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FY24/2 Q3 Earnings

January 11, 2024

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Submission of the Financial Report (*Shihanki Hokokusho*): January 12, 2024 (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 Q3 Consolidated Financial Results (March 1, 2023 to November 30, 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 Q3	38,419	-27.2%	7,927	-13.0%	16,266	+20.3%
FY23/2 Q3	52,797	+79.7%	9,111	+80.9%	13,527	+167.1%

Note: Comprehensive Income FY24/2 Q3: JPY 9,262 million (+2.0% YOY)

FY23/2 Q3: JPY 9,083 million (+321.5% 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 Q3	5,803	-27.5%	14,142	+13.9%	9,590	+13.2%	13,617	+14.5%
FY23/2 Q3	8,000	+164.0%	12,416	+305.8%	8,470	+330.1%	11,891	+93.5%

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 Q3	21.21	+15.8%	—	—	30.11	+17.1%
FY23/2 Q3	18.32	+336.1%	—	—	25.71	+96.3%

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 Q3	365,299	117,132	28.9%	236.11
FY23/2	338,619	114,393	30.4%	227.24

Note: Shareholders' Equity FY24/2 Q3: JPY 105,557 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 Q3	-11,034	2,608	19,385	50,371
FY23/2 Q3	5,041	5,601	-8,146	46,751

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 Q3: JPY 19,486 million FY23/2 Q3: JPY 12,737 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 Q3 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 Q3: 505,381,018

FY23/2: 505,381,018

(ii) Number of treasury shares at period-end

FY24/2 Q3: 58,310,900

FY23/2: 51,992,200

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

FY24/2 Q3: 452,273,462

FY23/2 Q3: 462,456,628

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 Q3)

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 Q3 (Nov 30, 2023)
Assets		
Current Assets		
Cash and deposits	40,536	50,488
Accounts receivable	3,866	2,941
Operational loan investments	1,324	1,324
Operational securities investments	47	17
Real estate for sale	79,151	99,856
Other	3,197	3,123
Less: allowance for doubtful accounts	-66	-14
Total Current Assets	128,057	157,737
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	66,790	58,621
Depreciation	-12,751	-12,607
Buildings and structures (net)	54,039	46,013
Solar and wind power plants	34,956	35,034
Depreciation	-8,094	-9,410
Solar and wind power plants (net)	26,862	25,624
Land	114,431	106,219
Buildings and structures under construction	679	3,981
Solar and wind power plants under construction	2,250	4,108
Other	3,040	2,471
Depreciation	-1,980	-1,648
Other (net)	1,060	823
Total Property, Plant, and Equipment	199,323	186,770
Intangible Assets		
Goodwill	717	1,022
Leasehold rights	1,397	1,332
Other	283	195
Total Intangible Assets	2,398	2,551
Investments and Other Assets		
Securities investments	4,455	14,129
Long-term loans receivable	240	217
Deferred tax assets	341	384

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 Q3 (Nov 30, 2023)
Other	3,937	4,052
Less: allowance for doubtful accounts	-133	-543
Total Investments and Other Assets	8,840	18,240
Total Fixed Assets	210,562	207,562
Total Assets	338,619	365,299

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 Q3 (Nov 30, 2023)
Liabilities		
Current Liabilities		
Short-term loans	962	4,626
Bonds (due within one year)	364	3,222
Long-term loans (due within one year)	8,539	15,796
Long-term non-recourse loans (due within one year)	4,218	6,379
Income taxes payable	949	2,804
Accrued bonuses	112	457
Other current liabilities	4,053	4,302
Total Current Liabilities	19,200	37,588
Long-Term Liabilities		
Bonds	5,239	4,287
Long-term loans	152,624	161,643
Long-term non-recourse loans	38,012	35,970
Deferred tax liabilities	1,589	1,456
Long-term security deposits received	7,163	6,891
Other long-term liabilities	396	329
Total Long-Term Liabilities	205,026	210,578
Total Liabilities	224,226	248,167
Net Assets		
Shareholders' Equity		
Capital	26,888	26,888
Capital reserve	11,266	10,321
Retained earnings	82,438	88,476
Treasury shares	-17,914	-19,977
Total Shareholders' Equity	102,678	105,708
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	296	-270
Deferred gains (losses) on long-term interest rate hedges	51	118
Total Accumulated Other Comprehensive Income	347	-151
Stock Options	814	857
Minority Interests	10,552	10,718
Total Net Assets	114,393	117,132
Total Liabilities and Net Assets	338,619	365,299

Consolidated Income Statement (FY24/2 Q3)

(JPY million)

	FY23/2 Q3 (Mar 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Mar 1, 2023 to Nov 30, 2023)
Revenue	52,797	38,419
Cost of Goods Sold	38,847	24,874
(Depreciation)	3,856	3,511
Gross Profit	13,950	13,545
SG&A	4,839	5,618
Operating Profit	9,111	7,927
Non-Operating Income		
Interest income	34	27
Dividend income	36	131
Foreign exchange gains	16	–
Mark-to-market gains on long-term interest rate hedges	642	71
Other	66	153
Total Non-Operating Income	796	384
Non-Operating Expenses		
Interest expense	1,629	1,738
Mark-to-market losses on long-term interest rate hedges	–	267
Debt financing-related fees	97	231
Other	180	271
Total Non-Operating Expenses	1,907	2,509
Recurring Profit	8,000	5,803
Extraordinary Gains		
Gains on sale of fixed assets	4,416	4,378
Gains on sale of securities investments	–	89
Gains on sale of shares in affiliates	–	3,960
Redevelopment up-front rental compensation	–	327
Other	–	58
Total Extraordinary Gains	4,416	8,814
Extraordinary Loss		
Allowance for doubtful accounts	–	409
Total Extraordinary Loss	–	409
Pre-Tax Income	12,416	14,208
Total Income Taxes	3,781	4,446
Pre-Minority Interest Net Income	8,634	9,761
Net Income Attributable to Minority Interests	164	170
Net Income	8,470	9,590

Consolidated Income Statement (FY24/2 Q3 Stand-Alone)

(JPY million)

	FY23/2 Q3 (Sep 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Sep 1, 2023 to Nov 30, 2023)
Revenue	27,322	11,923
Cost of Goods Sold	21,671	7,571
(Depreciation)	1,295	1,071
Gross Profit	5,651	4,351
SG&A	1,623	1,907
Operating Profit	4,028	2,443
Non-Operating Income		
Interest income	11	7
Dividend income	22	38
Foreign exchange gains	3	–
Mark-to-market gains on long-term interest rate hedges	388	16
Other	14	14
Total Non-Operating Income	440	76
Non-Operating Expenses		
Interest expense	546	594
Debt financing-related fees	5	126
Other	83	83
Total Non-Operating Expenses	635	805
Recurring Profit	3,834	1,715
Extraordinary Gains		
Gains on sale of fixed assets	3,321	–
Gains on sale of shares in affiliates	–	7
Other	–	5
Total Extraordinary Gains	3,321	13
Pre-Tax Income	7,155	1,728
Total Income Taxes	2,057	585
Pre-Minority Interest Net Income	5,097	1,143
Net Income Attributable to Minority Interests	56	56
Net Income	5,041	1,087

Consolidated Statement of Comprehensive Income (FY24/2 Q3)

(JPY million)

	FY23/2 Q3 (Mar 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Mar 1, 2023 to Nov 30, 2023)
Pre-Minority Interest Net Income	8,634	9,761
Other Comprehensive Income		
Valuation gains (losses) on other securities	303	-566
Deferred gains (losses) on long-term interest rate hedges	144	67
Total Other Comprehensive Income	448	-499
Comprehensive Income	9,083	9,262
Comprehensive income attributable to common shareholders	8,919	9,091
Comprehensive income attributable to minority interests	164	170

Consolidated Statement of Comprehensive Income (FY24/2 Q3 Stand-Alone)

(JPY million)

	FY23/2 Q3 (Sep 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Sep 1, 2023 to Nov 30, 2023)
Pre-Minority Interest Net Income	5,097	1,143
Other Comprehensive Income		
Valuation gains (losses) on other securities	50	-621
Deferred gains (losses) on long-term interest rate hedges	87	130
Total Other Comprehensive Income	137	-490
Comprehensive Income	5,235	652
Comprehensive income attributable to common shareholders	5,178	596
Comprehensive income attributable to minority interests	56	56

Consolidated Cash Flow Statement (FY24/2 Q3)

(JPY million)

	FY23/2 Q3 (Mar 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Mar 1, 2023 to Nov 30, 2023)
Cash Flows from Operations:		
Pre-tax income	12,416	14,208
Depreciation	4,002	3,661
Amortization of goodwill	133	64
Increase (decrease) in accrued bonuses	288	352
Increase (decrease) in allowance for doubtful accounts	–	357
Interest and dividend income	-71	-158
Interest expense	1,629	1,738
Losses (gains) on sale of shares in affiliates	–	-3,960
Losses (gains) on sale of securities investments	–	-89
Gains on sale of fixed assets (A minus figure is a gain)	-4,416	-4,378
Decrease (increase) in trading notes and receivables	-160	1,000
Decrease (increase) in operational securities investments	3,155	1,225
Decrease (increase) in real estate for sale	-3,468	-21,373
Decrease (increase) in advances paid	-35	-664
Decrease (increase) in prepaid expenses	-188	-189
Decrease (increase) in accounts receivable	-33	148
Decrease (increase) in consumption taxes receivable	231	754
Increase (decrease) in accounts payable	-546	-682
Increase (decrease) in accrued expenses	-42	54
Increase (decrease) in advances received	-969	13
Increase (decrease) in deposits received	63	79
Increase (decrease) in security deposits received	224	-144
Increase (decrease) in accrued consumption taxes	-561	391
Other	471	598
Sub-Total	12,123	-6,992
Interest and dividends received	71	158
Interest expense paid	-1,500	-1,538
Income taxes paid	-5,679	-2,954
Income taxes refunded	27	291
Net Cash from (Used for) Operations	5,041	-11,034

(JPY million)

	FY23/2 Q3 (Mar 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Mar 1, 2023 to Nov 30, 2023)
Cash Flows from Investments:		
Payments into time deposits	-1	—
Redemptions of time deposits	23	—
Payments for securities investments	-256	-12,732
Proceeds from sale of securities investments	—	125
Proceeds from redemption of securities investments	—	2,070
Acquisition of property, plant, and equipment	-8,158	-6,859
Proceeds from sale of property, plant, and equipment	14,065	17,110
Acquisition of intangible assets	-21	-96
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	-75	-83
Payments received for loans receivable	22	86
Other	10	-259
Net Cash from (Used for) Investments	5,601	2,608

(JPY million)

	FY23/2 Q3 (Mar 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Mar 1, 2023 to Nov 30, 2023)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-457	3,664
Proceeds from bond issuance	–	2,161
Repayment of maturing bond principal to bondholders	-177	-263
Proceeds from long-term loans	32,888	46,472
Repayment of long-term loans	-34,787	-26,906
Proceeds from long-term non-recourse loans	3,000	4,600
Repayment of long-term non-recourse loans	-910	-4,481
Share buyback	-4,499	-2,302
Dividends paid	-3,197	-3,552
Dividends paid to minority interests	-4	-4
Net Cash from (Used for) Financing	-8,146	19,385
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	2,496	10,959
Cash and Cash Equivalents at Beginning of Period	46,214	40,313
Change in Cash and Cash Equivalents Resulting from New Entity Consolidation	–	366
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-1,959	-1,268
Cash and Cash Equivalents at End of Period	46,751	50,371

Consolidated Cash Flow Statement (FY24/2 Q3 Stand-Alone)

(JPY million)

	FY23/2 Q3 (Sep 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Sep 1, 2023 to Nov 30, 2023)
Cash Flows from Operations:		
Pre-tax income	7,155	1,728
Depreciation	1,352	1,121
Amortization of goodwill	44	21
Increase (decrease) in accrued bonuses	160	188
Increase (decrease) in allowance for doubtful accounts	-	-1
Interest and dividend income	-34	-46
Interest expense	546	594
Losses (gains) on sale of shares in affiliates	-	-7
Gains on sale of fixed assets (A minus figure is a gain)	-3,321	-
Decrease (increase) in trading notes and receivables	-321	-421
Decrease (increase) in operational securities investments	1,242	1,178
Decrease (increase) in real estate for sale	3,776	-3,324
Decrease (increase) in advances paid	165	-167
Decrease (increase) in prepaid expenses	-14	-45
Decrease (increase) in accounts receivable	25	75
Decrease (increase) in consumption taxes receivable	-359	-138
Increase (decrease) in accounts payable	2	206
Increase (decrease) in accrued expenses	-5	54
Increase (decrease) in advances received	14	6
Increase (decrease) in deposits received	28	-34
Increase (decrease) in security deposits received	185	185
Increase (decrease) in accrued consumption taxes	76	165
Other	529	237
Sub-Total	11,250	1,579
Interest and dividends received	34	46
Interest expense paid	-476	-480
Income taxes paid	-2,523	-1,813
Net Cash from (Used for) Operations	8,285	-667

(JPY million)

	FY23/2 Q3 (Sep 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Sep 1, 2023 to Nov 30, 2023)
Cash Flows from Investments:		
Payments into time deposits	–	–
Proceeds from withdrawal from time deposits	3	–
Payments for securities investments	–	-1,758
Proceeds from sale of securities investments	–	10
Acquisition of property, plant, and equipment	-3,657	-4,250
Proceeds from sale of property, plant, and equipment	12,265	–
Acquisition of intangible assets	-8	-14
Payments of loans receivable	-23	–
Payments received for loans receivable	7	71
Other	5	10
Net Cash from (Used for) Investments	8,591	-5,932

(JPY million)

	FY23/2 Q3 (Sep 1, 2022 to Nov 30, 2022)	FY24/2 Q3 (Sep 1, 2023 to Nov 30, 2023)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-962	-900
Proceeds from bond issuance	–	169
Repayment of maturing bond principal to bondholders	-40	-110
Proceeds from long-term loans	12,117	15,464
Repayment of long-term loans	-19,725	-4,305
Proceeds from long-term non-recourse loans	–	4,600
Repayment of long-term non-recourse loans	-121	-3,651
Share buyback	-2,832	-2,302
Dividends paid	–	–
Dividends paid to minority interests	-2	-1
Net Cash from (Used for) Financing	-11,569	8,961
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	5,307	2,361
Cash and Cash Equivalents at Beginning of Period	41,555	47,643
Change in Cash and Cash Equivalents Resulting from New Entity Consolidation	–	366
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-111	–
Cash and Cash Equivalents at End of Period	46,751	50,371

Revenue, P&L, and Assets by Segment (Current FY24/2 Q3)

(Mar 1, 2023 to Nov 30, 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	1,828	31,949	4,641	38,419	–	38,419
Inter-Segment Activities or Reclassifications	324	25	–	349	-349	–
Total	2,152	31,975	4,641	38,769	-349	38,419
Operating Profit ¹	1,105	5,129	1,685	7,920	6	7,927
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	–	8,339	–	8,339	–	8,339
Segment P&L (All-In Operating Profit) ¹	1,105	13,469	1,685	16,260	6	16,266
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,027	5,518	1,685	8,232	–	–
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	77	7,950	–	8,028	–	–
Segment Assets	1,749	278,804	36,739	317,293	48,005	365,299
Other						
Depreciation	–	2,301	1,319	3,620	41	3,661
Increase in Property, Plant, and Equipment and Intangible Assets	–	4,988	1,943	6,932	11	6,943

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 6 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 48,005 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 41 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 11 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY23/2 Q3)

(Mar 1, 2022 to Nov 30, 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	1,493	46,783	4,520	52,797	-	52,797
Inter-Segment Activities or Reclassifications	382	1	-	384	-384	-
Total	1,876	46,785	4,520	53,182	-384	52,797
Segment P&L ¹	1,055	6,313	1,772	9,140	-29	9,111
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	4,416	-	4,416	-	4,416
Segment P&L (All-In Operating Profit) ¹	1,055	10,729	1,772	13,557	-29	13,527
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,022	2,470	1,772	5,265	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	32	8,258	-	8,291	-	-
Segment Assets	1,768	269,263	35,907	306,939	29,116	336,055
Other						
Depreciation	-	2,640	1,315	3,955	47	4,002
Increase in Property, Plant, and Equipment and Intangible Assets	-	7,563	621	8,185	65	8,250

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 29 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 29,116 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 47 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 65 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Current FY24/2 Q3 Stand-Alone)

(Sep 1, 2023 to Nov 30, 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	548	9,880	1,494	11,923	-	11,923
Inter-Segment Activities or Reclassifications	99	24	-	123	-123	-
Total	647	9,904	1,494	12,046	-123	11,923
Operating Profit	291	1,654	495	2,441	2	2,443
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	7	-	7	-	7
Segment P&L (All-In Operating Profit) ¹	291	1,662	495	2,448	2	2,451
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	282	1,358	495	2,136	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	8	303	-	312	-	-
Segment Assets	1,749	278,804	36,739	317,293	48,005	365,299
Other						
Depreciation	-	669	439	1,108	13	1,121
Increase in Property, Plant, and Equipment and Intangible Assets	-	4,255	111	4,366	8	4,375

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 48,005 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 13 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 8 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY23/2 Q3 Stand-Alone)

(Sep 1, 2022 to Nov 30, 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	494	25,512	1,315	27,322	-	27,322
Inter-Segment Activities or Reclassifications	151	-	-	152	-152	-
Total	646	25,513	1,315	27,475	-152	27,322
Operating Profit	374	3,272	392	4,038	-9	4,028
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	3,321	-	3,321	-	3,321
Segment P&L (All-In Operating Profit) ^{1, 3}	374	6,593	392	7,359	-9	7,350
Segment P&L (All-In) Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar & Wind Power Earnings, etc.)	350	1,067	392	1,810	-	-
Flow Earnings (Gains on Sale of Sustainable Real Estate, Spot AM Fees, etc.)	23	5,525	-	5,549	-	-
Segment Assets	1,768	269,263	35,907	306,939	29,116	336,055
Other						
Depreciation	-	895	438	1,334	17	1,352
Increase in Property, Plant, and Equipment and Intangible Assets	-	3,552	136	3,688	11	3,700

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 9 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 29,116 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 17 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 11 million) reflects corporate assets that were not allocated to the segments.