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FY22/2 Q3 Earnings

January 13, 2022

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)

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Submission of the Financial Report (*Shihanki Hokokusho*): January 14, 2022 (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. FY22/2 Q3 Consolidated Financial Results (March 1, 2021 to November 30, 2021)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY	
FY22/2 Q3	29,386	-46.8%	5,036	-41.1%	3,030	-53.6%	1,969	-53.8%
FY21/2 Q3	55,188	-29.4%	8,551	-65.8%	6,535	-71.2%	4,265	-71.8%

Note: Comprehensive Income FY22/2 Q3: JPY 2,154 million (-46.4% YOY)
FY21/2 Q3: JPY 4,017 million (-75.0% YOY)

T1.2: Net Income per Share

	Net Income per Share (Basic, JPY)		Net Income per Share (Diluted, JPY)	
FY22/2 Q3	4.20	-52.6%	—	—
FY21/2 Q3	8.86	-71.5%	—	—

(2) Consolidated Financial Condition

T1.3: Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholders' Equity Ratio	Net Assets per Share (JPY)
FY22/2 Q3	347,903	107,705	27.7%	205.78
FY21/2	347,076	110,255	28.5%	209.81

Note: Shareholders' Equity FY22/2 Q3: JPY 96,287 million FY21/2: JPY 99,050 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)
FY22/2 Q3	-10,993	-3,217	1,068	35,961
FY21/2 Q3	21,239	-15,075	3,063	49,815

Note: Economic Operating Cash Flow (Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale)

FY22/2 Q3: JPY 5,659 million FY21/2 Q3: JPY 7,695 million

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			
FY21/2	—	—	—	7	7	3,304	66.8%	3.3%
FY22/2 (Forecast)	—	—	—	7	7		40.9%~ 65.5%	

3. FY22/2 Full-Year Consolidated Earnings Forecast (March 1, 2021 to February 28, 2022)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY		Net Income per Share (JPY) YOY	
FY22/2	9,100~	-5.9%~	6,000~	-16.4%~	5,000~	-0.5%~	10.69~	+2.0%~
	12,000	+24.1%	8,900	+24.0%	8,000	+59.1%	17.10	+63.2%

Note: Given Covid uncertainty, Ichigo is reporting its FY22/2 earnings forecast as a range.

4. Other

(1) Changes in significant consolidated subsidiaries

(material changes in scope of consolidation):

None

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

(i) Changes in accounting standards/principles:

None

(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

FY22/2 Q3: 505,381,018

FY21/2: 505,381,018

(ii) Number of treasury shares at period-end

FY22/2 Q3: 37,466,500

FY21/2: 33,283,200

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

FY22/2 Q3: 469,016,646

FY21/2 H1: 481,295,872

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.

Note: The Sustainable Real Estate segment was formerly called Value-Add. In keeping with its Ichigo 2030 vision, Ichigo changed the segment name to Sustainable Real Estate in 2019 in order to put full focus on Ichigo's commitment to preserving and improving real estate as a sustainable infrastructure company.

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 (FY22/2 Q3)

(JPY million)

	FY21/2 (Feb 28, 2021)	FY22/2 Q3 (Nov 30, 2021)
Assets		
Current Assets		
Cash and deposits	50,832	36,205
Trade notes and accounts receivable	1,382	1,958
Operational loan investments	1,324	1,324
Operational securities investments	590	864
Real estate for sale	64,109	80,728
Other	2,698	2,842
Less: allowance for doubtful accounts	-167	-168
Total Current Assets	120,771	123,756
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	68,277	68,954
Depreciation	-7,603	-9,829
Buildings and structures (net)	60,673	59,125
Solar and wind power plants	28,893	33,088
Depreciation	-4,702	-5,920
Solar and wind power plants (net)	24,191	27,168
Land	122,592	121,911
Buildings and structures under construction	277	323
Solar and wind power plants under construction	5,038	2,689
Other	2,745	2,782
Depreciation	-1,126	-1,488
Other (net)	1,619	1,293
Total Property, Plant, and Equipment	214,392	212,512
Intangible Assets		
Goodwill	968	844
Leasehold rights	1,272	1,365
Other	1,797	1,420
Total Intangible Assets	4,038	3,631
Investments and Other Assets		
Securities investments	5,147	4,383
Long-term loans receivable	10	277
Deferred tax assets	605	571

T5.1: Total Investments and Other Assets, Total Fixed Assets, and Total Assets (

	(JPY million)	
	FY21/2 (Feb 28, 2021)	FY22/2 Q3 (Nov 30, 2021)
Other	2,202	2,863
Less: allowance for doubtful accounts	-91	-91
Total Investments and Other Assets	7,874	8,004
Total Fixed Assets	226,305	224,147
Total Assets	347,076	347,903

	(JPY million)	
	FY21/2 (Feb 28, 2021)	FY22/2 Q3 (Nov 30, 2021)
Liabilities		
Current Liabilities		
Short-term loans	4,879	3,294
Bonds (due within one year)	274	274
Long-term loans (due within one year)	9,751	9,780
Long-term non-recourse loans (due within one year)	1,358	1,367
Income taxes payable	573	169
Accrued bonuses	9	316
Other current liabilities	5,527	3,913
Total Current Liabilities	22,374	19,117
Long-Term Liabilities		
Bonds	5,878	5,700
Long-term loans	156,890	165,289
Long-term non-recourse loans	40,974	40,120
Deferred tax liabilities	1,868	1,763
Long-term security deposits received	7,795	7,168
Other long-term liabilities	1,039	1,038
Total Long-Term Liabilities	214,446	221,080
Total Liabilities	236,820	240,198
Net Assets		
Shareholders' Equity		
Capital	26,888	26,888
Capital reserve	11,275	11,268
Retained earnings	73,160	71,820
Treasury shares	-11,988	-13,423
Total Shareholders' Equity	99,335	96,553
Accumulated Other Comprehensive Income		
Valuation gains (losses) on other securities	90	48
Deferred gains (losses) on long-term interest rate hedges	-375	-313
Total Accumulated Other Comprehensive Income	-285	-265
Stock Options	1,007	1,056
Minority Interests	10,197	10,361
Total Net Assets	110,255	107,705
Total Liabilities and Net Assets	347,076	347,903

Consolidated Income Statement (FY22/2 Q3)

(JPY million)

	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Mar 1, 2021 to Nov 30, 2021)
Revenue	55,188	29,386
Cost of Goods Sold	41,915	19,773
Gross Profit	13,273	9,613
SG&A	4,721	4,576
Operating Profit	8,551	5,036
Non-Operating Income		
Interest income	12	17
Dividend income	75	27
Foreign exchange gains	–	38
Mark-to-market gains on long-term interest rate hedges	158	51
Other	43	83
Total Non-Operating Income	290	218
Non-Operating Expenses		
Interest expense	1,752	1,772
Foreign exchange losses	28	–
Mark-to-market losses on long-term interest rate hedges	55	192
Debt financing-related fees	268	40
Other	200	218
Total Non-Operating Expenses	2,306	2,224
Recurring Profit	6,535	3,030
Extraordinary Gains		
Gains on sale of fixed assets	–	33
Total Extraordinary Gains	–	33
Extraordinary Losses		
Loss on disposal of fixed assets	–	4
Valuation losses on securities investments	114	–
Other	1	3
Total Extraordinary Losses	116	7
Pre-Tax Income	6,418	3,055
Income Taxes	2,149	920
Pre-Minority Interest Net Income	4,269	2,135
Net Income Attributable to Minority Interests	3	166
Net Income	4,265	1,969

Consolidated Income Statement (FY22/2 Q3 Stand-Alone)

(JPY million)

	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Sep 1, 2021 to Nov 30, 2021)
Revenue	23,162	6,083
Cost of Goods Sold	18,572	3,838
Gross Profit	4,589	2,244
SG&A	1,490	1,451
Operating Profit	3,098	793
Non-Operating Income		
Interest income	4	6
Dividend income	17	17
Foreign exchange gains	–	19
Mark-to-market gains on long-term interest rate hedges	–	151
Other	7	29
Total Non-Operating Income	29	225
Non-Operating Expenses		
Interest expense	591	567
Foreign currency valuation losses	7	–
Mark-to-market loss on long-term interest rate hedges	63	–
Debt financing-related fees	113	5
Other	68	81
Total Non-Operating Expenses	845	654
Recurring Profit	2,282	364
Extraordinary Gains		
Gains on sale of fixed assets	–	29
Total Extraordinary Losses	–	29
Extraordinary Losses		
Loss on disposal of fixed assets	–	3
Other	–	2
Total Extraordinary Losses	–	5
Pre-Tax Income	2,282	387
Income Taxes	793	94
Pre-Minority Interest Net Income	1,489	293
Income Attributable to Minority Interests	1	54
Net Income	1,487	238

Consolidated Statement of Comprehensive Income (FY22/2 Q3)

(JPY million)

	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Mar 1, 2021 to Nov 30, 2021)
Pre-Minority Interest Net Income	4,269	2,135
Other Comprehensive Income		
Valuation gains (losses) on other securities	-245	-42
Deferred gains (losses) on long-term interest rate hedges	-6	62
Total Other Comprehensive Income	-251	19
Comprehensive Income	4,017	2,154
Comprehensive income attributable to common shareholders	4,013	1,988
Comprehensive income attributable to minority interests	3	166

Consolidated Statement of Comprehensive Income (FY22/2 Q3 Stand-Alone)		
	(JPY million)	
	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Sep 1, 2021 to Nov 30, 2021)
Pre-Minority Interest Net Income	1,489	293
Other Comprehensive Income		
Valuation gains (losses) on other securities	41	-91
Deferred gains (losses) on long-term interest rate hedges	13	58
Total Other Comprehensive Income	54	-32
Comprehensive Income	1,543	260
Comprehensive income attributable to common shareholders	1,542	205
Comprehensive income attributable to minority interests	1	54

Consolidated Cash Flow Statement (FY22/2 Q3)

(JPY million)

	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Mar 1, 2021 to Nov 30, 2021)
Cash Flows from Operations:		
Pre-tax income	6,418	3,055
Depreciation	3,432	4,212
Share-based compensation expenses	41	49
Amortization of goodwill	94	123
Increase (decrease) in accrued bonuses	374	307
Increase (decrease) in allowance for doubtful accounts	19	—
Interest and dividend income	-88	-44
Interest expense	1,752	1,772
Loss on disposal of fixed assets	—	4
Gains on sale of fixed assets	—	-33
Valuation losses on securities investments	114	—
Decrease (increase) in trading notes and receivables	799	-576
Decrease (increase) in operational securities investments	325	1,097
Decrease (increase) in real estate for sale	13,585	-16,616
Valuation losses on SPC capital contributions	3	1
Decrease (increase) in advances paid	238	11
Decrease (increase) in prepaid expenses	-414	-49
Decrease (increase) in accounts receivable	-10	108
Decrease (increase) in consumption taxes receivable	891	-146
Increase (decrease) in accounts payable	-972	-545
Increase (decrease) in accrued expenses	188	4
Increase (decrease) in deposits received	167	-158
Increase (decrease) in security deposits received	-280	-626
Increase (decrease) in accrued consumption taxes	806	-670
Other	-715	354
Sub-Total	26,773	-8,363
Interest and dividends received	88	44
Interest expense paid	-1,563	-1,589
Income taxes paid	-4,142	-1,283
Income taxes refunded	83	198
Net Cash from (Used for) Operations	21,239	-10,993

	(JPY million)	
	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Mar 1, 2021 to Nov 30, 2021)
Cash Flows from Investments:		
Payments into time deposits	-7	-6
Payments for securities investments	-547	-604
Proceeds from sale of securities investments	10	568
Acquisition of property, plant, and equipment	-13,777	-3,462
Proceeds from sale of property, plant, and equipment	—	744
Acquisition of intangible assets	-742	-185
Payments of SPC capital contributions	-3	-4
Redemptions of SPC capital contributions	15	—
Payments of security deposits	—	-16
Payments of loans receivable	-374	-290
Payments received for loans receivable	350	26
Other	2	13
Net Cash from (Used for) Investments	-15,075	-3,217

	(JPY million)	
	FY21/2 Q3 (Mar 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Mar 1, 2021 to Nov 30, 2021)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	2,386	-1,584
Proceeds from bond issuance	70	—
Repayment of maturing bond principal to bondholders	-177	-177
Proceeds from long-term loans	48,777	19,649
Repayment of long-term loans	-45,829	-11,242
Proceeds from long-term non-recourse loans	3,300	—
Repayment of long-term non-recourse loans	-659	-844
Proceeds from employee exercise of stock options	1	—
Share buyback	-1,499	-1,499
Dividends paid	-3,298	-3,229
Dividends paid to minority interests	-5	-1
Net Cash from (Used for) Financing	3,063	1,068
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	9,226	-13,142
Cash and Cash Equivalents at Beginning of Period	40,826	50,590
Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-237	-1,485
Cash and Cash Equivalents at End of Period	49,815	35,961

Consolidated Cash Flow Statement (FY22/2 Q3 Stand Alone)

(JPY million)

	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Sep 1, 2021 to Nov 30, 2021)
Cash Flows from Operations:		
Pre-tax income	2,282	387
Depreciation	1,238	1,395
Share-based compensation expenses	5	17
Amortization of goodwill	27	25
Increase (decrease) in accrued bonuses	189	159
Increase (decrease) in allowance for doubtful accounts	2	–
Interest and dividend income	-21	-24
Interest expense	591	567
Loss on disposal of fixed assets	–	3
Gains on sale of fixed assets	–	-29
Decrease (increase) in trading notes and receivables	-142	-375
Decrease (increase) in operational securities investments	9	1,109
Decrease (increase) in real estate for sale	7,657	-12,852
Valuation losses on SPC capital Contributions	–	1
Decrease (increase) in advances paid	65	-65
Decrease (increase) in prepaid expenses	22	-9
Decrease (increase) in accounts receivable	-11	-25
Decrease (increase) in consumption taxes receivable	97	-170
Increase (decrease) in accounts payable	-97	85
Increase (decrease) in accrued expenses	150	1
Increase (decrease) in deposits received	44	84
Increase (decrease) in security deposits received	-118	93
Increase (decrease) in accrued consumption taxes	583	-4
Other	78	-308
Sub-Total	12,656	-9,933
Interest and dividends received	21	24
Interest expense paid	-509	-485
Income taxes paid	-1,522	-624
Income taxes refunded	–	32
Net Cash from (Used for) Operations	10,645	-10,987

	(JPY million)	
	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Sep 1, 2021 to Nov 30, 2021)
Cash Flows from Investments:		
Payments into time deposits	-3	-2
Payments for securities investments	-500	-376
Proceeds from sale of securities investments	10	566
Acquisition of property, plant, and equipment	-1,304	-1,274
Proceeds from sale of property, plant, and equipment	—	740
Acquisition of intangible assets	-25	-111
Payments of SPC capital contributions	—	-1
Payments of security deposits	—	—
Payments of loans receivable	-6	—
Payments received for loans receivable	350	8
Other	14	13
Net Cash from (Used for) Investments	-1,466	-437

	(JPY million)	
	FY21/2 Q3 (Sep 1, 2020 to Nov 30, 2020)	FY22/2 Q3 (Sep 1, 2021 to Nov 30, 2021)
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	-241	-1,163
Repayment of maturing bond principal to bondholders	-40	-40
Proceeds from long-term loans	7,793	5,195
Repayment of long-term loans	-11,100	-1,609
Repayment of long-term non-recourse loans	-112	-133
Share buyback	-1,499	—
Dividends paid	—	—
Dividends paid to minority interests	-2	—
Net Cash from (Used for) Financing	-5,203	2,247
Effect of Exchange Rate Change on Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	3,975	-9,176
Cash and Cash Equivalents at Beginning of Period	45,840	45,138
Cash and Cash Equivalents at End of Period	49,815	35,961

Additional Note

Restatement of Items in Consolidated Balance Sheet

From FY22/2 Q1, those items previously treated as “Solar power plants” and “Solar power plants under construction” under Fixed Assets are restated as “Solar and wind power plants” and “Solar and wind power plants under construction” to reflect the start of operations at Ichigo’s first wind power plant, the Ichigo Yonezawa Itaya ECO Power Plant.

As a result of the restatement, JPY 3,632 million of “Buildings and structures under construction” decreased, while JPY 3,632 million of “Solar and wind power plants under construction” increased in the FY21/2 Consolidated Balance Sheet.

Revenue, P&L, and Assets by Segment (Current FY22/2 Q3)

(Mar 1, 2021 to Nov 30, 2021)

(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	1,548	23,601	4,236	29,386	—	29,386
Inter-Segment Activities or Reclassifications	369	1	—	370	-370	—
Total	1,917	23,603	4,236	29,757	-370	29,386
Segment P&L ¹	1,124	2,091	1,814	5,030	5	5,036
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,115	1,215	1,814	4,145	—	—
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	9	875	—	884	—	—
Segment Assets	1,938	288,472	36,407	326,818	21,085	347,903
Other						
Depreciation	—	2,941	1,226	4,167	44	4,212
Increase in Property, Plant, and Equipment and Intangible Assets	—	951	1,763	2,714	16	2,731

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (JPY 5 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 21,085 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 44 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 16 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY21/2 Q3)

(Mar 1, 2020 to Nov 30, 2020)

(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	1,445	49,998	3,744	55,188	—	55,188
Inter-Segment Activities or Reclassifications	410	1	—	411	-411	—
Total	1,856	49,999	3,744	55,600	-411	55,188
Segment P&L ¹	944	6,069	1,621	8,634	-82	8,551
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	883	2,851	1,621	5,355	—	—
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	60	3,218	—	3,278	—	—
Segment Assets	1,575	268,446	34,023	304,045	34,548	338,593
Other						
Depreciation	—	2,337	1,059	3,397	35	3,432
Increase in Property, Plant, and Equipment and Intangible Assets	—	12,334	2,693	15,038	145	15,183

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (-JPY 82 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 34,548 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 35 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 145 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Current FY22/2Q3 Stand Alone)

(Sep 1, 2021 to Nov 30, 2021)

(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	507	4,331	1,244	6,083	—	6,083
Inter-Segment Activities or Reclassifications	114	—	—	114	-114	—
Total	621	4,331	1,244	6,197	-114	6,083
Segment P&L ¹	353	16	420	790	2	793
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	353	15	420	790	—	—
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	—	—	—	—	—	—
Segment Assets	1,938	288,472	36,407	326,818	21,085	347,903
Other						
Depreciation	—	979	401	1,380	15	1,395
Increase in Property, Plant, and Equipment and Intangible Assets	—	369	544	913	1	914

¹ Segment P&L is on an Operating Profit basis.

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 21,085 million) reflects corporate assets, such as cash and cash equivalents, 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 1 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY21/2 Q3 Stand Alone)

(Sep 1, 2020 to Nov 30, 2020)

(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	497	21,488	1,176	23,162	—	23,162
Inter-Segment Activities or Reclassifications	127	—	—	127	-127	—
Total	624	21,489	1,176	23,290	-127	23,162
Segment P&L ¹	337	2,339	449	3,126	-27	3,098
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	314	1,057	449	1,821	—	—
Flow Earnings (Gains on Sustainable Real Estate Sales, Gains on Solar Power Plant Sales, Spot AM Fees, etc.)	22	1,282	—	1,305	—	—
Segment Assets	1,575	268,446	34,023	304,045	34,548	338,593
Other						
Depreciation	—	865	358	1,224	14	1,238
Increase in Property, Plant, and Equipment and Intangible Assets	—	2,037	409	2,447	123	2,570

¹ Segment P&L is on an Operating Profit basis.

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 34,548 million) reflects corporate assets, such as cash and cash equivalents, that were not allocated to the segments. The Adjustment to Depreciation (JPY 14 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 123 million) reflects corporate assets that were not allocated to the segments.