

[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.

August 30, 2023

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)
Representative: Scott Callon, Chairman
Inquiries: Takanori Sakamatsu, Senior Statutory Executive Officer
Telephone: +81-3-3502-4818 www.ichigo.gr.jp/en

Finalized Third-Party Share Allotment for Cost Science (now Collinear) Acquisition

As part of its acquisition of the company formerly named Cost Science, now Collinear Inc. due to a company name change on August 5, 2023 (herein referred to as “Collinear”), Ichigo is carrying out the third-party allotment of Ichigo shares originally announced in the April 19, 2021 release “Third-Party Share Allotment for Cost Science Acquisition.”

As a sustainable infrastructure company, Ichigo views real estate as key infrastructure that is fundamental to people’s lives, and the acquisition of Collinear will accelerate growth and value creation via DX.

Following the third-party share allotment, originally scheduled for February 29, 2024 as announced in the June 15, 2023 release “Revised Date of Third-Party Share Allotment for Cost Science Acquisition,” Collinear will become Ichigo’s wholly-owned consolidated subsidiary.

1. Rationale

Ichigo is continuing to build upon its existing businesses to expand its business domain as a sustainable infrastructure company, and drive new earnings streams.

Collinear is a business-development consulting firm with deep expertise in helping businesses to increase productivity via AI and DX without resorting to downsizing, and facilitating the redeployment of resources made available from productivity enhancement into new businesses. The company is highly skilled at mining and analyzing large datasets to help clients identify both problems and opportunities, define new strategies, and proceed with implementation. Over the course of Ichigo’s acquisition, the company changed its name to Collinear in August 2023 and set its mission to “expand the possibilities of people and businesses and create a dynamic, passionate world via DX and AI”.

Ichigo will drive earnings growth of its DX business via its acquisition of Collinear. Collinear is expanding the team specializing in latest technologies and Large Language Models (LLM), and aims to further grow its consulting business as well as developing a proprietary advanced data analytics tool.

Ichigo and Collinear will generate new earnings opportunities via the provision of multi-faceted, DX-driven real estate solutions achieved through the synergies between Ichigo’s real estate assets and Collinear, thus driving shareholder value for Ichigo shareholders.

For details on the solutions provided by Collinear, please refer to Collinear’s website: <https://clnr.inc> (Japanese only)

2. Third-Party Share Allotment

(a) Overview

Number of Shares	697,200 shares
Price	JPY 263
Total Amount	JPY 183,363,600
Method	Third-Party Allotment of Common Shares
Allottee	6 Officers and Employees of Collinear
Date	September 29, 2023
Other	Ichigo has submitted a securities registration statement with respect to the third-party share allotment in line with the Financial Instruments and Exchange Act.

(b) Price Calculation Details

The acquisition price of Collinear shares is linked to Collinear's performance relative to its business plan for each fiscal period. The price of Ichigo shares used to calculate the acquisition price will be 90% of the Tokyo Stock Exchange ("TSE") closing price on the business day immediately preceding the day on which Ichigo's board approves the share allotment. Because Ichigo is carrying out the share allotment to limit cash expenditures and align the interests of Collinear officers and employees with Ichigo's share price, and the share allotment is in line with the Japan Securities Dealers Association's Third-Party Share Allotment Guidelines, Ichigo believes that the price calculated using the above calculation is not equivalent to a share issuance at a discount.

3. Use of Proceeds and Timing

N/A (The third-party share allotment is being carried out as part of Ichigo's acquisition of Collinear.)

4. Reasonableness of Use of Proceeds

N/A (The objective of the third-party allotment is not to raise funds.)

5. Collinear Overview

Name	Collinear Inc.
Address	1-6-5 Kudan Minami, Chiyoda-ku, Tokyo
Representative	Akira Ogura, Representative Director
Main Business	Business development consulting (cost reduction, new business entry, DX services)
Paid-In Capital	JPY 29.83 million
Establishment Date	April 2018

Fiscal Year	FY20/3 (JPY million)	FY21/3 (JPY million)	FY22/3 (JPY million)	FY23/3 (JPY million)
Net Assets	103	193	339	590
Total Assets	141	260	469	744
Revenue	194	252	395	580
Operating Profit	101	115	214	377
Recurring Profit	102	125	214	380
Net Income	68	89	145	251

Ichigo has confirmed that the six Collinear officers and employees do not have any relationships with anti-social forces, and submitted relevant documents to the TSE.

6. Shareholding Policy

The allottees must immediately notify Ichigo in writing if they sell all or a part of Ichigo's shares acquired via the third-party allotment during the two-year period after the allotment date. If Ichigo receives a notification from an allottee, Ichigo will notify the TSE, which, in turn, will make the information available to the public.

7. Major Shareholders and Percentage of Shareholding After the Third-Party Share Allotment

Shareholder	Before	After
Ichigo Trust Pte. Ltd.	49.65%	49.57%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6.10%	6.09%
MACQUARIE BANK LIMITED DBU AC	5.00%	4.99%
Morgan Stanley MUFG Securities Co., Ltd.	4.51%	4.50%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	4.47%	4.46%
BNYMSANV RE GCLB RE JP RD LMGC	2.70%	2.70%
Custody Bank of Japan, Ltd. (Trust Bank)	2.10%	2.09%
SMBC Nikko Securities Inc.	2.02%	2.01%
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT	1.79%	1.79%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	1.05%	1.05%

Note: The above information is based on the shareholder registry as of February 28, 2023. The Before and After shareholding percentages exclude treasury shares of 51,992,200 and 51,295,000 shares respectively.

8. Earnings Impact

While the impact of the Collinear acquisition on Ichigo's FY24/2 earnings is minimal, Ichigo expects it to support the generation of new earnings streams and contribute to Ichigo's growth as a sustainable infrastructure company.

9. Corporate Code of Conduct Procedures

The share allotment 1) results in less than 25% dilution in Ichigo's shares outstanding, and 2) does not involve a change in controlling shareholders, therefore not requiring a

third-party opinion or confirmation of shareholders' intent as prescribed under Article 432 of the TSE's Securities Listing Regulations.

10. Financials and Equity Financing in Past Three Years

Fiscal Year	FY21/2 (JPY million)	FY22/2 (JPY million)	FY23/2 (JPY million)
Revenue	61,368	56,934	68,093
Operating Profit	9,668	10,018	12,492
Recurring Profit	7,179	7,471	10,848
Net Income	5,027	6,473	9,409
EPS	JPY 10.48	JPY 13.81	JPY 20.45
Dividend	JPY 7	JPY 7	JPY 8
Net Assets per Share	JPY 209.81	JPY 215.46	JPY 227.24

Note: Ichigo has not executed any equity financing in the past three years.

11. Recent Share Price

(a) Share price in the past three years

	FY21/2	FY22/2	FY23/2
Opening Price	324	354	267
Highest Price	367	381	358
Lowest Price	206	257	243
Closing Price	349	267	290

(b) Share price in the past six months

	Feb	Mar	Apr	May	Jun	Jul
Opening Price	298	289	275	260	244	277
Highest Price	299	294	291	260	286	290
Lowest Price	279	259	252	242	243	262
Closing Price	290	277	259	245	275	270

(c) Share price on the business prior to the resolution date

	August 29, 2023
Opening Price	287
Highest Price	293
Lowest Price	285
Closing Price	292

Reference

For further details, please refer to the following releases.

April 19, 2021 release "Third-Party Share Allotment for Cost Science Acquisition"

www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20210419_Cost_Science_Acquisition_ENG.pdf

May 27, 2021 release “Finalized Third-Party Share Allotment for Cost Science Acquisition”

www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20210527_Cost_Science_Acquisition_ENG.pdf

June 15, 2022 release “Revised Date of Third-Party Share Allotment for Cost Science Acquisition”

www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20220615_Cost_Science_Acquisition_Corrected_ENG.pdf

August 19, 2022 release “Finalized Third-Party Share Allotment for Cost Science Acquisition”

www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20220819_Cost_Science_Acquisition_ENG.pdf

June 15, 2023 release “Revised Date of Third-Party Share Allotment for Cost Science Acquisition”

www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20230615_Cost_Science_Acquisition_Corrected_ENG.pdf