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FY24/2 H1 Earnings

October 12, 2023

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Submission of the Financial Report (*Shihanki Hokokusho*): October 13, 2023 (expected)

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

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

1. FY24/2 H1 Consolidated Financial Results (March 1, 2023 to August 31, 2023)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		All-In Operating Profit (JPY million) YOY	
FY24/2 H1	26,496	+4.0%	5,483	+7.9%	13,815	+123.7%
FY23/2 H1	25,475	+9.3%	5,082	+19.8%	6,177	+45.6%

Note: Comprehensive Income FY24/2 H1: JPY 8,609 million (+123.7% YOY)

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

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

	Recurring Profit (JPY million) YOY		All-In Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY		Cash Net Income (JPY million) YOY	
FY24/2 H1	4,087	-1.9%	12,420	+136.1%	8,503	+147.9%	13,258	+125.7%
FY23/2 H1	4,166	+56.3%	5,261	+97.3%	3,429	+98.1%	5,872	+22.0%

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

	Net Income per Share (Basic, JPY)		Net Income per Share (Diluted, JPY)		Cash Net Income per Share (JPY) YOY	
FY24/2 H1	18.76	+154.3%	—	—	29.24	+131.5%
FY23/2 H1	7.38	+100.1%	—	—	12.63	+23.2%

Cash Net Income = Net Income + Depreciation + Amortization +/- Valuation Losses (Gains)

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY24/2 H1	356,367	119,395	30.3%	237.99
FY23/2	338,619	114,393	30.4%	227.24

Note: Shareholders' Equity FY24/2 H1: JPY 107,900 million FY23/2: JPY 103,026 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY24/2 H1	-10,367	8,541	10,424	47,643
FY23/2 H1	-3,243	-2,990	3,423	41,555

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

FY24/2 H1: JPY 16,841 million FY23/2 H1: JPY 5,258 million

From FY24/2 Q1, gains on sales of Sustainable Real Estate assets recorded as extraordinary gains are included under Economic Operating Cash Flow. The FY23/2 H1 figure reflects this change.

2. Dividends

	Dividend per Share (JPY)					Total Dividend (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY23/2	–	–	–	8	8	3,627	39.1%	3.6%
FY24/2 (Forecast)	–	–	–	8	8		36.3%	

3. FY24/2 Full-Year Consolidated Earnings Forecast (March 1, 2023 to February 29, 2024)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY	All-In Operating Profit (JPY million) YOY	Recurring Profit (JPY million) YOY	Net Income (JPY million) YOY	Net Income per Share (JPY) YOY
FY24/2	9,500 -24.0%	18,000 +6.5%	6,000 -44.7%	10,000 +6.3%	22.06 +7.9%

4. Other

- (1) Changes in significant consolidated subsidiaries
(material changes in scope of consolidation): Yes
Subsidiary removed from consolidation: GK Shinsaibashi Jisho Tokumei Kumiai
- (2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
- | | |
|---|------|
| (i) Changes in accounting standards/principles: | Yes |
| (ii) Changes in accounting principles other than the above: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Revisions of previous financial statements: | None |
- (3) Number of outstanding common shares
- (i) Number of outstanding shares (including treasury shares) at period-end
- | | |
|------------|-------------|
| FY24/2 H1: | 505,381,018 |
| FY23/2: | 505,381,018 |
- (ii) Number of treasury shares at period-end
- | | |
|------------|------------|
| FY24/2 H1: | 51,992,200 |
| FY23/2: | 51,992,200 |
- (iii) Average number of outstanding shares (excluding treasury shares) during the period
- | | |
|------------|-------------|
| FY24/2 H1: | 453,388,818 |
| FY23/2 H1: | 464,961,147 |

Segment Information

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

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

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

Note on Appropriate Use of Forecasts

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

Consolidated Balance Sheet (FY24/2 H1)

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 H1 (Aug 31, 2023)
Assets		
Current Assets		
Cash and deposits	40,536	47,759
Accounts receivable	3,866	2,434
Operational loan investments	1,324	1,324
Operational securities investments	47	1,195
Real estate for sale	79,151	96,531
Other	3,197	2,830
Less: allowance for doubtful accounts	-66	-13
Total Current Assets	128,057	152,063
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	66,790	56,639
Depreciation	-12,751	-12,018
Buildings and structures (net)	54,039	44,620
Solar and wind power plants	34,956	34,982
Depreciation	-8,094	-8,971
Solar and wind power plants (net)	26,862	26,010
Land	114,431	106,219
Buildings and structures under construction	679	1,964
Solar and wind power plants under construction	2,250	4,049
Other	3,040	2,292
Depreciation	-1,980	-1,587
Other (net)	1,060	705
Total Property, Plant, and Equipment	199,323	183,570
Intangible Assets		
Goodwill	717	674
Leasehold rights	1,397	1,332
Other	283	213
Total Intangible Assets	2,398	2,220
Investments and Other Assets		
Securities investments	4,455	14,588
Long-term loans receivable	240	225
Deferred tax assets	341	350

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 H1 (Aug 31, 2023)
Other	3,937	3,893
Less: allowance for doubtful accounts	-133	-545
Total Investments and Other Assets	8,840	18,512
Total Fixed Assets	210,562	204,303
Total Assets	338,619	356,367

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 H1 (Aug 31, 2023)
Liabilities		
Current Liabilities		
Short-term loans	962	5,526
Bonds (due within one year)	364	292
Long-term loans (due within one year)	8,539	12,936
Long-term non-recourse loans (due within one year)	4,218	4,244
Income taxes payable	949	3,817
Accrued bonuses	112	268
Other current liabilities	4,053	3,650
Total Current Liabilities	19,200	30,736
Long-Term Liabilities		
Bonds	5,239	7,158
Long-term loans	152,624	153,345
Long-term non-recourse loans	38,012	37,156
Deferred tax liabilities	1,589	1,451
Long-term security deposits received	7,163	6,705
Other long-term liabilities	396	417
Total Long-Term Liabilities	205,026	206,234
Total Liabilities	224,226	236,971
Net Assets		
Shareholders' Equity		
Capital	26,888	26,888
Capital reserve	11,266	11,266
Retained earnings	82,438	87,321
Treasury shares	-17,914	-17,914
Total Shareholders' Equity	102,678	107,561
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	296	351
Deferred gains (losses) on long-term interest rate hedges	51	-12
Total Accumulated Other Comprehensive Income	347	339
Stock Options	814	832
Minority Interests	10,552	10,663
Total Net Assets	114,393	119,395
Total Liabilities and Net Assets	338,619	356,367

Consolidated Income Statement (FY24/2 H1)

(JPY million)

	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)	FY24/2 H1 (Mar 1, 2023 to Aug 31, 2023)
Revenue	25,475	26,496
Cost of Goods Sold	17,176	17,302
(Depreciation)	2,560	2,439
Gross Profit	8,299	9,193
SG&A	3,216	3,710
Operating Profit	5,082	5,483
Non-Operating Income		
Interest income	23	20
Dividend income	13	92
Foreign exchange gains	12	–
Mark-to-market gains on long-term interest rate hedges	254	54
Other	52	139
Total Non-Operating Income	355	307
Non-Operating Expenses		
Interest expense	1,083	1,143
Mark-to-market losses on long-term interest rate hedges	–	267
Debt financing-related fees	91	104
Other	96	187
Total Non-Operating Expenses	1,271	1,703
Recurring Profit	4,166	4,087
Extraordinary Gains		
Gains on sale of fixed assets	1,094	4,379
Gains on sale of securities investments	–	89
Gains on sale of shares in affiliates	–	3,952
Redevelopment up-front rental compensation	–	327
Other	–	51
Total Extraordinary Gains	1,094	8,801
Extraordinary Loss		
Allowance for doubtful accounts	–	409
Total Extraordinary Loss	–	409
Pre-Tax Income	5,261	12,479
Total Income Taxes	1,723	3,861
Pre-Minority Interest Net Income	3,537	8,618
Net Income Attributable to Minority Interests	107	114
Net Income	3,429	8,503

Consolidated Income Statement (FY24/2 Q2 Stand-Alone)

(JPY million)

	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)	FY24/2 Q2 (Jun 1, 2023 to Aug 31, 2023)
Revenue	8,836	16,344
Cost of Goods Sold	4,855	11,387
(Depreciation)	1,279	1,226
Gross Profit	3,981	4,957
SG&A	1,622	1,918
Operating Profit	2,358	3,038
Non-Operating Income		
Interest income	11	8
Dividend income	4	77
Foreign exchange gains	3	–
Mark-to-market gains on long-term interest rate hedges	67	180
Other	25	118
Total Non-Operating Income	112	385
Non-Operating Expenses		
Interest expense	549	592
Debt financing-related fees	74	93
Other	48	119
Total Non-Operating Expenses	672	805
Recurring Profit	1,799	2,618
Extraordinary Gains		
Gains on sale of fixed assets	1,094	4,132
Gains on sale of securities investments	–	4
Gains on sale of shares in affiliates	–	3,952
Other	–	5
Total Extraordinary Gains	1,094	8,095
Extraordinary Losses		
Allowance for doubtful accounts	–	409
Total Extraordinary Losses	–	409
Pre-Tax Income	2,894	10,304
Total Income Taxes	947	3,198
Pre-Minority Interest Net Income	1,946	7,106
Net Income Attributable to Minority Interests	51	57
Net Income	1,895	7,048

Consolidated Statement of Comprehensive Income (FY24/2 H1)

(JPY million)

	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)	FY24/2 H1 (Mar 1, 2023 to Aug 31, 2023)
Pre-Minority Interest Net Income	3,537	8,618
Other Comprehensive Income		
Valuation gains (losses) on other securities	253	55
Deferred gains (losses) on long-term interest rate hedges	57	-63
Total Other Comprehensive Income	310	-8
Comprehensive Income	3,847	8,609
Comprehensive income attributable to common shareholders	3,740	8,495
Comprehensive income attributable to minority interests	107	114

Consolidated Statement of Comprehensive Income (FY24/2 Q2 Stand-Alone)

(JPY million)

	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)	FY24/2 Q2 (Jun 1, 2023 to Aug 31, 2023)
Pre-Minority Interest Net Income	1,946	7,106
Other Comprehensive Income		
Valuation gains (losses) on other securities	-7	89
Deferred gains (losses) on long-term interest rate hedges	-6	82
Total Other Comprehensive Income	-13	171
Comprehensive Income	1,933	7,278
Comprehensive income attributable to common shareholders	1,881	7,220
Comprehensive income attributable to minority interests	51	57

Consolidated Cash Flow Statement (FY24/2 H1)

(JPY million)

	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)	FY24/2 H1 (Mar 1, 2023 to Aug 31, 2023)
Cash Flows from Operations:		
Pre-tax income	5,261	12,479
Depreciation	2,650	2,540
Amortization of goodwill	88	42
Increase (decrease) in accrued bonuses	127	163
Increase (decrease) in allowance for doubtful accounts	–	358
Interest and dividend income	-36	-112
Interest expense	1,083	1,143
Losses (gains) on sale of shares in affiliates	–	-3,952
Losses (gains) on sale of securities investments	–	-89
Gains on sale of fixed assets (A minus figure is a gain)	-1,094	-4,379
Decrease (increase) in trading notes and receivables	160	1,421
Decrease (increase) in operational securities investments	1,913	47
Decrease (increase) in real estate for sale	-7,245	-18,048
Decrease (increase) in advances paid	-201	-496
Decrease (increase) in prepaid expenses	-174	-144
Decrease (increase) in accounts receivable	-58	73
Decrease (increase) in consumption taxes receivable	591	892
Increase (decrease) in accounts payable	-548	-889
Increase (decrease) in accrued expenses	-37	–
Increase (decrease) in advances received	-984	6
Increase (decrease) in deposits received	34	113
Increase (decrease) in security deposits received	38	-330
Increase (decrease) in accrued consumption taxes	-638	225
Other	-58	361
Sub-Total	872	-8,572
Interest and dividends received	36	112
Interest expense paid	-1,023	-1,057
Income taxes paid	-3,156	-1,141
Income taxes refunded	27	291
Net Cash from (Used for) Operations	-3,243	-10,367

(JPY million)

	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)	FY24/2 H1 (Mar 1, 2023 to Aug 31, 2023)
Cash Flows from Investments:		
Payments into time deposits	-1	–
Redemptions of time deposits	20	–
Payments for securities investments	-256	-10,973
Proceeds from sale of securities investments	–	114
Proceeds from redemption of securities investments	–	2,070
Acquisition of property, plant, and equipment	-4,501	-2,609
Proceeds from sale of property, plant, and equipment	1,800	17,110
Acquisition of intangible assets	-13	-82
Payments of SPC capital contributions	-6	–
Payments of security deposits	–	-127
Redemptions of security deposits	–	20
Proceeds from sale of subsidiary shares resulting in change of consolidation scope	–	3,356
Payments of loans receivable	-52	-83
Payments received for loans receivable	15	15
Other	5	-269
Net Cash from (Used for) Investments	-2,990	8,541

(JPY million)

	FY23/2 H1 (Mar 1, 2022 to Aug 31, 2022)	FY24/2 H1 (Mar 1, 2023 to Aug 31, 2023)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	505	4,564
Proceeds from bond issuance	–	1,991
Repayment of maturing bond principal to bondholders	-137	-153
Proceeds from long-term loans	20,771	31,008
Repayment of long-term loans	-15,061	-22,600
Proceeds from long-term non-recourse loans	3,000	–
Repayment of long-term non-recourse loans	-788	-830
Share buyback	-1,667	–
Dividends paid	-3,196	-3,552
Dividends paid to minority interests	-2	-3
Net Cash from (Used for) Financing	3,423	10,424
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-2,810	8,598
Cash and Cash Equivalents at Beginning of Period	46,214	40,313
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-1,848	-1,268
Cash and Cash Equivalents at End of Period	41,555	47,643

Consolidated Cash Flow Statement (FY24/2 Q2 Stand-Alone)

(JPY million)

	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)	FY24/2 Q2 (Jun 1, 2023 to Aug 31, 2023)
Cash Flows from Operations:		
Pre-tax income	2,894	10,304
Depreciation	1,316	1,272
Amortization of goodwill	44	21
Increase (decrease) in accrued bonuses	-6	-32
Increase (decrease) in allowance for doubtful accounts	-	390
Interest and dividend income	-16	-86
Interest expense	549	592
Losses (gains) on sale of shares in affiliates	-	-3,952
Losses (gains) on sale of securities investments	-	-4
Gains on sale of fixed assets (A minus figure is a gain)	-1,094	-4,132
Decrease (increase) in trading notes and receivables	805	2,369
Decrease (increase) in operational securities investments	22	-
Decrease (increase) in real estate for sale	-7,485	-1,858
Decrease (increase) in advances paid	-175	-448
Decrease (increase) in prepaid expenses	46	169
Decrease (increase) in accounts receivable	-35	29
Decrease (increase) in consumption taxes receivable	280	914
Increase (decrease) in accounts payable	190	275
Increase (decrease) in accrued expenses	-32	12
Increase (decrease) in advances received	-45	-16
Increase (decrease) in deposits received	-701	-128
Increase (decrease) in security deposits received	13	-245
Increase (decrease) in accrued consumption taxes	-70	367
Other	125	4
Sub-Total	-3,376	5,817
Interest and dividends received	16	86
Interest expense paid	-552	-595
Income taxes paid	-375	-476
Income taxes refunded	26	291
Net Cash from (Used for) Operations	-4,260	5,123

(JPY million)

	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)	FY24/2 Q2 (Jun 1, 2023 to Aug 31, 2023)
Cash Flows from Investments:		
Payments into time deposits	–	–
Payments for securities investments	-226	-8,878
Proceeds from sale of securities investments	–	14
Proceeds from redemption of securities investments	–	2,070
Acquisition of property, plant, and equipment	-330	-577
Proceeds from sale of property, plant, and equipment	1,800	16,080
Acquisition of intangible assets	-8	-80
Payments of security deposits	–	–
Redemptions of security deposits	–	20
Proceeds from sale of subsidiary shares resulting in change of consolidation scope	–	3,356
Payments of loans receivable	-20	-73
Payments received for loans receivable	7	7
Other	2	7
Net Cash from (Used for) Investments	1,223	11,945

(JPY million)

	FY23/2 Q2 (Jun 1, 2022 to Aug 31, 2022)	FY24/2 Q2 (Jun 1, 2023 to Aug 31, 2023)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-1,912	2,026
Proceeds from bond issuance	–	1,991
Repayment of maturing bond principal to bondholders	-96	-112
Proceeds from long-term loans	9,787	9,744
Repayment of long-term loans	-2,706	-18,711
Repayment of long-term non-recourse loans	-647	-682
Share buyback	-570	–
Dividends paid	-48	-52
Dividends paid to minority interests	-1	-1
Net Cash from (Used for) Financing	3,803	-5,799
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	766	11,269
Cash and Cash Equivalents at Beginning of Period	42,637	37,642
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-1,848	-1,268
Cash and Cash Equivalents at End of Period	41,555	47,643

Revenue, P&L, and Assets by Segment (Current FY24/2 H1)

(Mar 1, 2023 to Aug 31, 2023)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	1,280	22,069	3,147	26,496	–	26,496
Inter-Segment Activities or Reclassifications	225	–	–	225	–225	–
Total	1,505	22,070	3,147	26,722	–225	26,496
Operating Profit ¹	814	3,475	1,189	5,479	4	5,483
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	–	8,332	–	8,332	–	8,332
Segment P&L (All-In Operating Profit) ¹	814	11,807	1,189	13,811	4	13,815
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	742	3,827	1,189	5,760	–	–
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	71	7,979	–	8,051	–	–
Segment Assets	1,517	275,699	36,595	313,811	42,555	356,367
Other						
Depreciation	–	1,632	879	2,512	27	2,540
Increase in Property, Plant, and Equipment and Intangible Assets	–	733	1,831	2,565	3	2,568

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

² The Adjustment to Segment P&L (JPY 4 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 42,555 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 27 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 3 million) reflects corporate assets that were not allocated to the segments.

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

(Mar 1, 2022 to Aug 31, 2022)

(JPY million)

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

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

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

Revenue, P&L, and Assets by Segment (Current FY24/2 Q2 Stand-Alone)

(Jun 1, 2023 to Aug 31, 2023)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	660	14,065	1,618	16,344	-	16,344
Inter-Segment Activities or Reclassifications	121	-	-	121	-121	-
Total	782	14,065	1,618	16,466	-121	16,344
Operating Profit	428	1,994	613	3,036	2	3,038
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	8,085	-	8,085	-	8,085
Segment P&L (All-In Operating Profit) ¹	428	10,080	613	11,121	2	11,124
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	380	1,960	613	2,954	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	47	8,119	-	8,167	-	-
Segment Assets	1,517	275,699	36,595	313,811	42,555	356,367
Other						
Depreciation	-	823	439	1,263	12	1,276
Increase in Property, Plant, and Equipment and Intangible Assets	-	456	283	739	3	742

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

² The Adjustment to Segment P&L (JPY 2 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 42,555 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 12 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 3 million) reflects corporate assets that were not allocated to the segments.

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

(Jun 1, 2022 to Aug 31, 2022)

(JPY million)

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

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

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