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FY24/2 Earnings

April 15, 2024

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

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Annual Shareholders Meeting: May 26, 2024 (expected)

Submission of the Financial Report (*Yuka Shoken Hokokusho*): May 27, 2024 (expected)

Dividend Payment: May 27, 2024 (expected)

Supplemental Materials to Financial and Business Results: Yes

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

1. FY24/2 Consolidated Financial Results (March 1, 2023 to February 29, 2024)

(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	82,747 +21.5%	12,960 +3.7%	21,194 +25.4%
FY23/2	68,093 +19.6%	12,492 +24.7%	16,908 +27.4%

Note: Comprehensive Income FY24/2: JPY 10,889 million (+6.4% YOY)

FY23/2: JPY 10,232 million (+51.6% 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	10,391 -4.2%	18,626 +22.0%	12,108 +28.7%	17,878 +16.6%
FY23/2	10,848 +45.2%	15,264 +42.4%	9,409 +45.4%	15,327 +17.7%

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

	Net Income per Share (EPS) (Basic, JPY)	Net Income per Share (EPS) (Diluted, JPY)	Cash Net Income per Share (EPS) (JPY) YOY
FY24/2	26.89 +31.5%	– –	39.70 +19.2%
FY23/2	20.45 +48.0%	– –	33.30 +19.8%

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

	Return on Equity (ROE)	Cash ROE	Return on Assets (ROA) (Recurring Profit)	Operating Profit Margin (OPM)
FY24/2	11.7%	17.2%	2.9%	15.7%
FY23/2	9.2%	15.0%	3.2%	18.3%

Cash Return on Equity = Cash Net Income/ Shareholders' Equity

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY24/2	367,015	116,281	28.5%	237.57
FY23/2	338,619	114,393	30.4%	227.24

Note: Shareholders' Equity FY24/2: JPY 104,628 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	-8,577	-2,524	17,791	46,101
FY23/2	254	2,635	-6,582	40,313

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: JPY 25,317 million FY23/2: JPY 14,378 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 figure reflects this change.

2. Dividends

	Dividend per Share (JPY)					Total Dividends (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	–	–	–	9	9	3,963	33.5%	3.9%
FY25/2 (Forecast)	–	–	–	10	10		31.2%	

3. FY25/2 Full-Year Consolidated Earnings Forecast (March 1, 2024 to February 28, 2025)
(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY	All-In Operating Profit (JPY million) YOY	Recurring Profit (JPY million) YOY	All-In Recurring Profit (JPY million) YOY
FY25/2	16,000 +23.5%	24,000 +13.2%	12,000 +15.5%	20,000 +7.4%

	Net Income (JPY million) YOY	Cash Net Income (JPY million) YOY	Net Income per Share (JPY) YOY	Cash Net Income per Share (JPY) YOY
FY25/2	14,000 +15.6%	18,500 +3.5%	32.10 +19.4%	42.42 +6.8%

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 common shares outstanding

(i) Number of shares outstanding (including treasury shares) at period-end

FY24/2: 505,402,018

FY23/2: 505,381,018

(ii) Number of treasury shares at period-end

FY24/2: 64,982,000

FY23/2: 51,992,200

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

FY24/2: 450,300,037

FY23/2: 460,220,730

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)

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 (Feb 29, 2024)
Assets		
Current Assets		
Cash and deposits	40,536	46,917
Accounts receivable	3,866	2,448
Operational loan investments	1,324	1,324
Operational securities investments	47	14
Real estate for sale	79,151	103,721
Other	3,197	3,720
Less: allowance for doubtful accounts	-66	-401
Total Current Assets	128,057	157,746
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	66,790	58,641
Depreciation	-12,751	-13,072
Buildings and structures (net)	54,039	45,568
Solar and wind power plants	34,956	39,099
Depreciation	-8,094	-9,865
Solar and wind power plants (net)	26,862	29,234
Land	114,431	105,368
Buildings and structures under construction	679	3,978
Solar and wind power plants under construction	2,250	134
Other	3,040	2,625
Depreciation	-1,980	-1,678
Other (net)	1,060	947
Total Property, Plant, and Equipment	199,323	185,232
Intangible Assets		
Goodwill	717	989
Leasehold rights	1,397	1,332
Other	283	176
Total Intangible Assets	2,398	2,498
Investments and Other Assets		
Securities investments	4,455	17,086
Long-term loans receivable	240	838
Deferred tax assets	341	682

	(JPY million)	
	FY23/2 (Feb 28, 2023)	FY24/2 (Feb 29, 2024)
Other	3,937	3,766
Less: allowance for doubtful accounts	-133	-835
Total Investments and Other Assets	8,840	21,537
Total Fixed Assets	210,562	209,269
Total Assets	338,619	367,015

(JPY million)

	FY23/2 (Feb 28, 2023)	FY24/2 (Feb 29, 2024)
Liabilities		
Current Liabilities		
Short-term loans	962	16,726
Bonds (due within one year)	364	3,162
Long-term loans (due within one year)	8,539	20,878
Long-term non-recourse loans (due within one year)	4,218	6,413
Income taxes payable	949	4,039
Accrued bonuses	112	136
Other current liabilities	4,053	4,805
Total Current Liabilities	19,200	56,162
Long-Term Liabilities		
Bonds	5,239	4,306
Long-term loans	152,624	146,043
Long-term non-recourse loans	38,012	35,265
Deferred tax liabilities	1,589	1,323
Long-term security deposits received	7,163	7,229
Other long-term liabilities	396	404
Total Long-Term Liabilities	205,026	194,572
Total Liabilities	224,226	250,734
Net Assets		
Shareholders' Equity		
Capital	26,888	26,892
Capital reserve	11,266	10,313
Retained earnings	82,438	90,967
Treasury shares	-17,914	-22,446
Total Shareholders' Equity	102,678	105,727
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	296	-1,143
Deferred gains (losses) on long-term interest rate hedges	51	44
Total Accumulated Other Comprehensive Income	347	-1,099
Stock Options	814	879
Minority Interests	10,552	10,772
Total Net Assets	114,393	116,281
Total Liabilities and Net Assets	338,619	367,015

Consolidated Income Statement (FY24/2)

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Revenue	68,093	82,747
Cost of Goods Sold	48,674	61,875
(Depreciation)	5,135	4,626
Gross Profit	19,418	20,872
SG&A	6,926	7,911
Operating Profit	12,492	12,960
Non-Operating Income		
Interest income	46	36
Dividend income	38	361
Foreign exchange gains	10	1
Mark-to-market gains on long-term interest rate hedges	790	109
Insurance Income	11	104
Other	81	112
Total Non-Operating Income	979	725
Non-Operating Expenses		
Interest expense	2,165	2,349
Mark-to-market losses on long-term interest rate hedges	–	330
Debt financing-related fees	171	262
Other	285	351
Total Non-Operating Expenses	2,622	3,294
Recurring Profit	10,848	10,391
Extraordinary Gains		
Gains on sale of fixed assets	4,416	4,376
Gains on sale of securities investments	–	89
Gains on sale of shares in affiliates	–	3,960
Redevelopment up-front rental compensation	–	327
Other	205	224
Total Extraordinary Gains	4,621	8,978
Extraordinary Loss		
Loss on sale of fixed assets	–	102
Loss on disposal of fixed assets	23	45
Valuation losses on securities investments	261	–
Allowance for doubtful accounts	127	1,087
Impairment loss	803	2
Other	18	169
Total Extraordinary Loss	1,235	1,406

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Pre-Tax Income	14,234	17,962
Income Taxes – Current	4,425	6,156
Income Taxes – Deferred	152	-529
Total Income Taxes	4,578	5,626
Pre-Minority Interest Net Income	9,656	12,335
Net Income Attributable to Minority Interests	246	227
Net Income	9,409	12,108

Consolidated Statement of Comprehensive Income (FY24/2)

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Pre-Minority Interest Net Income	9,656	12,335
Other Comprehensive Income		
Valuation gains (losses) on other securities	270	-1,439
Deferred gains (losses) on long-term interest rate hedges	305	-6
Total Other Comprehensive Income	576	-1,446
Comprehensive Income	10,232	10,889
Comprehensive income attributable to common shareholders	9,985	10,661
Comprehensive income attributable to minority interests	246	227

Consolidated Statement of Changes in Shareholders' Equity

(FY24/2 – Current Period)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of Mar 1, 2023	26,888	11,266	82,438	-17,914	102,678
Changes in the Current Period					
Share Issuance	4	4			8
Dividend Payment			-3,627		-3,627
Net Income			12,108		12,108
Change in Consolidated Subsidiaries		-900	48		-852
Share Buyback				-4,771	-4,771
Sale of Treasury Shares		-56		239	183
Changes in Items other than Shareholders' Equity					
Total Changes	4	-952	8,529	-4,531	3,049
Balance as of Feb 29, 2024	26,892	10,313	90,967	-22,446	105,727

	Other Comprehensive Income			Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Other Comprehensive Income			
Balance as of Mar 1, 2023	296	51	347	814	10,552	114,393
Changes in the Current Period						
Share Issuance						8
Dividend Payment						-3,627
Net Income						12,108
Change in Consolidated Subsidiaries						-852
Share Buyback						-4,771
Sale of Treasury Shares						183
Changes in Items other than Shareholders' Equity	-1,439	-6	-1,446	64	220	-1,161
Total Changes	-1,439	-6	-1,446	64	220	1,887
Balance as of Feb 29, 2024	-1,143	44	-1,099	879	10,772	116,281

Consolidated Statement of Changes in Shareholders' Equity

(FY23/2 – Previous Period)

(JPY million)

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

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

Consolidated Cash Flow Statement (FY24/2)

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Cash Flows from Operations:		
Pre-tax income	14,234	17,962
Depreciation	5,339	4,859
Amortization of goodwill	177	97
Increase (decrease) in accrued bonuses	73	31
Increase (decrease) in allowance for doubtful accounts	134	1,036
Interest and dividend income	-85	-397
Interest expense	2,165	2,349
Losses (gains) on sale of shares in affiliates	-	-3,960
Losses (gains) on sale of securities investments	-	-89
Loss on disposal of fixed assets	23	45
Losses (gains) on sales of fixed assets	-4,416	-4,273
Impairment loss	803	2
Valuation losses on securities investments	261	-
Gain on reversal of stock option	-205	-51
Decrease (increase) in trading notes and receivables	-2,096	1,469
Decrease (increase) in operational securities investments	3,178	1,229
Decrease (increase) in real estate for sale	-10,114	-25,238
Valuation losses on SPC capital contributions	3	1
Decrease (increase) in advances paid	-6	-615
Decrease (increase) in prepaid expenses	-383	-173
Decrease (increase) in accounts receivable	-62	-21
Decrease (increase) in consumption taxes receivable	-123	216
Increase (decrease) in accounts payable	462	395
Increase (decrease) in accrued expenses	-38	168
Increase (decrease) in advances received	-908	40
Increase (decrease) in deposits received	26	42
Increase (decrease) in security deposits received	413	193
Increase (decrease) in accrued consumption taxes	-402	71
Other	-771	840
Sub-Total	7,682	-3,769

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Interest and dividends received	85	397
Interest expense paid	-2,051	-2,161
Income taxes paid	-5,490	-3,335
Income taxes refunded	27	291
Net Cash from (Used for) Operations	254	-8,577
Cash Flows from Investments:		
Payments into time deposits	-2	-701
Redemptions of time deposits	23	–
Payments for securities investments	-968	-16,567
Proceeds from sale of securities investments	–	133
Proceeds from redemption of securities investments	–	2,070
Acquisition of property, plant, and equipment	-10,516	-8,203
Proceeds from sale of property, plant, and equipment	14,065	18,384
Acquisition of intangible assets	-24	-114
Payments of SPC capital contributions	-6	–
Redemptions of SPC capital contributions	97	8
Payments of security deposits	–	-127
Proceeds from sale of subsidiary shares resulting in change of consolidation scope	–	3,356
Payments of loans receivable	-80	-780
Payments received for loans receivable	30	93
Other	16	-77
Net Cash from (Used for) Investments	2,635	-2,524

(JPY million)

	FY23/2 (Mar 1, 2022 to Feb 28, 2023)	FY24/2 (Mar 1, 2023 to Feb 29, 2024)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-1,419	15,764
Proceeds from bond issuance	–	2,221
Repayment of maturing bond principal to bondholders	-274	-364
Proceeds from long-term loans	41,834	64,043
Repayment of long-term loans	-40,385	-54,996
Proceeds from long-term non-recourse loans	3,000	4,600
Repayment of long-term non-recourse loans	-1,633	-5,152
Proceeds from exercise of stock options	–	7
Share buyback	-4,499	-4,771
Dividends paid	-3,197	-3,553
Dividends paid to minority interests	-6	-6
Net Cash from (Used for) Financing	-6,582	17,791
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-3,692	6,689
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	-2,208	-1,268
Cash and Cash Equivalents at End of Period	40,313	46,101

Changes in Accounting Policies

Application of Revenue Recognition Accounting Standard

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 31, June 17, 2021; hereinafter the “Fair Value Measurement Implementation Guidance”) has been applied from the beginning of FY24/2. In accordance with the transitional treatment provided in Clause 27-2, Ichigo is applying the new accounting policy stipulated under the Fair Value Measurement Implementation Guidance on an ongoing basis.

There is no impact from this change on the consolidated financial statements.

Income Statement Restatement

From FY24/2, insurance income previously included under Other Non-Operating Income is separately stated as Insurance Income, because the materiality of this item increased. As a result, JPY 11 million of Other Non-Operating Income in FY23/2 is restated as Insurance Income under Non-Operating Income.

Group Aggregate Tax Treatment

From FY24/2, Ichigo and certain domestic subsidiaries have shifted to group aggregate tax treatment from consolidated tax treatment. In accordance with this change, the accounting treatment and disclosure of income taxes and tax effect accounting are based on the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No.42, August 12, 2021).

Notes to Consolidated Income Statement

1. Writedown of Assets

FY23/2 (March 1, 2022 to February 28, 2023)

Ichigo wrote down the below assets in FY23/2.

(1) Assets and Writedown Amounts

Asset	Type	Location	Impairment Loss
Other	Goodwill	Chiyoda-ku, Tokyo	JPY 712 million
Clean Energy Plant	Plant Under Construction	Isumi County, Chiba	JPY 91 million

(2) Writedown Rationale

Ichigo is impairing the values of goodwill and plant under construction to their respective recoverable amounts based on the current business environment for goodwill and due to the cancellation of plant construction for the clean energy plant. The equivalent amounts were recorded as losses under Extraordinary Losses.

When applying impairment accounting, Ichigo classifies assets into discrete groups using the minimum asset unit that generates independent cash flow. For goodwill, the grouping classification is applied individually. For plants under construction, the grouping classification uses each plant as the minimum asset unit.

Ichigo calculates the recoverable amount of goodwill based on value-in-use. In this case, the recoverable amount is set to zero, because there is no possibility of conversion or sale. For the plant under construction, the recoverable amount is based on net sale price.

FY24/2 (March 1, 2023 to February 29, 2024)

None

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

(Mar 1, 2023 to Feb 29, 2024)

(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	2,484	74,327	5,935	82,747	-	82,747
Inter-Segment Activities or Reclassifications	423	62	-	485	-485	-
Total	2,907	74,389	5,935	83,233	-485	82,747
Operating Profit ¹	1,496	9,507	1,946	12,951	9	12,960
Gains on Sale of Sustainable Real Estate Assets Recorded as Extraordinary Gains	-	8,234	-	8,234	-	8,234
Segment P&L (All-In Operating Profit) ¹	1,496	17,742	1,946	21,185	9	21,194
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,372	7,089	1,946	10,409	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	123	10,652	-	10,776	-	-
Segment Assets	1,516	281,430	36,168	319,115	47,899	367,015
Other						
Depreciation	-	2,997	1,776	4,773	62	4,836
Impairment	-	-	2	2	-	2
Increase in Property, Plant, and Equipment and Intangible Assets	8	5,791	2,326	8,126	467	8,594

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 47,899 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 62 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 467 million) reflects corporate assets that were not allocated to the segments.

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

(Mar 1, 2022 to Feb 28, 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	3,755	58,637	5,699	68,093	-	68,093
Inter-Segment Activities or Reclassifications	485	1	-	487	-487	-
Total	4,241	58,639	5,699	68,580	-487	68,093
Operating Profit ¹	3,026	7,477	2,016	12,520	-27	12,492
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	3,026	11,893	2,016	16,936	-27	16,908
Segment P&L Details						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,780	3,664	2,016	7,460	-	-
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	1,246	8,229	-	9,475	-	-
Segment Assets	3,249	271,699	36,344	311,293	27,326	338,619
Other						
Depreciation	-	3,507	1,754	5,262	60	5,322
Impairment	-	712	91	803	-	803
Increase in Property, Plant, and Equipment and Intangible Assets	-	9,549	905	10,455	68	10,523

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 27 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 27,326 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 60 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 68 million) reflects corporate assets that were not allocated to the segments.

Goodwill and Amortization by Segment (Current FY24/2)

(Mar 1, 2023 to Feb 29, 2024)

Goodwill

(JPY million)

	Segment				Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Sustainable Real Estate	Clean Energy	Total		
Amortization during the period	70	11	15	97	–	97
Outstanding balance as of period-end	490	357	141	989	–	989

Goodwill and Amortization by Segment (Previous FY23/2)

(Mar 1, 2022 to Feb 28, 2023)

Goodwill

(JPY million)

	Segment				Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Sustainable Real Estate	Clean Energy	Total		
Amortization during the period	70	91	15	177	–	177
Outstanding balance as of period-end	560	–	156	717	–	717

Per Share Information

(JPY)

FY23/2 (March 1, 2022 to February 28, 2023)		FY24/2 (March 1, 2023 to February 29, 2024)	
Net Assets per Share	227.24	Net Assets per Share	237.57
Net Income per Share	20.45	Net Income per Share	26.89
Diluted Net Income per Share	-	Diluted Net Income per Share	-

Calculation of Net Income per Share and Diluted Net Income per Share is as follows:

	FY23/2 (March 1, 2022 to February 28, 2023)	FY24/2 (March 1, 2023 to February 29, 2024)
Net Income per Share		
Net Income Attributable to Shareholders (JPY million)	9,409	12,108
Amount Not Attributable to Common Shareholders	—	—
Net Income Attributable to Shareholders in Regards to Common Shares (JPY million)	9,409	12,108
Average Number of Shares Outstanding (thousand)	460,220	450,300
Diluted Net Income per Share		
Increase in Shares Outstanding during Period (thousand)	—	—
(of which are related to exercise of employee stock options) (thousand)	—	—
Details of Potentially Dilutive Shares Outstanding	<p>Jan 13, 2017 Employee Stock Options Outstanding: 1,498,500 shares</p> <p>Jan 12, 2018 Employee Stock Options Outstanding: 1,453,700 shares</p> <p>Jan 11, 2019 Employee Stock Options Outstanding: 1,502,600 shares</p> <p>Oct 14, 2020 Employee Stock Options Outstanding: 1,816,700 shares</p> <p>Apr 19, 2021 Employee Stock Options Outstanding: 1,855,200 shares</p> <p>Aug 19, 2022 Employee Stock Options Outstanding: 1,973,900 shares</p>	<p>Jan 13, 2017 Employee Stock Options Outstanding: 1,377,700 shares</p> <p>Jan 12, 2018 Employee Stock Options Outstanding: 1,344,3000 shares</p> <p>Jan 11, 2019 Employee Stock Options Outstanding: 1,390,200 shares</p> <p>Oct 14, 2020 Employee Stock Options Outstanding: 1,722,500 shares</p> <p>Apr 19, 2021 Employee Stock Options Outstanding: 1,782,000 shares</p> <p>Aug 19, 2022 Employee Stock Options Outstanding: 1,933,800 shares</p> <p>Apr 19, 2023 Employee Stock Options Outstanding: 2,474,000 shares</p>

Consolidated Income Statement (FY24/2 Q4 Stand-Alone)

(JPY million)

	FY23/2 Q4 (Dec 1, 2022 to Feb 28, 2023)	FY24/2 Q4 (Dec 1, 2023 to Feb 29, 2024)
Cash Flows from Operations:		
Pre-tax income	1,817	3,754
Depreciation	1,336	1,197
Amortization of goodwill	44	32
Increase (decrease) in accrued bonuses	-214	-320
Increase (decrease) in allowance for doubtful accounts	133	679
Interest and dividend income	-14	-239
Interest expense	536	611
Loss on disposal of fixed assets	23	45
Losses (gains) on sales of fixed assets	-	102
Impairment loss	803	2
Valuation losses on securities investments	261	-
Gain on reversal of stock option	-205	-2
Decrease (increase) in trading notes and receivables	-1,935	468
Decrease (increase) in operational securities investments	22	3
Decrease (increase) in real estate for sale	-6,646	-3,864
Valuation losses on SPC capital contributions	3	1
Decrease (increase) in advances paid	28	48
Decrease (increase) in prepaid expenses	-194	16
Decrease (increase) in accounts receivable	-28	-169
Decrease (increase) in consumption taxes receivable	-354	-538
Increase (decrease) in accounts payable	1,008	1,077
Increase (decrease) in accrued expenses	4	113
Increase (decrease) in advances received	61	26
Increase (decrease) in deposits received	-36	-37
Increase (decrease) in security deposits received	189	337
Increase (decrease) in accrued consumption taxes	158	-320
Other	-192	195
Sub-Total	-3,390	3,222
Interest and dividends received	14	239
Interest expense paid	-550	-623
Income taxes paid	-860	-381
Net Cash from (Used for) Operations	-4,786	2,457

(JPY million)

	FY23/2 Q4 (Dec 1, 2022 to Feb 28, 2023)	FY24/2 Q4 (Dec 1, 2023 to Feb 29, 2024)
Cash Flows from Investments:		
Payments into time deposits	–	-700
Payments for securities investments	-711	-3,834
Proceeds from sale of securities investments	–	7
Acquisition of property, plant, and equipment	-2,357	-1,344
Proceeds from sale of property, plant, and equipment	–	1,274
Acquisition of intangible assets	-2	-17
Payments of SPC capital contributions	–	–
Redemptions of SPC capital contributions	97	8
Payments of security deposits	–	–
Payments of loans receivable	-5	-696
Payments received for loans receivable	7	7
Other	6	161
Net Cash from (Used for) Investments	-2,965	-5,133
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-962	12,100
Proceeds from bond issuance	–	60
Repayment of maturing bond principal to bondholders	-96	-100
Proceeds from long-term loans	8,946	17,571
Repayment of long-term loans	-5,598	-28,090
Repayment of long-term non-recourse loans	-723	-671
Proceeds from exercise of stock options	–	7
Share buyback	–	-2,468
Dividends paid	–	–
Dividends paid to minority interests	-1	-1
Net Cash from (Used for) Financing	1,563	-1,594
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	-6,189	-4,270
Cash and Cash Equivalents at Beginning of Period	46,751	50,371
Change in Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-248	–
Cash and Cash Equivalents at End of Period	40,313	46,101