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FY26/2 Q1 Earnings

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Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

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Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

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

1. FY26/2 Q1 Consolidated Financial Results (March 1, 2025 to May 31, 2025)

(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	
FY26/2 Q1	12,487	-50.2%	3,468	-17.8%	4,695	-20.2%
FY25/2 Q1	25,096	+147.2%	4,221	+72.7%	5,880	+118.5%

Note: Comprehensive Income FY26/2 Q1: JPY 2,962 million (-30.7% YOY)

FY25/2 Q1: JPY 4,275 million (+221.1% YOY)

All-In Operating Profit = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel 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	
FY26/2 Q1	2,328	-37.4%	3,555	-33.9%	2,331	-35.1%	3,823	-14.8%
FY25/2 Q1	3,716	+153.0%	5,376	+213.3%	3,591	+146.8%	4,487	+29.6%

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

	Net Income per Share (EPS) (Basic, JPY) YOY		Net Income per Share (EPS) (Diluted, JPY)		Cash Net Income per Share (EPS) (JPY) YOY	
FY26/2 Q1	5.52	-32.6%	5.51	-32.5%	9.05	-11.5%
FY25/2 Q1	8.18	+154.9%	8.16	-	10.22	+33.8%

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)
FY26/2 Q1	419,273	118,730	25.5%	254.82
FY25/2	406,715	122,706	27.3%	260.49

Note: Shareholders' Equity FY26/2 Q1: JPY 106,926 million FY25/2: JPY 110,988 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)
FY26/2 Q1	-16,761	-275	14,090	39,631
FY25/2 Q1	-394	5,501	8,635	59,844

Note: Economic Operating Cash Flow FY26/2 Q1: JPY -1,598 million
FY25/2 Q1: JPY 2,051 million

Economic Operating Cash Flow = Cash Flows from Operations - Net Change in Real Estate
and Power Plants for Sale + Post-Tax Gains on Sales of Sustainable Real Estate & Hotel
Assets Recorded as Extraordinary Gains

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			
FY25/2	–	–	–	10.5	10.5	4,473	30.1%	4.2%
FY26/2 (Forecast)	–	–	–	11.5	11.5		30.2%	

3. FY26/2 Full-Year Consolidated Earnings Forecast (March 1, 2025 to February 28, 2026)
(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
FY26/2	19,500 +19.6%	28,400 +14.2%	14,800 +7.5%	23,700 +6.2%

	Net Income (JPY million) YOY	Cash Net Income (JPY million) YOY	Net Income per Share YOY	Cash Net Income per Share YOY
FY26/2	16,000 +5.4%	20,500 +5.7%	JPY 38.13 +9.4%	JPY 48.85 +9.8%

4. Other

(1) Changes in significant consolidated subsidiaries: None

(2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements

(i) Changes in accounting standards/principles: Yes (minor, no impact – see p. 14)

(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

FY26/2 Q1: 445,670,418

FY25/2: 445,665,118

(ii) Number of treasury shares at period-end

FY26/2 Q1: 26,045,611

FY25/2: 19,589,711

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

FY26/2 Q1: 422,507,235

FY25/2 Q1: 439,003,159

Expanded, More Detailed Segment Reporting

From the end of FY25/2, Ichigo is providing expanded, more detailed segment reporting to increase the transparency of its earnings. Specifically, Hotel and Ichigo Owners have been newly created as segments by breaking them out from the Sustainable Real Estate segment.

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.

Hotel leverages Ichigo's deep value-add expertise and management capabilities as a hotel owner/operator. Ichigo improves hotel functionality, aesthetics, and guest services to drive higher guest comfort and satisfaction, develops and operates Ichigo brand hotels, and deploys PROPERA (Ichigo's AI-based hotel revenue management system) to drive significant increases in hotel cash flows, earnings, and asset value.

Ichigo Owners (IO) develops high-quality real estate assets for Japanese real estate owners via a highly capital-efficient, asset-light business model. Ichigo outsources construction to third-party developers, focusing on design and planning, construction engineering quality control, and post-construction leasing tailored to tenant and investor needs.

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 (FY26/2 Q1)

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 Q1 (May 31, 2025)
Assets		
Current Assets		
Cash and deposits	42,689	39,664
Accounts receivable	4,272	3,890
Operational loan investments	1,324	1,324
Operational securities investments	10	10
Real estate for sale	143,993	158,380
Other	4,197	4,608
Less: venture investments writedown	-490	-48
Total Current Assets	195,998	207,831
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	56,705	56,826
Depreciation	-14,721	-15,144
Buildings and structures (net)	41,983	41,681
Solar and wind power plants	39,391	39,400
Depreciation	-11,861	-12,361
Solar and wind power plants (net)	27,529	27,039
Land	97,798	96,793
Buildings and structures under construction	5,954	7,226
Solar and wind power plants under construction	489	512
Other	2,721	2,543
Depreciation	-1,965	-1,882
Other (net)	755	661
Total Property, Plant, and Equipment	174,511	173,914
Intangible Assets		
Goodwill	857	824
Leasehold rights	1,332	1,339
Other	158	164
Total Intangible Assets	2,348	2,328
Investments and Other Assets		
Securities investments	24,300	24,854
Long-term loans receivable	3,993	4,441
Deferred tax assets	918	894

	(JPY million)	
	FY25/2 (Feb 28, 2025)	FY26/2 Q1 (May 31, 2025)
Other	5,469	5,984
Less: Venture investments writedown	-826	-976
Total Investments and Other Assets	33,856	35,198
Total Fixed Assets	210,717	211,441
Total Assets	406,715	419,273

(JPY million)

	FY25/2 (Feb 28, 2025)	FY26/2 Q1 (May 31, 2025)
Liabilities		
Current Liabilities		
Short-term loans	6,520	9,888
Bonds (due within one year)	232	162
Long-term loans (due within one year)	7,340	10,143
Long-term non-recourse loans (due within one year)	4,478	4,469
Income taxes payable	4,592	1,190
Current year employee bonus accrual	282	456
Other current liabilities	5,696	6,419
Total Current Liabilities	29,143	32,730
Long-Term Liabilities		
Bonds	7,074	7,033
Long-term loans	195,477	210,405
Long-term non-recourse loans	40,991	40,881
Deferred tax liabilities	1,445	1,481
Long-term security deposits received	7,614	7,667
Other long-term liabilities	2,261	343
Total Long-Term Liabilities	254,865	267,813
Total Liabilities	284,009	300,543
Net Assets		
Shareholders' Equity		
Capital	26,946	26,947
Capital reserve	10,363	10,364
Retained earnings	81,396	79,196
Treasury shares	-7,212	-9,651
Total Shareholders' Equity	111,493	106,857
Cumulative Other Comprehensive Income		
Valuation gains (losses) on other securities	-399	246
Deferred gains (losses) on long-term interest rate hedges	136	130
Foreign currency translation adjustment	-241	-308
Total Cumulative Other Comprehensive Income	-505	69
Stock Options	724	754
Minority Interests	10,992	11,048
Total Net Assets	122,706	118,730
Total Liabilities and Net Assets	406,715	419,273

Consolidated Income Statement (FY26/2 Q1)

(JPY million)

	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Revenue	25,096	12,487
Cost of Goods Sold	18,660	6,652
(Depreciation amount included in COGS)	1,140	1,131
Gross Profit	6,436	5,834
SG&A	2,214	2,366
Operating Profit	4,221	3,468
Non-Operating Income		
Interest income	10	–
Dividend income	1	1
Foreign exchange gains	7	–
Mark-to-market gains on long-term interest rate hedges	625	244
Other	7	11
Total Non-Operating Income	651	256
Non-Operating Expenses		
Interest expense	679	993
Foreign exchange loss	–	105
Equity-method loss	–	99
Mark-to-market losses on long-term interest rate hedges	–	113
Debt financing-related fees	348	3
Other	127	80
Total Non-Operating Expenses	1,156	1,397
Recurring Profit	3,716	2,328
Extraordinary Gains		
Gains on sale of fixed assets	1,656	782
Gains on sale of securities investments	–	407
Other	17	118
Total Extraordinary Gains	1,673	1,307
Extraordinary Loss		
Loss on removal of fixed assets	4	1
Loss on sale of securities investments	–	74
Impairment loss	–	35
Other	–	–
Total Extraordinary Loss	4	113
Pre-Tax Income	5,386	3,522

	(JPY million)	
	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Total Income Taxes	1,737	1,134
Pre-Minority Interest Net Income	3,648	2,388
Net Income Attributable to Minority Interests	56	56
Net Income	3,591	2,331

Consolidated Statement of Comprehensive Income (FY26/2 Q1)

(JPY million)

	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Pre-Minority Interest Net Income	3,648	2,388
Other Comprehensive Income		
Valuation gains (losses) on other securities	615	646
Deferred gains (losses) on long-term interest rate hedges	11	-5
Share of other comprehensive income of equity method affiliates	-	-66
Total Other Comprehensive Income	627	574
Comprehensive Income	4,275	2,962
Comprehensive income attributable to common shareholders	4,218	2,905
Comprehensive income attributable to minority interests	56	56

Consolidated Cash Flow Statement (FY26/2 Q1)

(JPY million)

	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Cash Flows from Operations:		
Pre-tax income	5,386	3,522
Depreciation	1,199	1,175
Amortization of goodwill	32	32
Increase (decrease) in current year employee bonus accrual	263	173
Increase (decrease) in venture investments writedown	–	-292
Interest and dividend income	-11	-1
Interest expense	679	993
Forex losses (gains)	-7	106
Losses (gains) on investment in equity-method affiliates	–	99
Losses (gains) on sale of securities investments	–	-332
Loss on removal of fixed assets	4	1
Losses (gains) on sales of fixed assets	-1,656	-782
Impairment loss	–	35
Decrease (increase) in trading notes and receivables	-532	382
Decrease (increase) in operational securities investments	14	–
Decrease (increase) in real estate for sale	-791	-14,387
Decrease (increase) in advances paid	-36	399
Decrease (increase) in prepaid expenses	-378	-481
Decrease (increase) in accounts receivable	-79	28
Decrease (increase) in consumption taxes receivable	39	-190
Increase (decrease) in accounts payable	-1,273	-1,496
Increase (decrease) in accrued expenses	-134	-270
Increase (decrease) in advances received	180	–
Increase (decrease) in deposits received	50	764
Increase (decrease) in security deposits received	42	52
Increase (decrease) in accrued consumption taxes	93	-448
Other	-379	-105
Sub-Total	2,704	-11,018

	(JPY million)	
	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Interest and dividends received	11	1
Interest expense paid	-588	-866
Income taxes paid	-2,521	-4,877
Net Cash from (Used for) Operations	-394	-16,761

	(JPY million)	
	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Cash Flows from Investments:		
Payments into time deposits	-	-
Redemptions of time deposits	700	80
Payments for securities investments	-40	-40
Proceeds from sale of securities investments	-	407
Acquisition of property, plant, and equipment	-695	-2,074
Proceeds from sale of property, plant, and equipment	5,650	2,014
Acquisition of intangible assets	-6	-34
Payments of security deposits	-1	-
Payments of loans receivable	-141	-1,439
Payments received for loans receivable	37	870
Other	-	-58
Net Cash from (Used for) Investments	5,501	-275

(JPY million)

	FY25/2 Q1 (Mar 1, 2024 to May 31, 2024)	FY26/2 Q1 (Mar 1, 2025 to May 31, 2025)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-7,500	3,367
Repayment of maturing bond principal to bondholders	-40	-110
Proceeds from long-term loans	44,890	21,687
Repayment of long-term loans	-29,157	-3,956
Proceeds from long-term non-recourse loans	5,500	—
Repayment of long-term non-recourse loans	-105	-119
Proceeds from exercise of stock options	67	1
Share buyback	-1,170	-2,439
Dividends paid	-3,846	-4,339
Dividends paid to minority interests	-1	-1
Net Cash from (Used for) Financing	8,635	14,090
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	13,742	-2,945
Cash and Cash Equivalents at Beginning of Period	46,101	42,576
Cash and Cash Equivalents at End of Period	59,844	39,631

Changes in Accounting Policies

ASBJ Statement No. 27(revised 2022), “Accounting Standard for Current Income Taxes” (October 28, 2022) has been applied from the beginning of FY26/2 Q1 and will be applied on an ongoing basis.

There is no impact from this change.

Revenue, P&L, and Assets by Segment (Current FY26/2 Q1)

(Mar 1, 2025 to May 31, 2025)

(JPY million)

	Segment						Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners (IO)	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	1,045	3,383	3,951	2,510	1,595	12,487	-	12,487
Inter-Segment Activities or Reclassifications	93	37	-	-	-	130	-130	-
Total	1,138	3,420	3,951	2,510	1,595	12,617	-130	12,487
Operating Profit	629	742	1,569	13	498	3,453	14	3,468
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains	-	1,227	-	-	-	1,227	-	1,227
Segment P&L (All-In Operating Profit) ¹	629	1,970	1,569	13	498	4,681	14	4,695
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	386	1,089	1,572	2	498	3,548	-	-
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	243	881	-3	11	-	1,132	-	-
Segment Assets	2,220	201,095	82,115	70,651	38,858	394,942	24,331	419,273
Other								
Depreciation	-	361	286	-	500	1,148	20	1,169
Impairment loss	-	35	-	-	-	35	-	35
Increase in Property, Plant, and Equipment and Intangible Assets	-	271	1,532	-	39	1,842	8	1,851

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

² The Adjustment to Segment P&L (JPY 14 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 24,331 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 20 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 FY25/2 Q1)

(Mar 1, 2024 to May 31, 2024)

(JPY million)

	Segment						Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Hotel	Ichigo Owners (IO)	Clean Energy (CE)	Total		
Revenue								
Revenue from External Customers	723	8,122	2,943	11,760	1,546	25,096	-	25,096
Inter-Segment Activities or Reclassifications	99	37	-	-	-	136	-136	-
Total	822	8,159	2,943	11,760	1,546	25,232	-136	25,096
Operating Profit ¹	404	1,127	1,065	1,137	484	4,219	2	4,221
Gains on Sale of Sustainable Real Estate & Hotel Assets Recorded as Extraordinary Gains	-	1,659	-	-	-	1,659	-	1,659
Segment P&L (All-In Operating Profit) ¹	404	2,786	1,065	1,137	484	5,878	2	5,880
Segment P&L Details								
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	318	1,048	1,065	191	484	3,108	-	-
Flow Earnings (Gains on Sustainable Real Estate & Hotel Sales, Gains on Solar Power Plant Sales, AM Performance Fees, etc.)	86	1,738	-	945	-	2,770	-	-
Segment Assets	1,665	184,570	72,033	39,875	36,153	334,298	44,200	378,498
Other								
Depreciation	-	369	313	-	491	1,175	23	1,199
Increase in Property, Plant, and Equipment and Intangible Assets	-	411	79	-	52	543	5	548

¹ Segment P&L (All-In Operating Profit) = Operating Profit + Gains on Sale of Sustainable Real Estate & Hotel 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 44,200 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 23 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 5 million) reflects corporate assets that were not allocated to the segments.