



Make The World
More Sustainable

August 10, 2022

FY22/6 Earnings

Ichigo Green Infrastructure Investment Corporation (“Ichigo Green,” Tokyo Stock Exchange, 9282)

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Submission of Financial Report (*Yuka Shoken Hokokusho*): September 28, 2022 (expected)

Dividend Payment: September 21, 2022 (expected)

Supplemental Material to Financial and Business Results: Yes (Corporate Presentation)

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

1. FY22/6 Financial Results (July 1, 2021 to June 30, 2022)

(1) Earnings

(JPY million; year-on-year change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
FY22/6	1,083	+0.9%	276	+7.1%	212	+18.8%	211	+18.9%
FY21/6	1,074	-1.4%	257	+0.2%	179	+7.1%	177	+7.1%

	Net Income per Share (JPY)	Return on Equity	Recurring Profit to Total Assets	Recurring Profit to Operating Revenue
FY22/6	2,052	+5.0%	+2.1%	+19.6%
FY21/6	1,726	+4.0%	+1.7%	+16.7%

Note:

Funds from Operations (FFO) per Share

FY22/6 FFO per Share JPY 8,251

FY21/6 FFO per Share JPY 8,039

FFO per Share is calculated per the following:

FFO per Share = (Net Income + Depreciation + Amortization of Expenses Related to the Establishment of Ichigo Green + Amortization of Share Issuance Expenses + Amortization of Start-up Expenses + Loss on Disposal of Fixed Assets + Liability for Asset Retirement Obligation ± Losses/Gains on Sales ± Extraordinary Losses/Profits) / Total Shares Outstanding

(2) Dividends

	Dividend per Share (excluding DEE) (JPY)	Total Dividends (excluding DEE) (JPY million)	DEE per Share (JPY)	Total Dividends in Excess of Earnings (JPY million)	Dividend per Share (JPY)	Total Dividends (JPY million)	Payout Ratio	DOE
FY22/6	2,053	211	2,195	226	4,248	437	100%	5.0%
FY21/6	1,727	177	2,195	226	3,922	403	100%	4.0%

DEE = Dividend in Excess of Earnings. The DEE is paid from Ichigo Green's solar power production revenue (which Ichigo Green receives in cash) that are not treated as income under Japanese tax rules, because they are offset by non-cash depreciation expenses.

DOE = Dividend on Equity

Notes:

1. It is Ichigo Green's general policy to pay a cash Dividend in Excess of Earnings equivalent to c. 40% of annual depreciation expenses, subject to the dividend not adversely affecting Ichigo Green's financial standing. Accordingly, Ichigo Green will pay a FY22/6 Dividend in Excess of Earnings equivalent to 35.5% of depreciation expenses.
2. A Dividend in Excess of Earnings is treated as a "return of capital" under Japanese tax rules.
3. Dividend in Excess of Earnings amounts to a 5.5% and 5.8% return of capital (from Ichigo Green to its shareholders) in FY21/6 and FY22/6, respectively, as calculated pursuant to Article 23, Clause 1, Item 5 of the Order for Enforcement of the Corporation Tax Act.

(3) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
FY22/6	9,636	4,134	42.9%	40,149
FY21/6	10,271	4,326	42.1%	42,018

(4) 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 End of the Period (JPY million)
FY22/6	856	-3	-840	1,031
FY21/6	846	-2	-825	1,019

2. FY23/6 Forecast (July 1, 2022 to June 30, 2023)

(JPY million; year-on-year change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
FY23/6 H1	523	-0.8%	101	-1.8%	69	-1.3%	69	-1.4%
FY23/6	1,065	-1.6%	260	-5.7%	198	-6.7%	197	-6.7%

	Dividend per Share (excluding DEE) (JPY)	DEE per Share (JPY)	Dividend per Share (JPY)
FY23/6 H1	—	—	—
FY23/6	1,895	2,200	4,095

DEE = Dividend in Excess of Earnings

Forecast FY23/6 Net Income per Share is JPY 1,914.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

(i) Changes Accompanying Amendments to Accounting Standards	Yes
(ii) Changes Not Listed in (i)	None
(iii) Changes in Accounting Estimates	None
(iv) Retrospective Restatements	None

(2) Number of Shares Issued and Outstanding

- (i) The number of shares outstanding was 102,966 shares at the end of FY21/6 and FY22/6.
- (ii) There were no treasury shares at the end of FY21/6 and FY22/6.

Reference: Earnings and Dividend Forecast (FY24/6 through FY26/6)

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding DEE) (JPY)	DEE per Share (JPY)	Dividend per Share (JPY)
FY24/6	1,059	253	194	193	1,860	2,205	4,065
FY25/6	1,052	251	196	195	1,875	2,010	3,885
FY26/6	1,046	230	179	178	1,715	1,825	3,540

DEE = Dividend in Excess of Earnings

Note:

Ichigo Green has a one-year fiscal period running from July to June. Because there is no regulatory framework in Japan for Investment Corporations to pay dividends except at fiscal period-end, Ichigo Green therefore pays its dividend once a year. The annual dividend results both in lower administrative costs and a dividend that is not impacted by seasonal changes in solar power generation (as a semi-annual dividend would be).

Completion Status of Auditing Procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Law of Japan. The auditing procedures in accordance with those requirements have thus not been completed as of the date of the publication of this document.

Appropriate Use of Earnings Forecasts and Other Matters of Special Note

The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating results may vary due to changes in circumstances, and these forecasts should not be construed as a guarantee of such results.

For details on the preconditions of the FY23/6 earnings forecast, please refer to the “Preconditions for the FY23/6 H1 and FY23/6 Earnings Forecast” on pages 6 and 7. For details of the preconditions of the FY24/6 through FY26/6 Full-Year earnings forecast, please refer to the November 28, 2017 release “Stock Split.”

This English version is a translation of the original Japanese report and is provided solely for informational purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

FY23/6 Earnings Forecast

FY23/6 H1 (July 1, 2022 to December 31, 2022)

Operating Revenue	JPY 523 million
Operating Profit	JPY 101 million
Recurring Profit	JPY 69 million
Net Income	JPY 69 million
Dividend per Share (excluding DEE)	—
DEE per Share	—
Dividend per Share (including DEE)	—

DEE = Dividend in Excess of Earnings

FY23/6 (July 1, 2022 to June 30, 2023)

Operating Revenue	JPY 1,065 million
Operating Profit	JPY 260 million
Recurring Profit	JPY 198 million
Net Income	JPY 197 million
Dividend per Share (excluding DEE)	JPY 1,895
DEE per Share	JPY 2,200
Dividend per Share (including DEE)	JPY 4,095

DEE = Dividend in Excess of Earnings

For details on the forecast preconditions, please refer to the “Preconditions for the FY23/6 H1 and FY23/6 Full-Year Earnings Forecast” on pages 6 and 7.

Preconditions for the FY23/6 H1 and FY23/6 Full-Year Earnings Forecast

	Preconditions
Period	FY23/6 H1: July 1, 2022 – December 31, 2022 (184 days) FY23/6 Full-Year: July 1, 2022 – June 30, 2023 (365 days)
Number of Shares	<ul style="list-style-type: none"> • 102,966 shares issued and outstanding as of today, with no additional new share issuance through FY23/6
Number of Power Plants	<ul style="list-style-type: none"> • 15 power plants
Operating Revenue	<ul style="list-style-type: none"> • Power production revenue is based on the annual P50 power production forecast of operating power plants. • Specifically, power production revenue is calculated by adding base revenue (electricity sales revenue based on the annual P85 production forecast minus forecast operating expenses) to actual power generation revenue (electricity sales revenue based on actual power generation minus base revenue, forecast operating expenses, and actual additional operating expenses), and assumes that no EPCO purchaser of Ichigo Green’s power production will seek to suspend purchases without compensation to Ichigo Green. • Forecast power generation is a third-party, 50% probability mean annual production forecast (P50 forecast) that serves as the base forecast for each solar power plant’s operating plan. The P85 annual production is a third-party, 85% probability mean annual production forecast. P85-based electricity sales revenue is the assumed electricity sales revenue calculated by multiplying the annual P85 production forecast by the FIT (Feed-In Tariff) for each plant. • Forecast operating expenses are the total of renewable energy plant operation and maintenance expenses (including fees paid to maintenance service providers and repair costs), operator fees, rent paid, insurance premiums, management costs (including administration and tax fees), property, city planning, and consumption taxes, and other expenses related to the power generation business, renewable energy plants, and site leases. • Maintenance expenses are as estimated by Ichigo Investment Advisors, the asset management company of Ichigo Green, based on third party reports. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected maintenance needs, etc. • Actual production is calculated by multiplying the annual P50 production forecast by the FIT for each plant. The annual P50 production is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant’s operating plan. • Operating Revenue is based on the power production revenue of the power plants, and does not assume the sale of any power plants. • Operating Revenue assumes that Ichigo Green fully receives its contractual power production revenue.

Operating Expenses	<ul style="list-style-type: none"> • Per the above, power plant operation and management expenses are deducted from power production revenue, and therefore are not part of Ichigo Green’s operating expenses. • Property and city planning taxes and other operating expenses, excluding depreciation, are calculated based on historical data and information provided by the previous power plant owner(s), adjusted for anticipated expense variations. • Owners of renewable energy plants are generally charged a 1.4% property (depreciable asset tax) tax rate on the assessment value of their plants. The total amount of property tax is forecast to be JPY 35 million for FY23/6 H1 and JPY 65 million for FY23/6. • Depreciation (including incidental costs) is calculated based on acquisition price using the straight-line method and is forecast to be JPY 320 million for FY23/6 H1 and JPY 641 million for FY23/6.
Non-Operating Expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses of JPY 31 million for FY23/6 H1 and JPY 61 million for FY23/6 are anticipated.
Loans	<ul style="list-style-type: none"> • Ichigo Green assumes outstanding debt of JPY 5.177 billion as of the end of FY23/6 H1 and JPY 4.990 billion as of the end of FY23/6. • Loan-to-Value (LTV) is anticipated to be 57.4% as of the end of FY23/6 H1 and 55.6% as of the end of FY23/6. • LTV is calculated using the following formula: LTV = Total interest-bearing debt / total assets
Dividend (excluding DEE)	<ul style="list-style-type: none"> • The dividend forecast assumes that dividends will comply with the dividend policy stipulated in Ichigo Green’s Articles of Incorporation. • The dividend is subject to change due to factors such as power plant operator turnover, changes in power production revenue, and unexpected maintenance and repair costs and other expenses.
DEE (Dividend in Excess of Earnings) per Share	<ul style="list-style-type: none"> • Ichigo Green sets its DEE based on its Articles of Incorporation and dividend policy set forth in Ichigo Investment Advisors’ internal Operating Guidelines. • Ichigo Green’s policy is to pay a cash DEE equivalent to c. 40% of annual depreciation expenses, except when the dividend would adversely affect Ichigo Green’s financial standing. The policy is based upon a) such dividend not affecting Ichigo Green’s long-term maintenance policy, taking into consideration planned capital expenditure for each fiscal year, and b) a certain amount of retained cash is necessary to cover items such as acquisition of new power plants, maintenance of existing power plants, working capital needs, and loan repayments. • Ichigo Green expects to pay a DEE equivalent to 35.3% of annual depreciation expense for FY23/6. The Total DEE and DEE per Share is expected to be JPY 226 million and JPY 2,200, respectively.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax rules, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.

Financial Statements

(1) Balance Sheet

(JPY thousand)

	FY21/6 (as of June 30, 2021)	FY22/6 (as of June 30, 2022)
Assets		
Current Assets		
Cash and deposits	1,019,227	1,031,094
Operating accounts receivable	238,758	248,624
Prepaid expenses	49,625	44,967
Total Current Assets	1,307,611	1,324,685
Fixed Assets		
Property, Plant, and Equipment		
Solar power plant equipment	11,544,559	11,547,372
Depreciation	-2,872,623	-3,510,047
Solar power plant equipment (net)	8,671,936	8,037,325
Land	208,820	208,820
Total Property, Plant, and Equipment	8,880,756	8,246,145
Investments and Other Assets		
Tenant leasehold and security deposits	10,000	10,000
Long-term prepaid expenses	72,236	56,126
Deferred tax assets	10	13
Total Investments and Other Assets	82,246	66,140
Total Fixed Assets	8,963,003	8,312,286
Deferred Assets		
Expenses related to the establishment of Ichigo Green	595	-
Start-up expenses	208	-
Total Deferred Assets	804	-
Total Assets	10,271,419	9,636,972

(JPY thousand)

	FY21/6 (as of June 30, 2021)	FY22/6 (as of June 30, 2022)
Liabilities		
Current Liabilities		
Operating accounts payable	6,623	4,919
Long-term loans (due within one year)	437,312	447,455
Accounts payable	39,738	40,061
Accrued expenses	124	114
Income taxes payable	705	759
Accrued consumption taxes	20,311	17,095
Other	1,984	1,875
Total Current Liabilities	506,800	512,280
Long-Term Liabilities		
Long-term loans	5,438,101	4,990,646
Total Long-Term Liabilities	5,438,101	4,990,646
Total Liabilities	5,944,902	5,502,927
Net Assets		
Shareholders' Equity		
Paid-in capital	4,954,368	4,954,368
Deduction from paid-in capital (DEE payment)	-805,708	-1,031,719
Paid-in capital (net)	4,148,659	3,922,648
Surplus		
Unappropriated retained earnings	177,857	211,395
Total Surplus	177,857	211,395
Total Shareholders' Equity	4,326,516	4,134,044
Total Net Assets	4,326,516	4,134,044
Total Liabilities and Net Assets	10,271,419	9,636,972

(2) Income Statement

(JPY thousand)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Operating Revenue		
Solar power plant revenue	1,074,206	1,083,433
Total Operating Revenue	1,074,206	1,083,433
Operating Expenses		
Solar power plant expenses	725,958	713,467
Asset management fee	37,205	37,837
Custodian fee	3,523	3,523
Other administrative expenses	6,331	6,464
Directors' compensation	8,400	8,410
Other	34,806	37,356
Total Operating Expenses	816,225	807,057
Operating Profit	257,981	276,375
Non-Operating Income		
Interest income	9	9
Reversal of distribution payable	781	624
Other	–	–
Total Non-Operating Income	790	634
Non-Operating Expenses		
Interest expenses	47,639	44,290
Borrowing-related expenses	19,109	19,109
Amortization of expenses related to the establishment of Ichigo Green	12,336	595
Other	499	208
Total Non-Operating Expenses	79,585	64,204
Recurring Profit	179,186	212,805
Pre-Tax Income	179,186	212,805
Income Taxes – Current	1,379	1,449
Income Taxes – Deferred	–	-3
Total Income Taxes	1,378	1,445
Net Income	177,807	211,360
Retained Earnings Brought Forward	50	35
Unappropriated Retained Earnings	177,857	211,395

(3) Statement of Shareholders' Equity

FY21/6 (July 1, 2020 to June 30, 2021)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Deduction from Paid-In Capital	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of July 1, 2020	4,954,368	-580,213	4,374,154	166,031	166,031
Changes during the Period					
DEE		-225,495	-225,495		
Dividend			–	-165,981	-165,981
Net Income			–	177,807	177,807
Total Changes	–	-225,495	-225,495	11,826	11,826
Balance as of June 30, 2021	4,954,368	-805,708	4,148,659	177,857	177,857

	Shareholders' Equity	Total Net Assets
	Total	
Balance as of July 1, 2020	4,540,185	4,540,185
Changes during the Period		
DEE	-225,495	-225,495
Dividend	-165,981	-165,981
Net Income	177,807	177,807
Total Changes	-213,669	-213,669
Balance as of June 30, 2021	4,326,516	4,326,516

DEE = Dividend in Excess of Earnings

FY22/6 (July 1, 2021 to June 30, 2022)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Deduction from Paid-In Capital	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of July 1, 2021	4,954,368	-805,708	4,148,659	177,857	177,857
Changes during the Period					
DEE		-226,010	-226,010		—
Dividend			—	-177,822	-177,822
Net Income			—	211,360	211,360
Total Changes	—	-226,010	-226,010	33,537	33,537
Balance as of June 30, 2022	4,954,368	-1,031,719	3,922,648	211,395	211,395

	Shareholders' Equity	Total Net Assets
	Total	
Balance as of July 1, 2021	4,326,516	4,326,516
Changes during the Period		
DEE	-226,010	-226,010
Dividend	-177,822	-177,822
Net Income	211,360	211,360
Total Changes	-192,472	-192,472
Balance as of June 30, 2022	4,134,044	4,134,044

DEE = Dividend in Excess of Earnings

(4) Dividend Statement

(JPY)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
I Unappropriated Retained Earnings	177,857,877	211,395,706
II Provision to Dividend in Excess of Earnings (DEE)		
Deduction from Paid-In Capital	226,010,370	226,010,370
III Total Dividends including DEE	403,832,652	437,399,568
Dividend per Share including DEE	3,922	4,248
Dividend	177,822,282	211,389,198
Dividend per Share	1,727	2,053
Total DEE	226,010,370	226,010,370
DEE per Share	2,195	2,195
IV Retained Earnings Carried Forward	35,595	6,508

(5) Cash Flow Statement

(JPY thousand)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Cash Flows from Operations:		
Pre-tax net income	179,186	212,805
Depreciation	637,168	637,424
Amortization of expenses related to the establishment of Ichigo Green	12,336	595
Interest income	-9	-9
Interest expense	47,639	44,290
Decrease (increase) in operating accounts receivable	4,438	-9,866
Decrease (increase) in prepaid expenses	5,444	4,658
Decrease (increase) in long-term prepaid expenses	16,109	16,109
Increase (decrease) in accrued consumption taxes	-5,185	-3,216
Increase (decrease) in operating accounts payable	-880	-903
Increase (decrease) in accounts payable	-476	322
Other	86	-416
Sub-total	895,858	901,795
Interest income received	9	9
Interest expense paid	-47,648	-44,299
Income taxes paid	-1,348	-1,395
Net Cash from (Used for) Operations	846,871	856,109
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-2,448	-3,613
Net Cash from (Used for) Investments	-2,448	-3,613
Cash Flows from Financing:		
Repayment of long-term loans	-434,445	-437,312
Dividends paid	-165,888	-177,595
Dividend in Excess of Earnings (DEE) paid	-225,369	-225,722
Net Cash from (Used for) Financing	-825,702	-840,629
Net Increase (Decrease) in Cash and Cash Equivalents	18,720	11,866
Cash and Cash Equivalents at Beginning of Period	1,000,507	1,019,227
Cash and Cash Equivalents at End of Period	1,019,227	1,031,094

Changes in Accounting Policies

1. The “Accounting Standard for Revenue Recognition” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”) has been applied from the beginning of the FY22/6. Under this accounting standard, revenue is recognized in an amount expected to be received in exchange for goods or services when control of promised goods or services is transferred to a customer. There is no impact from this change on FY22/6 financial statements.

In accordance with the transitional treatment provided for in Clause 89-3 of the Revenue Recognition Accounting Standard, revenue recognition notes to financial statements are not provided for the previous fiscal period.

2. The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”) has been applied from the beginning of FY22/6. In accordance with the transitional treatment provided for in Clause 19 of the “Accounting Standard for Fair Value Measurement” and Clause 44–2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Fair Value Measurement Accounting Standard will henceforth be applied on an ongoing basis. There is no impact from this change on FY22/6 financial statements.

Based on regulations prescribed in the Supplementary Provisions Article 2 Clause 5 of the Cabinet Order for Partial Revision of Rules on Terminology, Formats, and Compilation Methods of Financial Statements (Cabinet Order No.61, September 24, 2021), Ichigo Green has omitted notes on items prescribed in Article 8-6-2 Clause 1 Item 3 of the revised Rules on Terminology, Formats, and Compilation Methods of Financial Statements.

Notes to Balance Sheet

Minimum Net Assets Stipulated in the Investment Trust and Investment Corporation Law

(JPY thousand)

FY21/6 (as of June 30, 2021)	FY22/6 (as of June 30, 2022)
50,000	50,000

Notes to Income Statement

Details of Solar Power Plant Revenue

(JPY thousand)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
A. Revenue		
Base Revenue	982,074	973,957
Additional Revenue (>P85 Forecast)	92,131	109,475
Total	1,074,206	1,083,433
B. Expenses		
Property and City Planning Taxes	88,790	76,043
Depreciation Expense	637,168	637,424
Total	725,958	713,467
C. Power Production Income (A) – (B)	348,247	369,966

Notes to Statement of Shareholders' Equity

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Number of Authorized Shares	10,000,000	10,000,000
Number of Shares Outstanding	102,966	102,966

Notes to Cash Flow Statement

Relationship between Cash and Cash Equivalents at End of the Fiscal Period and Items Shown on the Balance Sheet

(JPY thousand)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Cash and Deposits	1,019,227	1,031,094
Cash and Cash Equivalents	1,019,227	1,031,094

Notes to Derivatives Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous Period (FY21/6)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
			Total	>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	5,876,412	5,439,025	Note	–

Note: Swaps accounted under the Special Treatment of Interest Swap method are processed together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Current Period (FY22/6)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
			Total	>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	5,439,025	4,991,494	Note	–

Note: Swaps accounted under the Special Treatment of Interest Swap method are processed together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Notes to Solar Power Plant Equipment Book Value, Depreciation, & Appraisal Value

(JPY thousand)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Book Value		
Balance as of Beginning of Period	9,514,677	8,880,756
Change during the Period	-633,920	-634,611
Balance as of End of Period	8,880,756	8,246,145
Period-End Appraisal Value	10,293,000	9,537,500

¹ Book and Appraisal Values are the total of the solar power plants and the underlying land.

² Book Value is calculated by deducting the cumulative depreciation from the acquisition price.

³ Change during the Period is primarily depreciation expense for FY21/6 and FY22/6.

⁴ Appraisal Value is a median calculated pursuant to Ichigo Green's Articles of Incorporation (Article 35, Clause 2, Item 1) and using land and power plant appraisal values as of June 30, 2021 and June 30, 2022 provided by PwC Sustainability LLC.

Per Share Information

(JPY)

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Net Assets per Share	42,018	40,149
Net Income per Share	1,726	2,052

Details for Calculation of Net Income per Share

	FY21/6 (July 1, 2020 to June 30, 2021)	FY22/6 (July 1, 2021 to June 30, 2022)
Net Income (JPY thousand)	177,807	211,360
Net Income not attributable to common shareholders (JPY thousand)	–	–
Net Income attributable to common shareholders (JPY thousand)	177,807	211,360
Average number of shares in the fiscal period	102,966	102,966

New Share Issuance

Date	Method	Total Number of Shares		Issue Amount ¹ (JPY million)	
		Issued	Outstanding	Increase	Total
September 21, 2017	DEE Payment (Return of Capital) ²	–	51,483	-130	4,823
January 1, 2018	Stock Split ³	51,483	102,966	–	4,823
September 20, 2018	DEE Payment (Return of Capital) ⁴	–	102,966	-224	4,599
September 19, 2019	DEE Payment (Return of Capital) ⁵	–	102,966	-224	4,374
September 18, 2020	DEE Payment (Return of Capital) ⁶	–	102,966	-225	4,148
September 21, 2021	DEE Payment (Return of Capital) ⁷	–	102,966	-226	3,922

DEE = Dividend in Excess of Earnings

¹ The DEE payment has been subtracted from Issue Amount, because it is treated as a return of capital.

² Ichigo Green resolved at its August 9, 2017 board meeting that it will pay a DEE of JPY 2,540 per share for FY17/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 21, 2017.

³ Ichigo Green executed a two-for-one stock split on January 1, 2018 (record date: December 31, 2017).

- ⁴ Ichigo Green resolved at its August 10, 2018 board meeting that it will pay a DEE of JPY 2,180 per share for FY18/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 20, 2018.
- ⁵ Ichigo Green resolved at its August 9, 2019 board meeting that it will pay a DEE of JPY 2,185 per share for FY19/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 19, 2019.
- ⁶ Ichigo Green resolved at its August 11, 2020 board meeting that it will pay a DEE of JPY 2,190 per share for FY20/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 18, 2020.
- ⁷ Ichigo Green resolved at its August 13, 2021 board meeting that it will pay a DEE of JPY 2,195 per share for FY21/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 21, 2021.

Solar Power Plant Information

Portfolio Composition

Asset Type	Region	FY22/6 (as of June 30, 2022)	
		Book Value (JPY million)	% of Total
Solar Power Plant	Hokkaido	2,443	25.4
	Kanto	335	3.5
	Chubu	377	3.9
	Chugoku	1,129	11.7
	Shikoku	1,170	12.1
	Kyushu	374	3.9
	Okinawa	2,415	25.1
Sub-total		8,246	85.6
Deposits & Other Assets		1,390	14.4
Total Assets		9,636	100

<u>Region</u>	<u>Prefectures</u>
Hokkaido	Hokkaido
Kanto	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa
Chubu	Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka, Aichi
Chugoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi
Shikoku	Tokushima, Kagawa, Ehime, Kochi
Kyushu	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima
Okinawa	Okinawa

Solar Power Plant Details

(as of June 30, 2022)

No.	Solar Power Plant	Location	Total Area (m ²)	FIT (JPY)	Certification Date	FIT Period
E-01	Ichigo Kiryu Okuzawa	Gunma	27,588.00	40	Feb 14, 2013	Sep 29, 2033
E-02	Ichigo Motomombetsu	Hokkaido	48,946.89	40	Jul 4, 2012	Feb 2, 2034
E-03	Ichigo Muroan Hatchodaira	Hokkaido	35,801.00	40	Feb 15, 2013	Mar 2, 2034
E-04	Ichigo Engaru Kiyokawa	Hokkaido	27,164.16	40	Mar 4, 2013	Mar 3, 2034
E-05	Ichigo Iyo Nakayamacho Izubuchi	Shikoku	26,260.77	40	Jul 11, 2012	Apr 1, 2034
E-06	Ichigo Nakashibetsu Midorigaoka	Hokkaido	54,870.00	40	Feb 19, 2013	Nov 3, 2034
E-07	Ichigo Abira Toasa	Hokkaido	29,730.72	40	Jul 4, 2012	Dec 1, 2034
E-08	Ichigo Toyokoro	Hokkaido	29,004.00	40	Feb 22, 2013	Dec 3, 2034
E-09	Ichigo Nago Futami	Okinawa	146,217.00	40	Mar 15, 2013	Feb 1, 2035
E-10	Ichigo Engaru Higashimachi	Hokkaido	46,329.00	40	Feb 15, 2013	Feb 2, 2035
E-11	Ichigo Takamatsu Kokubunjicho Nii	Shikoku	79,340.00	36	Feb 20, 2014	Jun 1, 2035
E-12	Ichigo Miyakonojo Yasuhisacho	Kyushu	94,165.00	36	Feb 14, 2014	Jul 7, 2035
E-13	Ichigo Toyokawa Mitocho Sawakihama	Chubu	19,393.00	32	Feb 13, 2015	Sep 15, 2035
E-14	Ichigo Yamaguchi Aionishi	Chugoku	19,815.38	40	Mar 12, 2013	Dec 6, 2035
E-15	Ichigo Yamaguchi Sayama	Chugoku	43,621.00	36	Mar 17, 2014	Apr 5, 2036

Acquisition Price, Appraisal Value, and Book Value of Solar Power Plants

(as of June 30, 2022)

No.	Solar Power Plant	Solar Energy Producer	Power Purchaser	Acquisition Price (JPY million)	Appraisal Value (JPY million)	Appraisal Value Breakdown (JPY million) Top: Power Plant Bottom: Real Estate	Book Value (JPY million)
E-01	Ichigo Kiryu Okuzawa	Ichigo ECO Kiryu Okuzawa Power Plant GK	TEPCO Energy Partner	489	394	394	335
						–	–
E-02	Ichigo Motomombetsu	Ichigo ECO Motomombetsu Power Plant GK	Hokkaido Electric	495	402	402	344
						–	–
E-03	Ichigo Muroran Hatchodaira	Ichigo ECO Muroran Hatchodaira Power Plant GK	Hokkaido Electric	467	379	379	325
						–	–
E-04	Ichigo Engaru Kiyokawa	Ichigo Engaru Kiyokawa ECO Power Plant GK	Hokkaido Electric	398	314	314	277
						–	–
E-05	Ichigo Iyo Nakayamacho Izubuchi	Ichigo ECO Iyo Nakayamacho Izubuchi Power Plant GK	Shikoku Electric	471	383	383	329
						–	–
E-06	Ichigo Nakashibetsu Midorigaoka	Ichigo Nakashibetsu Midorigaoka ECO Power Plant GK	Hokkaido Electric	770	628	628	543
						–	–
E-07	Ichigo Abira Toasa	Ichigo Abira Toasa ECO Power Plant GK	Hokkaido Electric	441	363	363	313
						–	–
E-08	Ichigo Toyokoro	Ichigo Toyokoro ECO Power Plant GK	Hokkaido Electric	434	359	359	308
						–	–

No.	Solar Power Plant	Solar Energy Producer	Power Purchaser	Acquisition Price (JPY million)	Appraisal Value (JPY million)	Appraisal Value Breakdown (JPY million) Top: Power Plant Bottom: Real Estate	Book Value (JPY million)
E-09	Ichigo Nago Futami	Ichigo ECO Nago Futami Power Plant GK	Okinawa Electric	3,425	2,917	2,917	2,415
						–	–
E-10	Ichigo Engaru Higashimachi	Ichigo Engaru Higashimachi ECO Power Plant GK	Hokkaido Electric	464	375	375	331
						–	–
E-11	Ichigo Takamatsu Kokubunjicho Nii	Ichigo ECO Energy	Shikoku Electric	1,124	915	814	708
						101	133
E-12	Ichigo Miyakonojo Yasuhisacho	Ichigo Miyakonojo Yasuhisacho ECO Power Plant GK	Kyushu Electric	517	428	428	374
						–	–
E-13	Ichigo Toyokawa Mitocho Sawakihama	Ichigo Toyokawa Mitocho Sawakihama ECO Power Plant GK	Chubu Electric Power Miraiz	523	409	409	377
						–	–
E-14	Ichigo Yamaguchi Aionishi	Ichigo Yamaguchi Aionishi ECO Power Plant GK	Chugoku Electric	544	469	398	355
						70	75
E-15	Ichigo Yamaguchi Sayama	Ichigo Yamaguchi Sayama ECO Power Plant GK	Chugoku Electric	925	798	798	698
						–	–
Total				11,487	9,537	9,365	8,037
						171	208

- ¹ Appraisal Value is a median calculated pursuant to Ichigo Green's Articles of Incorporation (Article 35, Clause 2, Item 1) and using land and power plant appraisal values provided by PwC Sustainability LLC.
- ² The top row of the Appraisal Value Breakdown column shows the Plant Appraisal Value, calculated as the difference between the Appraisal Value described in footnote 1 above and the corresponding Real Estate Appraisal Value in reports produced by Daiwa Real Estate Appraisal. Values in the bottom row show the Real Estate appraisal value by Daiwa Real Estate Appraisal.
- ³ The top row of the Book Value column shows the book value of the solar power plant and the bottom row shows that of the underlying land as of June 30, 2022.

Earnings by Solar Power Plant

(JPY thousand)

No.		E-01	E-02	E-03	E-04
Solar Power Plant	Total Portfolio	Ichigo Kiryu Okuzawa	Ichigo Motomom-betsu	Ichigo Muroran Hatchodaira	Ichigo Engaru Kiyokawa
(1) Revenue	1,083,433	49,578	51,914	48,330	37,483
Base Revenue	973,957	43,121	43,065	41,353	33,807
Additional Revenue (>P85 Forecast)	109,475	6,457	8,849	6,977	3,676
(2) Expenses	76,043	3,018	3,077	2,902	2,473
Fixed Asset Tax	1,005	–	–	–	–
Depreciable Asset Tax	75,037	3,018	3,077	2,902	2,473
Other	–	–	–	–	–
(3) NOI	1,007,390	46,560	48,837	45,428	35,010
(4) Depreciation Expense	637,424	29,795	29,496	27,719	23,618
(5) Net Income	369,966	16,765	19,340	17,709	11,391

No.	E-05	E-06	E-07	E-08	E-09
Solar Power Plant	Ichigo Iyo Nakayama-cho Izubuchi	Ichigo Nakashibetsu Midorigaoka	Ichigo Abira Toasa	Ichigo Toyokoro	Ichigo Nago Futami
(1) Revenue	46,664	74,908	42,608	41,367	302,096
Base Revenue	41,826	64,909	36,963	36,936	302,096
Additional Revenue (>P85 Forecast)	4,837	9,999	5,645	4,431	–
(2) Expenses	2,889	5,072	2,888	2,849	22,578
Fixed Asset Tax	–	–	–	–	–
Depreciable Asset Tax	2,889	5,072	2,888	2,849	22,578
Other	–	–	–	–	–
(3) NOI	43,774	69,836	39,720	38,518	279,517
(4) Depreciation Expense	27,829	43,766	25,048	24,652	190,733
(5) Net Income	15,944	26,070	14,672	13,865	88,784

(JPY thousand)

No.	E-10	E-11	E-12	E-13	E-14
Solar Power Plant	Ichigo Engaru Higashimachi	Ichigo Takamatsu Kokubunjicho Nii	Ichigo Miyakonojo Yasuhisacho	Ichigo Toyokawa Mitocho Sawakihama	Ichigo Yamaguchi Aionishi
(1) Revenue	41,328	103,453	46,638	49,336	50,840
Base Revenue	37,714	89,048	44,179	38,026	43,765
Additional Revenue (>P85 Forecast)	3,613	14,404	2,459	11,310	7,074
(2) Expenses	3,055	6,842	3,361	3,598	4,243
Fixed Asset Tax	–	409	–	–	595
Depreciable Asset Tax	3,055	6,432	3,361	3,598	3,648
Other	–	–	–	–	–
(3) NOI	38,272	96,610	43,276	45,738	46,597
(4) Depreciation Expense	26,158	54,466	28,514	28,477	26,318
(5) Net Income	12,114	42,144	14,762	17,261	20,278

No.	E-15
Solar Power Plant	Ichigo Yamaguchi Sayama
(1) Revenue	96,882
Base Revenue	77,143
Additional Revenue (>P85 Forecast)	19,738
(2) Expenses	7,191
Fixed Asset Tax	–
Depreciable Asset Tax	7,191
Other	–
(3) NOI	89,690
(4) Depreciation Expense	50,829
(5) Net Income	38,861

Major Capital Expenditures

a. Major Planned Capital Expenditures (as of June 30, 2022)

Solar Power Plant	Location	Purpose	Timing	Total Expenditures (JPY thousand)	Amount Planned (JPY thousand)	Amount Already Paid (JPY thousand)
Ichigo Iyo Nakayama-cho Izubuchi	Iyo City, Ehime	Install remotely controlled power conditioning subsystem	Dec 2022	1,490	–	–
Ichigo Takamatsu Kokubunjicho Nii	Takamatsu City, Kagawa	Install remotely controlled power conditioning subsystem	Dec 2022	1,990	–	–

b. Major Capital Expenditures during the Current Fiscal Period (FY22/6)

During FY22/6, capital expenditures totaled JPY 2,813 thousand. A major capital expenditure is shown below.

Solar Power Plant	Location	Purpose	Timing	Total Expenditures (JPY thousand)
Ichigo Miyakonojo Yasuhisacho	Miyakonojo City, Miyazaki	Install remotely controlled power conditioning subsystem	Dec 2021	1,990