	Chubu	1.00	JPY 18	2022/03
46	Ichigo Sera Shimozuta	Chugoku	2.93	JPY 18	2022/03
47	Ichigo Ueda Yoshidaike	Chubu	1.16	JPY 18	2022/11
<b>Total (Operating)</b>		<b>47 Plants</b>	<b>137.4MW</b>		

## In-Pipeline

No.	Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
48	Ichigo Ebino Suenaga	Kyushu	13.99	JPY 40	2024/01
<b>Total (Operating)</b>		<b>1 Plant</b>	<b>13.9MW</b>		
<b>Total (Operating &amp; In-Pipeline)</b>		<b>48 Plants</b>	<b>151.4MW</b>		

# Ichigo Wind Power Plant Portfolio

## Operating

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

**Ichigo Solar & Wind Power Plant (Operating/In-Pipeline) Total: 49 Plants 158.8MW**

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

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

### Solar Power FIT

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

### Wind Power FIT

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

<sup>1</sup> 2017, 2018 FIT for >2MW non-residential, 2019 FIT for >0.5MW non-residential, and 2020~ FIT for >0.25MW non-residential solar power production

<sup>2</sup> 2021 FIT for >0.25MW wind power generation  
2022, 2023 FIT for >0.05MW wind power generation

# Ichigo Green (9282) Solar Plant Portfolio

## Operating

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

**Ichigo & Ichigo Green Power Plant (Operating/In-Pipeline) Total: 188.2MW**

Solar Power Plants: 151.4MW

Wind Power Plants: 7.3MW

Ichigo Green Plants: 29.4MW

# Green Biomass Entry

Fully Local Green Biomass as Ichigo's 3rd Renewable Energy Business

- 4 Plants In Development (5.8MW, JPY 7.4B in Total Business Expenses)
- Diversify & stabilize power production
- Procure biomass feedstock via Ichigo's relationships with local government

	Characteristics	Weather Impacts
Solar Power	<ul style="list-style-type: none"> <li>▪ Lots of potential plant site candidates, able to make effective use of idle land</li> </ul>	Yes
Wind Power	<ul style="list-style-type: none"> <li>▪ Night time power production capability</li> </ul>	Yes
Biomass	<ul style="list-style-type: none"> <li>▪ 24-hour power generation capacity regardless of weather conditions</li> <li>▪ Able to control power generation</li> <li>▪ Requires stable supply of biomass energy sources</li> </ul>	No

Maintain & Conserve Forests

- Support biodiversity & contribute to fight against climate change

Purposeful Use of Japan's Abundant Forest Resources

- Japan's forest ratio is 67% (3<sup>rd</sup> highest amongst OECD countries), 8<sup>th</sup> largest cultivated forest area in the world
- Productive use of unused domestic wood materials as biomass energy source

# Appendix: Financial Statements

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# Consolidated Balance Sheet: Assets

(JPY million)

	FY20/2	FY21/2	FY22/2	FY23/2	FY24/2 Q1	vs. FY23/2
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	41,067	50,832	46,458	40,536	37,865	-2,671
Trade notes and accounts receivable	2,308	1,382	1,819	3,866	4,813	+947
Operational loan investments	1,324	1,324	1,324	1,324	1,324	-
Operational securities investments	902	590	2,547	47	-	-47
Real estate for sale	68,290	64,109	68,666	79,151	95,341	+16,190
Other	3,721	2,698	2,613	3,197	3,428	+231
Less: allowance for doubtful accounts	-6	-167	-633	-66	-33	+33
Total Current Assets	117,608	120,771	122,798	128,057	142,740	+14,683
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	55,050	60,673	56,208	54,039	53,114	-925
Solar and wind power plants (net)	23,425	24,191	27,953	26,862	26,423	-439
Land	122,114	122,592	116,079	114,431	113,039	-1,392
Other (net)	5,607	6,935	3,796	3,990	6,591	+2,601
Total Property, Plant, and Equipment	206,198	214,392	204,038	199,323	199,168	-155
Intangible Assets						
Goodwill	1,090	968	1,580	717	696	-21
Leasehold rights	687	1,272	1,365	1,397	1,397	-
Other	705	1,797	605	283	249	-34
Total Intangible Assets	2,482	4,038	3,551	2,398	2,343	-55
Investments and Other Assets						
Securities investments	4,321	5,147	3,463	4,455	6,489	+2,034
Long-term loans receivable	510	10	270	240	232	-8
Deferred tax assets	568	605	883	341	431	+90
Other	2,128	2,202	3,013	3,937	3,928	-9
Less: allowance for doubtful accounts	-91	-91	-131	-133	-135	-2
Total Investments and Other Assets	7,436	7,874	7,498	8,840	10,945	+2,105
Total Fixed Assets	216,118	226,305	215,089	210,562	212,457	+1,895
<b>Total Assets</b>	<b>333,726</b>	<b>347,076</b>	<b>337,887</b>	<b>338,619</b>	<b>355,198</b>	<b>+16,579</b>

# Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY20/2	FY21/2	FY22/2	FY23/2	FY24/2 Q1	vs. FY23/2
<b>Liabilities</b>						
Current Liabilities						
Short-term loans	3,086	4,879	2,382	962	3,500	+2,538
Bonds (due within one year)	274	274	274	364	364	-
Long-term loans (due within one year)	12,277	9,751	9,888	8,539	14,285	+5,746
Long-term non-recourse loans (due within one year)	1,178	1,358	1,375	4,218	4,220	+2
Income taxes payable	2,416	573	1,888	949	864	-85
Accrued bonuses	33	9	39	112	308	+196
Other current liabilities	5,013	5,527	5,012	4,053	3,100	-953
<b>Total Current Liabilities</b>	<b>24,280</b>	<b>22,374</b>	<b>20,861</b>	<b>19,200</b>	<b>26,643</b>	<b>+7,443</b>
Long-Term Liabilities						
Bonds	6,082	5,878	5,603	5,239	5,198	-41
Long-term loans	151,483	156,890	150,389	152,624	164,254	+11,630
Long-term non-recourse loans	39,156	40,974	39,489	38,012	37,863	-149
Deferred tax liabilities	1,890	1,868	1,795	1,589	1,590	+1
Long-term security deposits received	8,118	7,795	6,749	7,163	7,078	-85
Other long-term liabilities	1,107	1,039	805	396	485	+89
<b>Total Long-Term Liabilities</b>	<b>207,838</b>	<b>214,446</b>	<b>204,833</b>	<b>205,026</b>	<b>216,472</b>	<b>+11,446</b>
<b>Total Liabilities</b>	<b>232,119</b>	<b>236,820</b>	<b>225,695</b>	<b>224,226</b>	<b>243,115</b>	<b>+18,889</b>
<b>Net Assets</b>						
Shareholders' Equity						
Capital	26,885	26,888	26,888	26,888	26,888	-
Capital reserve	11,272	11,275	11,268	11,266	11,266	-
Retained earnings	71,505	73,160	76,310	82,438	80,266	-2,172
Treasury shares	-8,988	-11,988	-13,423	-17,914	-17,914	-
<b>Total Shareholders' Equity</b>	<b>100,674</b>	<b>99,335</b>	<b>101,043</b>	<b>102,678</b>	<b>100,506</b>	<b>-2,172</b>
Accumulated Other Comprehensive Income						
Valuation gains (losses) on other securities	158	90	25	296	261	-35
Deferred gains (losses) on long-term interest rate hedges	-397	-375	-254	51	-94	-145
<b>Total Accumulated Other Comprehensive Income</b>	<b>-239</b>	<b>-285</b>	<b>-228</b>	<b>347</b>	<b>167</b>	<b>-180</b>
Stock Options	988	1,007	961	814	801	-13
Minority Interests	184	10,197	10,415	10,552	10,607	+55
<b>Total Net Assets</b>	<b>101,607</b>	<b>110,255</b>	<b>112,191</b>	<b>114,393</b>	<b>112,083</b>	<b>-2,310</b>
<b>Total Liabilities and Net Assets</b>	<b>333,726</b>	<b>347,076</b>	<b>337,887</b>	<b>338,619</b>	<b>355,198</b>	<b>+16,579</b>



# Consolidated P&L

(JPY million)

	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)	FY24/2 Q1 (3M)	FY23/2 Q1 (3M)	Change (YOY)	FY24/2 Full-Year Forecast	vs. Forecast
<b>Revenue</b>	<b>87,360</b>	<b>61,368</b>	<b>56,934</b>	<b>68,093</b>	<b>10,152</b>	<b>16,638</b>	<b>-6,486</b>	–	–
Cost of Goods Sold	52,851	45,776	40,757	48,674	5,915	12,320	-6,405	–	–
<b>Gross Profit</b>	<b>34,509</b>	<b>15,591</b>	<b>16,177</b>	<b>19,418</b>	<b>4,236</b>	<b>4,317</b>	<b>-81</b>	–	–
SG&A	6,787	5,923	6,159	6,926	1,791	1,593	+198	–	–
<b>Operating Profit</b>	<b>27,721</b>	<b>9,668</b>	<b>10,018</b>	<b>12,492</b>	<b>2,445</b>	<b>2,723</b>	<b>-278</b>	<b>9,500</b>	<b>25.7%</b>
Non-Operating Income									
Interest income	8	17	29	46	11	11	–	–	–
Dividend income	78	78	30	38	14	8	+6	–	–
Mark-to-market gains on long-term interest rate hedges	–	243	98	790	–	186	-186	–	–
Other	62	78	202	103	22	35	-13	–	–
<b>Total Non-Operating Income</b>	<b>150</b>	<b>417</b>	<b>361</b>	<b>979</b>	<b>48</b>	<b>242</b>	<b>-194</b>	–	–
Non-Operating Expenses									
Interest expense	2,293	2,338	2,341	2,165	551	534	+17	–	–
Mark-to-market losses on long-term interest rate hedges	336	29	53	–	393	–	+393	–	–
Debt financing-related fees	538	279	157	171	11	16	-5	–	–
Other	307	258	355	285	67	48	+19	–	–
<b>Total Non-Operating Expenses</b>	<b>3,476</b>	<b>2,906</b>	<b>2,908</b>	<b>2,622</b>	<b>1,024</b>	<b>599</b>	<b>+425</b>	–	–
<b>Recurring Profit</b>	<b>24,395</b>	<b>7,179</b>	<b>7,471</b>	<b>10,848</b>	<b>1,469</b>	<b>2,367</b>	<b>-898</b>	<b>6,000</b>	<b>24.5%</b>
Extraordinary Gains									
Gains on sales of fixed assets	–	720	3,248	4,416	246	–	+246	–	–
Gains on sales of securities investments	11	–	15	–	85	–	+85	–	–
Gains on sales of subsidiary shares	169	–	–	–	–	–	–	–	–
Other	35	–	120	205	373	–	+373	–	–
<b>Total Extraordinary Gains</b>	<b>215</b>	<b>720</b>	<b>3,383</b>	<b>4,621</b>	<b>705</b>	<b>–</b>	<b>+705</b>	–	–
Extraordinary Losses									
Loss on disposal of fixed assets	27	–	5	23	–	–	–	–	–
Valuation losses on securities investments	229	114	43	261	–	–	–	–	–
Impairment loss	319	27	716	803	–	–	–	–	–
Covid writedown of real estate for sale	7,487	–	–	–	–	–	–	–	–
Other	–	146	493	146	–	–	–	–	–
<b>Total Extraordinary Losses</b>	<b>8,065</b>	<b>288</b>	<b>1,259</b>	<b>1,235</b>	<b>–</b>	<b>–</b>	<b>–</b>	–	–
<b>Pre-Tax Income</b>	<b>16,545</b>	<b>7,610</b>	<b>9,595</b>	<b>14,234</b>	<b>2,175</b>	<b>2,367</b>	<b>-192</b>	–	–
<b>Total Income Taxes</b>	<b>7,406</b>	<b>2,564</b>	<b>2,901</b>	<b>4,578</b>	<b>663</b>	<b>776</b>	<b>-113</b>	–	–
<b>Pre-Minority Interest Net Income</b>	<b>9,139</b>	<b>5,046</b>	<b>6,694</b>	<b>9,656</b>	<b>1,511</b>	<b>1,590</b>	<b>-79</b>	–	–
<b>Net Income Attributable to Minority Interests</b>	<b>938</b>	<b>18</b>	<b>220</b>	<b>246</b>	<b>56</b>	<b>56</b>	<b>–</b>	–	–
<b>Net Income</b>	<b>8,201</b>	<b>5,027</b>	<b>6,473</b>	<b>9,409</b>	<b>1,455</b>	<b>1,534</b>	<b>-79</b>	<b>10,000</b>	<b>14.6%</b>

# Consolidated Cash Flows: Operations

(JPY million)

	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)	FY24/2 Q1 (3M)
<b>Cash Flows from Operations</b>					
Pre-tax income	16,545	7,610	9,595	14,234	2,175
Depreciation	2,630	4,797	5,644	5,339	1,267
Share-based compensation expenses	194	21	73	–	–
Amortization of goodwill	174	121	149	177	21
Increase (decrease) in accrued bonuses	2	-24	29	73	196
Increase (decrease) in allowance for doubtful accounts	4	161	505	134	-31
Interest and dividend income	-86	-96	-60	-85	-26
Interest expense	2,293	2,338	2,341	2,165	551
Losses (gains) on sales of subsidiary shares	-169	–	–	–	–
Losses (gains) on sales of securities investments	-11	–	-15	–	-85
Losses (gains) on disposal of fixed assets	–	–	5	23	–
Losses (gains) on sales of fixed assets	–	-720	-3,248	-4,416	-246
Impairment loss	319	27	716	803	–
Valuation losses on securities investments	229	114	43	261	–
Decrease (increase) in trading notes and receivables	-903	925	-437	-2,096	-947
Decrease (increase) in operational securities investments	11,682	343	1,279	3,178	47
Decrease (increase) in real estate for sale	-17,447	5,342	-3,873	-10,114	-16,189
Covid writedown of real estate for sale	7,487	–	–	–	–
Valuation losses on SPC capital contributions	–	4	2	3	–
Decrease (increase) in advances paid	16	61	-60	-6	-48
Decrease (increase) in accounts receivable	29	16	-74	-62	43
Increase (decrease) in accounts payable	201	-437	-113	462	-1,164
Increase (decrease) in accrued expenses	-36	94	25	-38	-12
Increase (decrease) in advances received	-285	-57	795	-908	23
Increase (decrease) in security deposits received	-169	-323	-1,045	413	-84
Other	600	1,550	-877	-1,859	122
<b>Sub-Total</b>	<b>23,304</b>	<b>21,870</b>	<b>11,403</b>	<b>7,682</b>	<b>-14,390</b>
Interest and dividend income received	86	96	60	85	26
Interest expenses paid	-2,068	-2,119	-2,174	-2,051	-462
Income taxes paid and refunded	-9,430	-4,384	-1,350	-5,462	-665
<b>Net Cash from (Used for) Operations</b>	<b>11,892</b>	<b>15,463</b>	<b>7,939</b>	<b>254</b>	<b>-15,490</b>

# Consolidated Cash Flows: Investments & Financing

(JPY million)

	FY20/2 (12M)	FY21/2 (12M)	FY22/2 (12M)	FY23/2 (12M)	FY24/2 Q1 (3M)
<b>Cash Flows from Investments</b>					
Payments into time deposits	-113	-7	-7	-2	—
Proceeds from withdrawal from time deposits	5,033	—	30	23	—
Payments for securities investments	-2,361	-547	-606	-968	-2,094
Proceeds from sales of securities investments	111	10	569	—	100
Acquisitions of property, plant, and equipment	-11,244	-16,447	-5,798	-10,516	-2,031
Proceeds from sale of property, plant, and equipment	—	2,850	12,757	14,065	1,030
Acquisitions of intangible assets	-562	-1,468	-195	-24	-1
Payments of SPC capital contributions	-2	-3	-4	-6	—
Redemptions of SPC capital contributions	—	15	—	97	—
Payments of security deposits	-34	—	-16	—	-127
Acquisitions of consolidated subsidiary	-187	—	—	—	—
Other	-902	-30	-223	-33	-279
<b>Net Cash from (Used for ) Investments</b>	<b>-10,263</b>	<b>-15,630</b>	<b>6,502</b>	<b>2,635</b>	<b>-3,404</b>
<b>Cash Flows from Financing</b>					
Net increase (decrease) in short-term loans	426	1,793	-2,497	-1,419	2,537
Proceeds from bond issuance	5,828	70	—	—	—
Repayment of maturing bond principal to bondholders	-193	-274	-274	-274	-40
Proceeds from long-term loans	49,957	51,877	26,552	41,834	21,264
Repayment of long-term loans	-26,475	-48,996	-32,940	-40,385	-3,888
Proceeds from long-term non-recourse loans	5,300	3,300	—	3,000	—
Repayment of long-term non-recourse loans	-17,701	-1,301	-1,467	-1,633	-147
Proceeds from employee exercise of stock options	95	4	—	—	—
Share buyback	-2,999	-2,999	-1,499	-4,499	—
Proceeds from minority interests	—	10,000	—	—	—
Payments to minority interests	-1,276	—	—	—	—
Sales of subsidiary shares resulting in no change of consolidation scope	—	—	—	—	—
Dividends paid to minority interests	-8	-5	-2	-6	-1
Dividends paid	-3,416	-3,298	-3,230	-3,197	-3,499
<b>Net Cash from (Used for ) Financing</b>	<b>9,537</b>	<b>10,167</b>	<b>-15,360</b>	<b>-6,582</b>	<b>16,223</b>

# Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

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# Go for Growth

Grow & Expand Ichigo's Core Businesses into New Areas, Creating New Earnings Streams and Increasing Both Earnings and Earnings Stability

## Sustainability

Sustainability is integral to the health and development of people, society, and the environment.

Ichigo's current core business of preserving and improving real estate is a highly sustainable business model that combines high efficiency with low environmental impact.

Under Ichigo 2030, Ichigo will continue its long-standing commitment to sustainability while developing new technologies to extend the lives of key social infrastructure beyond 100 years.

## Infrastructure

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

By expanding its current real estate and clean energy businesses into other infrastructure areas, Ichigo will integrate the "hard" physical elements and "soft" service elements of infrastructure to serve broad client needs.

Critical to success will be unifying Ichigo's Sustainable Value-Add and IT capabilities. Ichigo will work to deliver first-in-class and best-in-class solutions to drive significant value for clients and society across a diverse set of infrastructures. Being one of many is not enough. Ichigo needs to lead.

# Ichigo as a Sustainable Infrastructure Company



# Addressing Diverse Needs of Individuals & Communities

## Change Focus on People

From Building-Centered	To People-Centered
Residence	Live
Office	Work
Retail	Shop, Dine
Hotel	Travel
Power Plant	Power Lives & Business
Stadium	Play, Entertain
Warehouse	Store, Distribute
Cultural Facility	Enjoy, Discover



## Opportunity Address Diverse Needs



# KPI Targets

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## 1. High Capital Efficiency

- FY20/2~FY30/2 Average ROE >15%
  - ✓ Increase long-term ROE by driving higher capital efficiency & earnings stability
  - ✓ Via high ROE, grow long-term EPS as a key driver of shareholder value
- Target 11 consecutive years of JPX-Nikkei 400 Index inclusion
  - ✓ Consecutive inclusion until periodic review in August 2030

## 2. High Cash Flow Generation

- FY20/2~FY30/2 Continuous Economic Operating Cash Flow > Net Income
  - ✓ Ichigo's robust cash flows fund both growth investments and shareholder returns
  - ✓ Target 11 consecutive years of EOCF > NI

## 3. High Earnings Stability

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

Note: Economic Operating Cash Flow = Cash Flows from Operations, excluding net investment in Real Estate and Power Plants for Sale, plus post-tax gains on sales of Sustainable Real Estate assets recorded as extraordinary gains

# Shareholder Return Policy

## Ichigo Dividend Policy: Growth, Certainty, & Stability

### – Progressive Dividend Policy

- ✓ Ichigo's progressive dividend policy underscores our commitment to driving continued organic earnings and dividend growth for shareholders. Under this policy, the dividend is maintained or raised every year (but not cut), providing shareholders with the security of a durable dividend.

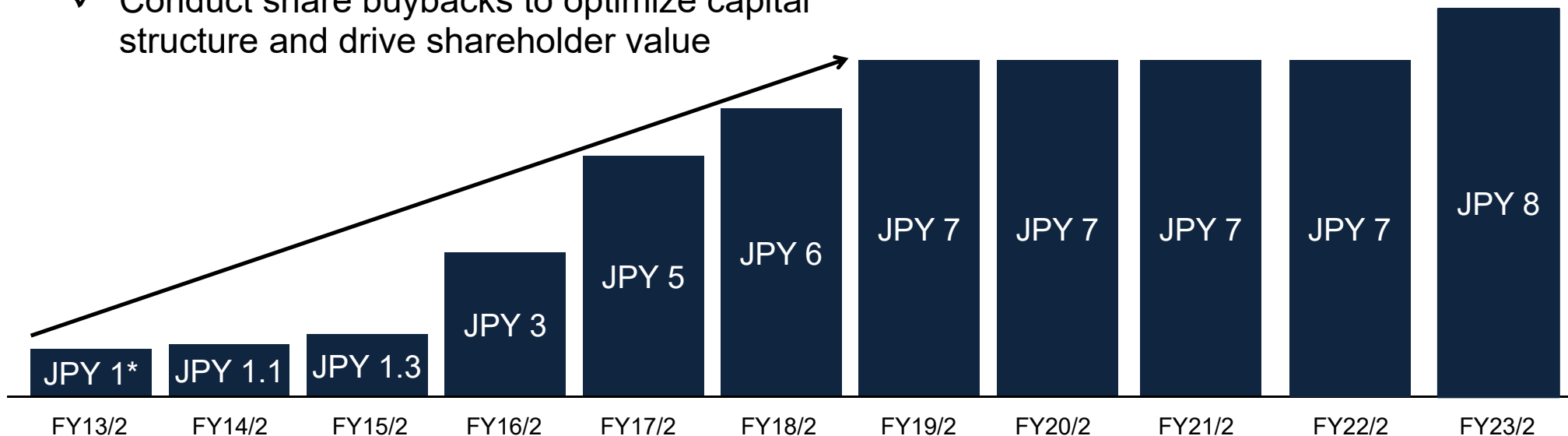
### – DOE (Dividend on Equity) Payout Ratio of >3%

- ✓ Stable and growing dividend unaffected by short-term earnings volatility

Dividend Growth via  
DOE > 3% Policy

### – Flexible Deployment of Share Buybacks (New)

- ✓ Conduct share buybacks to optimize capital structure and drive shareholder value



\* Adjusted to reflect 200:1 stock split



# Ichigo 2030: New Initiatives

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# Top Partner of J.League, Japan's Professional Soccer League

## Partner with J.League to Promote Community Development, Revitalize Local Economies, & Help People Enjoy Fuller and Healthier Lives

### J.League's 100-Year Vision: Promote Sports Development

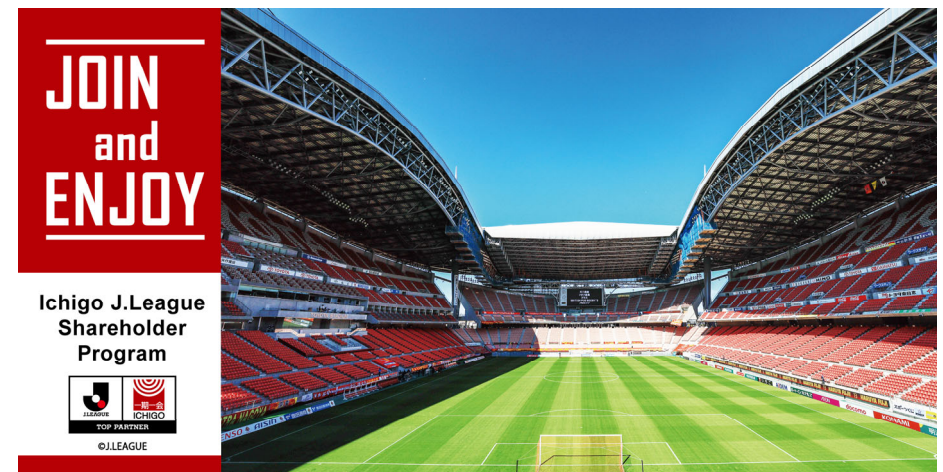
J.League's mission is to establish sports clubs rooted in local communities, cooperating with local residents, businesses, and municipalities to promote community development

### Ichigo's Mission: Serve Important Social Needs

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

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

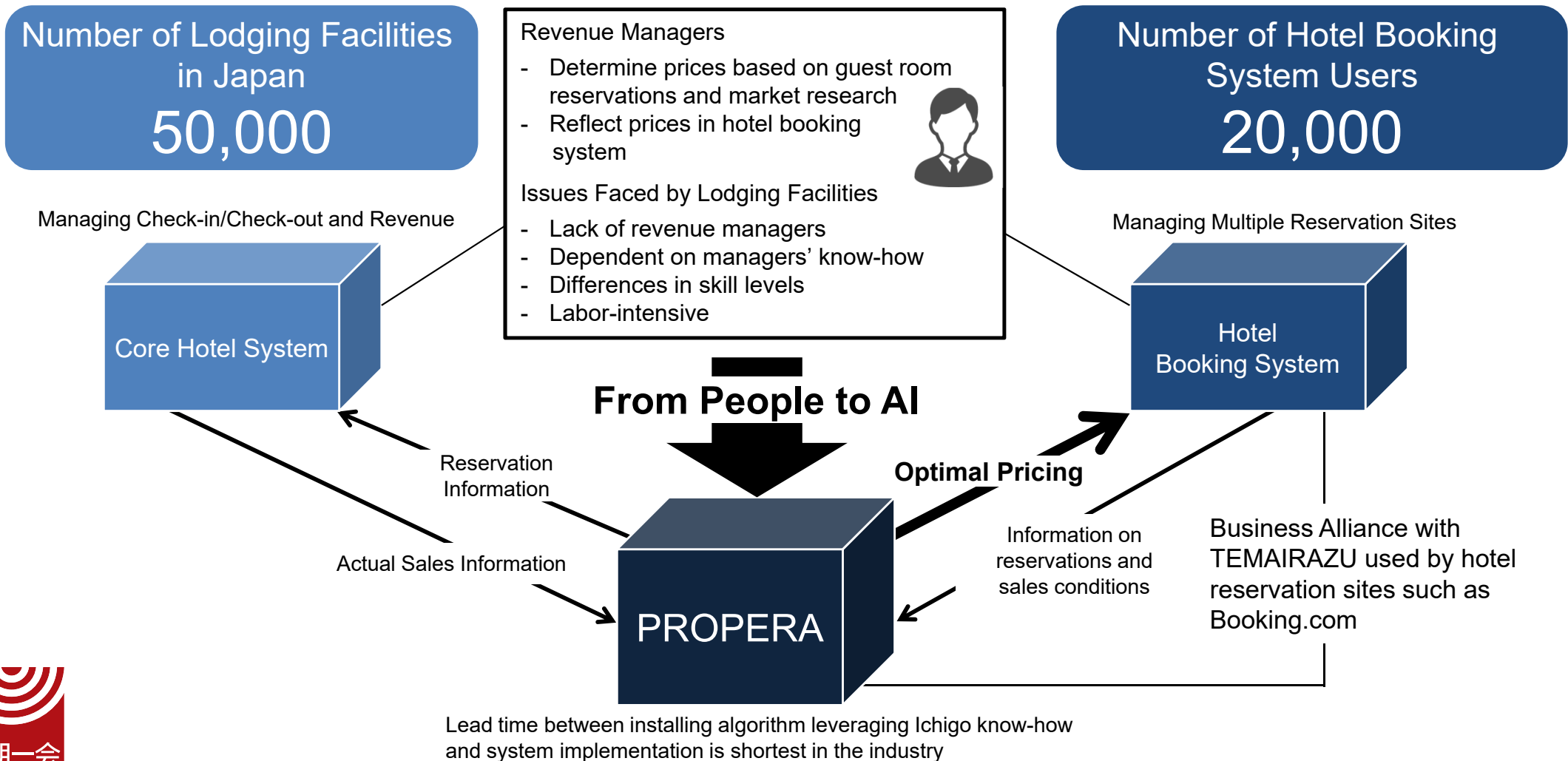
- Renovate and upgrade stadiums and help local governments find solutions for the rising costs of operating stadiums
- Work to build stronger and healthier communities in cooperation with local residents, businesses, and municipalities



# PROPERA: Ichigo's AI Hotel Revenue Management System

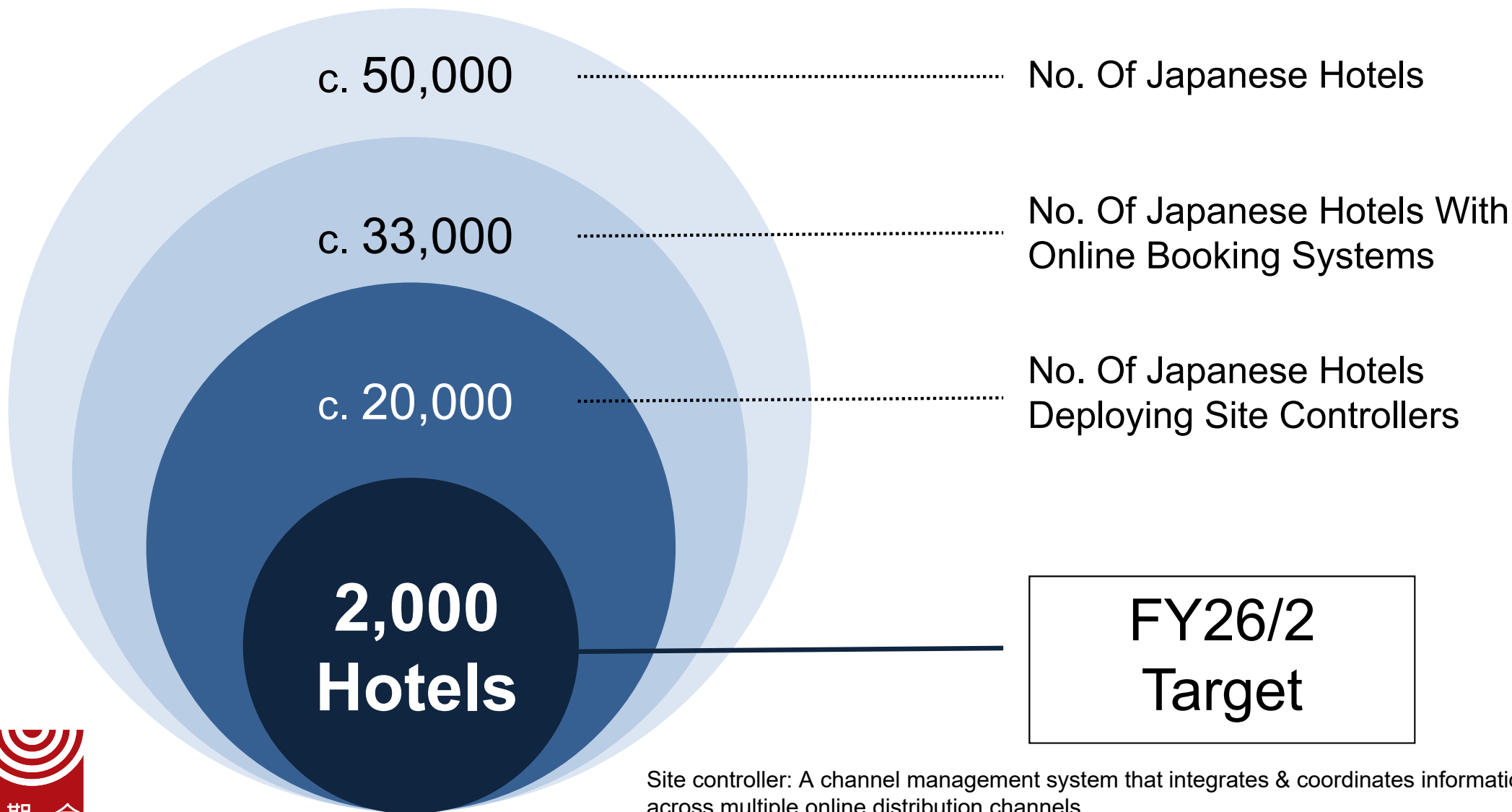
- Maximizes Hotel Revenues & Increases Labor Productivity
- Solves Issues Faced by Hotels and Supports Competitiveness
- Developed PROPERA-Lite\* Tailored to Hotels' Needs

\* Provides limited information on pricing levels



# PROPERA: Market Size & Customer Acquisition Target

## Customer Acquisition Target: 2,000 Hotels Within 5 Years



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

# PROPERA: Accelerating External Sales

## Two Key Initiatives to Increase Market Share

### 1. Drive Customer Growth via PROPERA Lite

#### PROPERA Lite

- Price trend visualization only
- Pricing requires manual intervention
- Usage fee: JPY 26K monthly per hotel

### 2. Tightly Integrate With Site Controllers

PROPERA Site Controller Integration  
Will Give Access to **c. 18,000 Hotels**  
(90% of all Japanese hotels  
with site controllers)

**Increase Share** to 2,000 Hotels by FY26/2

## **Drive Earnings** via Shift From PROPERA Lite to PROPERA

#### PROPERA

- Fully Automated Revenue Optimization
- Usage Fee: 1% of Revenue  
(monthly per hotel)\*

\*Standard Plan

#### PROPERA Sample Earnings Model

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

# PROPERA: Ichigo's AI Hotel Revenue Management System

Launch of Third-Party Sales

Increase Market Share

Drive Non-Asset Stock Earnings

Earnings Upside From Participation in Hotel Earnings Growth

Long-Term Earnings Growth

PROPERA Business Market Turnaround

- Strong domestic & inbound hotel demand recovery
- Focus on operating cost reductions
- Optimizing operations impacted by staff shortage

FY24/2 Target

Start promotions targeting 1,000 hotels with PMS that have completed integrating systems by FY22/2-end

2,000 Hotels (10% Market Share\*)

FY26/2 Target

\* Of Japanese Hotels Deploying Site Controllers

500 Hotels

Sample Earnings Model

Usage Fee: 1% of Revenue

Hotel with RevPAR JPY 6,000 & 100 Rooms  
Annual Ichigo Earnings: **JPY 2M**

Launch of Third-Party Sales

49 Hotels

FY21/2

127 Hotels

FY22/2

155 Hotels

FY23/2 Target

Target of 500 hotels moved to FY24/2 to allow more time for customization of PMS integration

<sup>1</sup> PMS: In-house hotel system that manages check-in/check-out & revenue <sup>2</sup> 20,000 Japanese Hotels Deploying Site Controllers

# Hakata Hotels: Hotel Operations

## Non-Asset Business Growth Driver

- Operations and Master Leases of Third-Party Hotels
- Growth Exceeding Pre-Covid Levels Without Dedicated Sales and Marketing Teams
- PROPERA deployment at hotels (generating 10 to 40% revenue increases p.a.)



Operating 14 hotels (c. 1,700 rooms) in major cities

Name changed from Hakata Hotels Inc. on May 31, 2023



The OneFive Villa Fukuoka



The OneFive Terrace Fukuoka



# Ichigo Animation: Anime + Real Estate Synergies

Released the Complete Series of New Anime VLADLOVE Written & Directed by Mamoru Oshii, with Co-Director Junji Nishimura

- Established Ichigo Animation in April 2019
- Introducing tenant collaboration initiatives that go beyond typical owner/tenant, hands-off leasing relationships
- Collaborating across multiple industries to drive new synergies with Ichigo's existing businesses

New Earnings via Anime Content Streaming & Sales of DVDs, CDs, & Goods  
Promote Ichigo's AKIBA CULTURES ZONE (ACZ) as Global Anime Landmark

- Increase ACZ's value by integrating anime content & events (anime, dance, music, entertainment, retail, tourism, etc.)
- ✓ Anime-related events & sales of goods at ACZ will drive both customer traffic & higher earnings



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AKIBA CULTURES ZONE





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More Sustainable**

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Ichigo is Japan's first zero-carbon listed real estate company.  
We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.