



Feb. 2013 Fiscal Year Q1 (March – May 2012)  
Corporate Presentation

July 19, 2012

**Ichigo Group Holdings Co., Ltd. (2337)**



**Creating peace of mind through honest  
and committed management.**

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## Accelerating Significant Growth

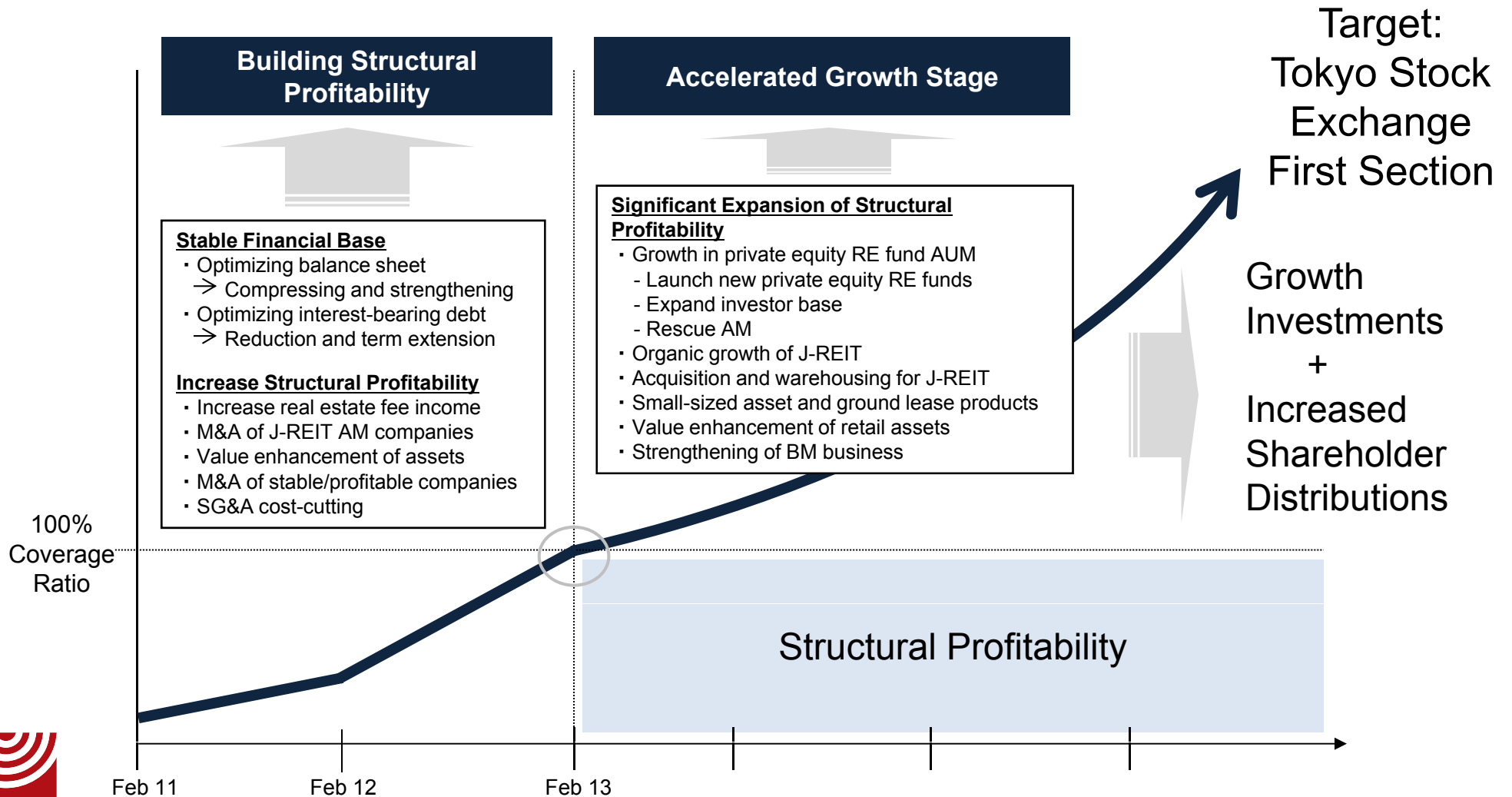
- Ichigo Growth Strategy
- Feb. 2013 Q1 Consolidated Financial Results
- Feb. 2013 Q1 Assets Under Management (AUM)
- Ongoing Structural Profitability
- Sound Financial Base
- New Business Developments
- New Group Structure
- Ichigo's Hiromi Miyake Selected for 2012 London Olympics

# Accelerating Significant Growth

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# Ichigo Growth Strategy

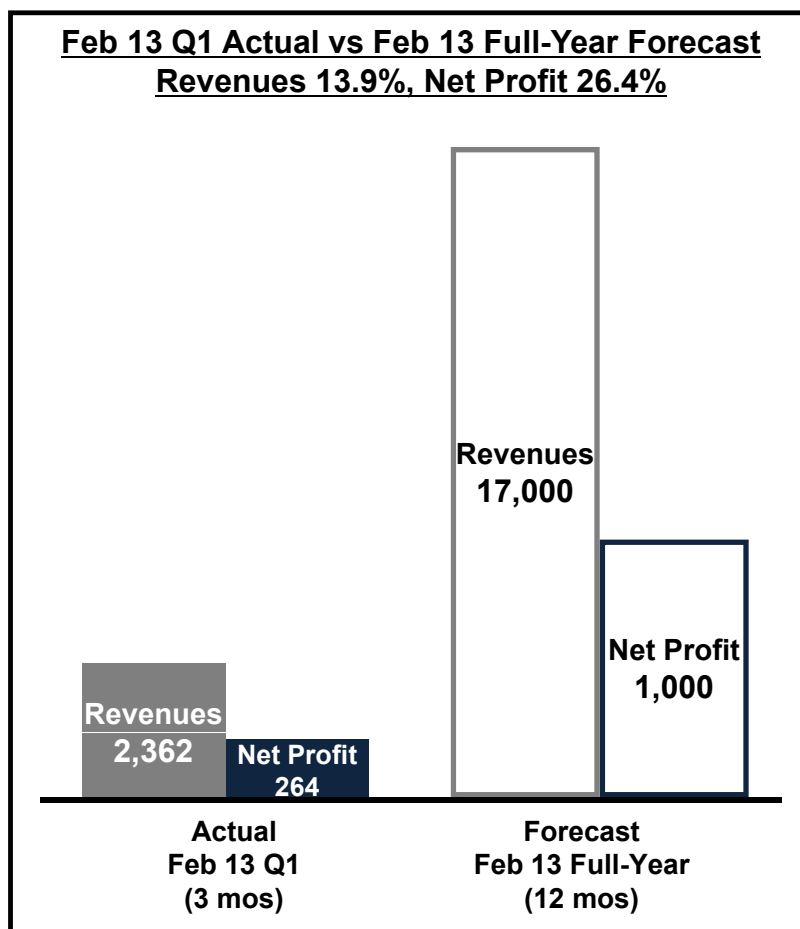
Having Achieved Structural Profitability, Entering Accelerated Growth Stage



# Feb. 2013 Q1 Consolidated Financial Results

## Driven by Stable Profitability

(Million yen)



## Feb. 2013 Q1 Financial Results

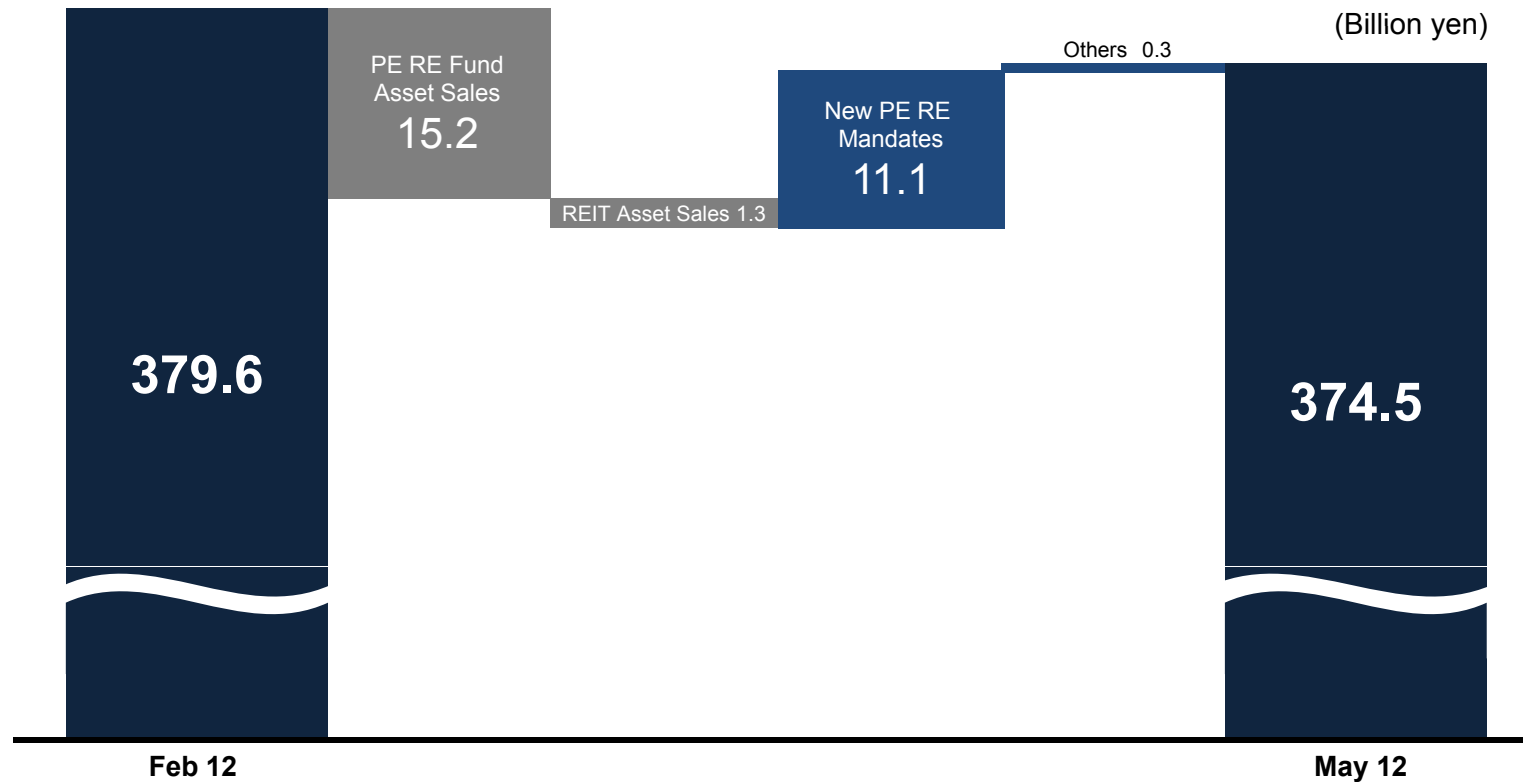
(Million yen)

	Feb 13 Q1	FY 13 Forecast	vs. Forecast
Revenues	2,362	17,000	13.9%
Operating Profit	335	1,500	22.3%
Recurring Profit	307	1,200	25.6%
Net Profit	264	1,000	26.4%
Dividend per Share (Yen)	-	200	-

# Feb. 2013 Q1 Assets Under Management (AUM)

## Slight Decrease in Total AUM, but Higher Profitability

- AUM decreased due to asset dispositions
- However, AM fees from private equity RE funds increased by ¥14MM p.a. [¥6MM decrease and ¥20MM increase]

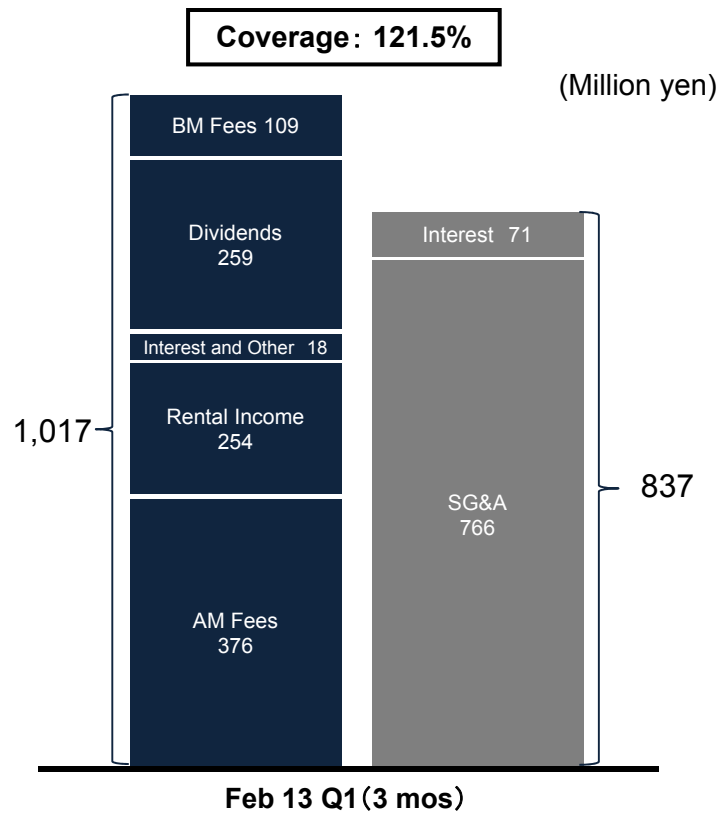




# Ongoing Structural Profitability

## Q1 Fixed Revenues at 122% of Fixed Costs

- Fixed Revenues (“locked-in” revenues, excludes transaction fees, capital gains, etc.)
- Fixed Costs (SG&A + Interest Expense)

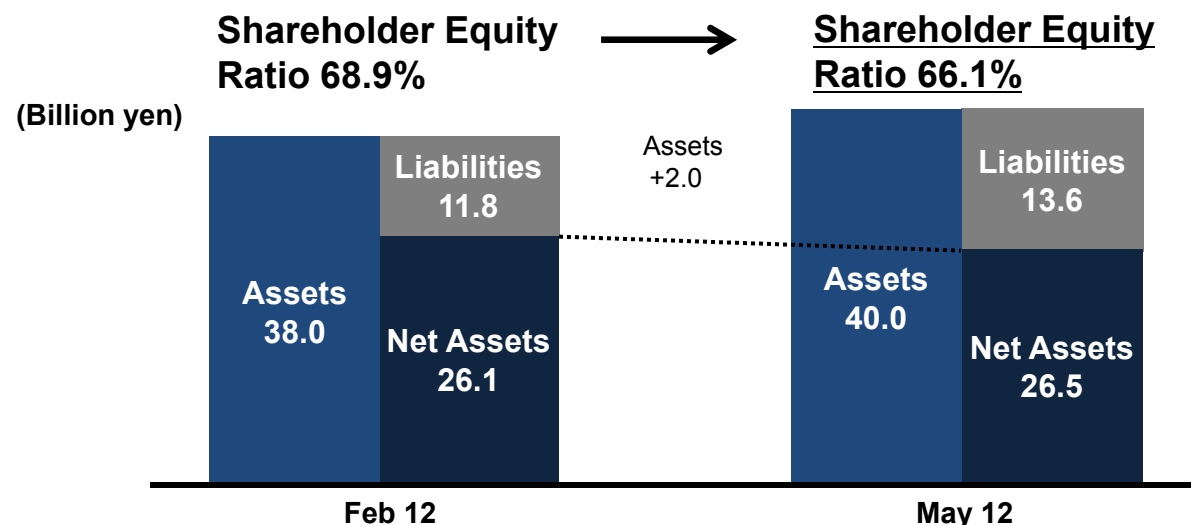


Target further expansion of fixed revenues and >120% coverage ratio for this FY

\* Pro Forma base (definition on p. 15)

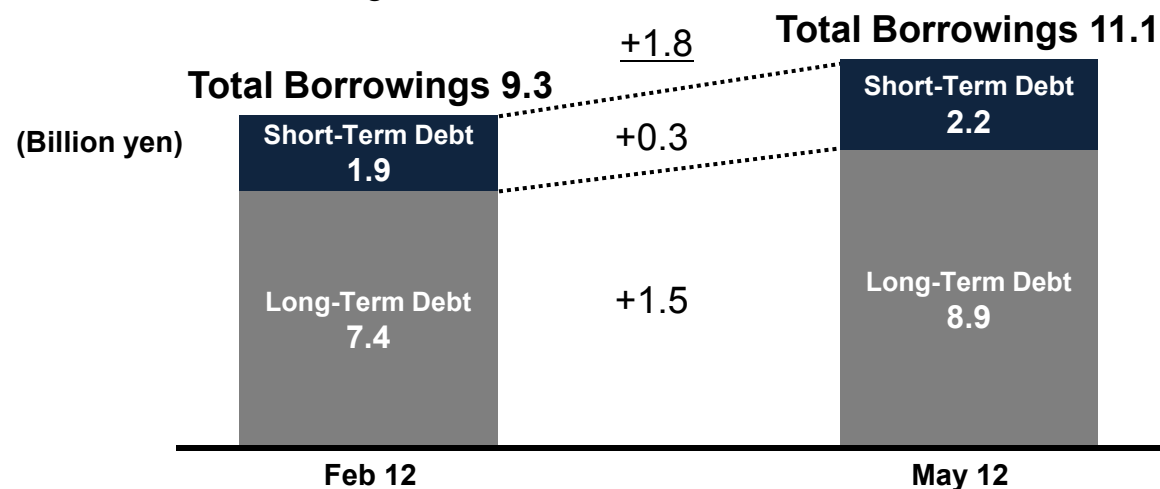
# Sound Financial Base

## Balance Sheet



- Assets & Liabilities Increased with New Warehousing Fund for Ichigo REIT
- Healthy Shareholder Equity Ratio  
68.9% → 66.1%

## Interest-Bearing Debt



- Debt Increased with New Borrowings for Warehousing Fund
- Healthy Long/Short-Term Debt Ratio  
79.3% → 79.8%

# New Business Developments

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- Property Best-Use Consulting and Advisory (Ichigo Estate Co., Ltd.)
  - Brought in a Major Supermarket on Behalf of a Tokyo Property Owner
    - Generating long-term stable rental income for owner
    - Ichigo Estate works for owner via a long-term service agreement
  - Diversifying Revenue Stream via Consulting and Advisory Business in Addition to Existing Small-Sized Real Estate and Ground Lease Businesses
- Standardize and Improve Quality of Service to Increase Tenant Satisfaction
  - Hands-On Approach to Deepen Understanding of Tenant needs
    - Building direct relationships with tenants to improve satisfaction
    - Establish Ichigo Quality Standard to improve quality of service
  - New Partnerships with Property Managers Who Meet Ichigo Quality Standard
    - Detailed evaluations and selection process of partner PMs
    - New PM partnerships start from September 2012
    - Ichigo PM Strategy Group set up last year to drive this process
    - Will also reduce PM costs

# New Group Structure

- On July 1, 2012, Reorganization Completed to Strengthen Ichigo's Capabilities as a Full-Service Real Estate Asset Manager
  - Formed New Asset Management Company to Manage J-REIT and Private Equity RE Funds
  - Concentrate Asset Management Resources to Accelerate Growth



Formed via merger of Ichigo REIT (8975) and private equity RE fund asset managers

Formed via merger of old Ichigo Estate and Ichigo Solutions, a financial services subsidiary

Operates Matsudo Nanbu Wholesale Market in Chiba

Operates Miyako City, large-scale shopping mall in Miyazaki Prefecture, Kyushu

- On July 2, 2012, Established Ichigo Global Capital Co., Ltd.
  - Launch Venture Capital Fund for Asian Investors
  - Support Cross-Border M&A



# Ichigo's Hiromi Miyake Selected for 2012 London Olympics

We are committed to fulfilling our Corporate Social Responsibilities with respect to all stakeholders, society, and the earth that we share. As part of our support for excellence in all social activities, including athletics, Ichigo sponsors a weightlifting team.



Hiromi Miyake

## Ichigo employee Hiromi Miyake will represent Japan at the London Olympics.

### Profile of Hiromi Miyake

Joined Ichigo in April 2008

Results of Major Tournaments

- 2004 Athens Olympics, 48kg-Class 9th Place
- 2008 Beijing Olympics, 48kg-Class 6th Place
- 2010 Japan Weightlifting Championships, 53kg-Class 1st Place
- 2011 Japan Weightlifting Championships, 53kg-Class 1st Place
- 2011 World Weightlifting Championships, 53kg-Class 6th Place

London Olympics Press Conference



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## Appendix: Pro Forma Financial Data

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# Pro Forma Disclosure to Improve Transparency

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- Under Japanese accounting rules, SPCs in which Ichigo Group Holdings (“IGH”) is a greater than 50% investor or SPCs for which IGH is the asset manager and no single equity investor holds more than 50% of the total investment must be consolidated onto IGH’s balance sheet.
- Our statutory consolidated and parent financial statements thus include client-related assets and liabilities and P&L which do not belong to IGH. In order to more accurately reflect the true economic exposures borne by our shareholders, we disclose Pro Forma financials which are intended to better reflect IGH’s actual corporate financial position.

# Balance Sheet (Pro Forma)

(Million yen)

	Feb 12	Feb 13 Q1	Change (QoQ)
<b>Total Assets</b>	<b>37,980</b>	<b>40,038</b>	<b>2,058</b>
Cash and Cash Equivalents	5,713	5,730	17
Investment (Real Estate)	8,151	8,447	296
Investment (Domestic companies)	600	551	-49
Investment (Overseas companies)	4,598	4,573	-25
Real Estate Held for Sale	3,785	5,890	2,105
Fixed Assets	10,109	10,073	-36
Intangible Assets	2,105	2,075	-30
Other	2,919	2,699	-220
<b>Liabilities</b>	<b>11,831</b>	<b>13,557</b>	<b>1,726</b>
Interest-Bearing Debt	9,351	11,189	1,838
Other	2,480	2,368	-112
<b>Net Assets</b>	<b>26,149</b>	<b>26,481</b>	<b>332</b>



# P&L (Pro Forma)

	Feb 12	Feb 13 Q1		(Million yen)
			<b>Breakdown</b>	
				<b>Feb 13 Q1</b>
<b>Revenues</b>	<b>7,927</b>	<b>1,736</b>	<b>Revenues</b>	<b>1,736</b>
Cost of Revenues	4,101	663	Real Estate Management Fees	467
<b>Gross Profit</b>	<b>3,826</b>	<b>1,073</b>	Advisory Fees	6
SG&A	2,871	766	Rental Income	468
<b>Operating Profit</b>	<b>954</b>	<b>306</b>	Real Estate Sales / Dividends	259
Non-Operating Gain (Loss), net	-70	-28	Securities Sales / Dividends	15
<b>Recurring Profit</b>	<b>884</b>	<b>278</b>	Building Maintenance Fees	517
Extraordinary Gain (Loss), net	997	0	Other	4
<b>Pre-tax Profit</b>	<b>1,881</b>	<b>279</b>	<b>Gross Profit</b>	<b>1,073</b>
Tax	159	16	Real Estate Management Fees	430
Minority Interests	-48	-2	Advisory Fees	6
<b>Net Profit</b>	<b>1,770</b>	<b>264</b>	Rental Income	254
			Real Estate Sales / Dividends	259
			Securities Sales / Dividends	15
			Building Maintenance Fees	109
			Other	0

# Balance Sheet NAV

## Significant Unrealized Gains on Balance Sheet Assets

### - Real Estate

(Million yen)

	Acquisition Value	Book Value (As of May 12)	Appraisal Value (As of Feb 12)	Unrealized Gain
Directly Owned on B/S	17,392	12,889	15,275	+2,384
Investment in IGH Funds	16,406	8,448	14,121	+5,674
<b>Total</b>	<b>33,798</b>	<b>21,337</b>	<b>29,396</b>	<b>+8,058</b>

### - Private Equity

(Million yen)

	Book Value (As of May 12)	Market Value (As of Jun 12)	Unrealized Gain
Domestic Securities	323	483	+160
Overseas Securities	960	982	+21
IPO (Overseas) Jun 13	49	368	+61
<b>Total</b>	<b>1,332</b>	<b>1,833</b>	<b>+242</b>

## Appendix: Consolidated Financial Data

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# Balance Sheet (Consolidated)

(Million yen)

	Feb 12	Feb 13 Q1	QoQ change
<b>Total Assets</b>	<b>82,170</b>	<b>84,010</b>	<b>1,840</b>
Cash and Cash Equivalents	9,791	9,944	153
Operating Investments in Securities	4,226	4,281	55
Real Estate Held for Sale	49,674	51,838	2,164
Fixed Assets	10,109	10,073	-36
Intangible Assets	2,105	2,075	-30
Investments in Securities	3,589	3,478	-111
Other	2,676	2,321	-355
<b>Liabilities</b>	<b>53,982</b>	<b>55,462</b>	<b>1,480</b>
Interest-Bearing Debts (excl. Non-Recourse Loans)	9,351	11,189	1,838
Non-Recourse Loans	37,694	37,392	-302
Other	6,937	6,881	-56
<b>Net Assets</b>	<b>28,187</b>	<b>28,548</b>	<b>361</b>
Shareholders Equity	25,972	26,202	230
Minority Interests and Other	2,215	2,346	131

# Breakdown of Assets (Consolidated)

(Million yen)

	Feb 12			Feb 13 Q1			QoQ Change in the Company's Interests
	Amount	Outside Investors' Interests	The Company's Interests	Amount	Outside Investors' Interests	The Company's Interests	
Cash and Cash Equivalents	9,791	-	-	9,944	-	-	-
<b>Operating Investments in Securities</b>	<b>4,226</b>	<b>0</b>	<b>4,226</b>	<b>4,281</b>	<b>0</b>	<b>4,281</b>	<b>55</b>
Domestic Real Estate	2,254	0	2,254	2,273	0	2,273	19
Listed Domestic Companies	0	0	0	0	0	0	0
Unlisted Domestic Companies	42	0	42	37	0	37	-5
Listed Overseas Companies	1,019	0	1,019	1,061	0	1,061	42
Unlisted Overseas Companies	911	0	911	910	0	910	-1
Reference: Allowance for Bad Debts for Operating Investments in Securities	-288	-	-288	-286	-	-286	2
<b>Operating Investments in Securities less Allowance for Bad Debts for Operating Investments in Securities</b>	<b>3,938</b>	<b>-</b>	<b>3,938</b>	<b>3,995</b>	<b>-</b>	<b>3,995</b>	<b>57</b>
<b>Real Estate Held for Sale</b>	<b>49,674</b>	<b>40,066</b>	<b>9,608</b>	<b>51,838</b>	<b>40,058</b>	<b>11,780</b>	<b>2,172</b>
<b>Investments in Securities</b>	<b>3,589</b>	<b>0</b>	<b>3,589</b>	<b>3,478</b>	<b>0</b>	<b>3,478</b>	<b>-111</b>
Domestic Companies	529	0	529	514	0	514	-15
Overseas Companies	2,955	0	2,955	2,889	0	2,889	-66
Others	105	0	105	75	0	75	-30
Reference: Allowance for Bad Debts for Investments in Securities	-75	-	-75	-75	-	-75	0
<b>Investments in Securities less Allowance for Bad Debts for Investments in Securities</b>	<b>3,515</b>	<b>-</b>	<b>3,515</b>	<b>3,404</b>	<b>-</b>	<b>3,404</b>	<b>-111</b>
<b>Fixed Assets</b>	<b>10,109</b>	<b>-</b>	<b>-</b>	<b>10,073</b>	<b>-</b>	<b>-</b>	<b>-</b>
Intangible Assets	2,105	-	-	2,075	-	-	-
Other Assets	3,038	-	-	2,681	-	-	-
<b>Total Assets</b>	<b>82,170</b>	<b>-</b>	<b>17,061</b>	<b>84,010</b>	<b>-</b>	<b>19,179</b>	<b>2,118</b>

# P&L (Consolidated)

	Feb 12	Feb 13 Q1	Full-Year Forecast	vs. Forecast		<b>Breakdown</b>	(Million yen)
							Feb 13 Q1
<b>Revenues</b>	<b>18,952</b>	<b>2,362</b>	<b>17,000</b>	<b>13.9%</b>	→	<b>Revenues</b>	<b>2,362</b>
Cost of Revenues	15,030	1,260	—	—		Real Estate Management Fees	394
<b>Gross Profit</b>	<b>3,921</b>	<b>1,102</b>	—	—		Advisory Fees	6
SG&A	2,871	766	—	—		Rental Income	1,421
<b>Operating Profit</b>	<b>1,050</b>	<b>335</b>	<b>1,500</b>	<b>22.3%</b>	↘	Real Estate Sales / Dividends	18
Non-Operating Gain (Loss), net	-70	-28	—	—		Securities Sales / Dividends	15
<b>Recurring Profit</b>	<b>979</b>	<b>307</b>	<b>1,200</b>	<b>25.6%</b>		Building Maintenance Fees	506
Extraordinary Gain (Loss), net	997	0	—	—		Other	2
<b>Pre-tax Profit</b>	<b>1,976</b>	<b>308</b>	—	—		<b>Gross Profit</b>	<b>1,102</b>
Tax	159	16	—	—		Real Estate Management Fees	356
Minority Interests	47	26	—	—		Advisory Fees	6
<b>Net Profit</b>	<b>1,770</b>	<b>264</b>	<b>1,000</b>	<b>26.4%</b>		Rental Income	628
						Real Estate Sales / Dividends	18
						Securities Sales / Dividends	15
						Building Maintenance Fees	98
						Other	-19

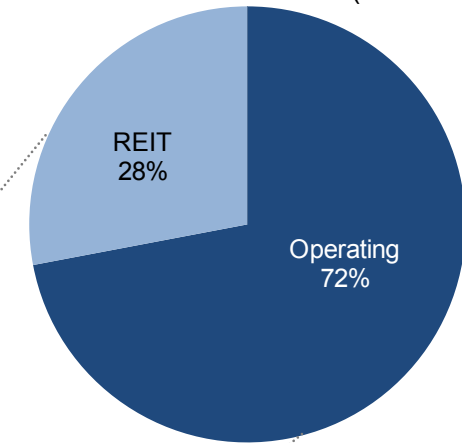
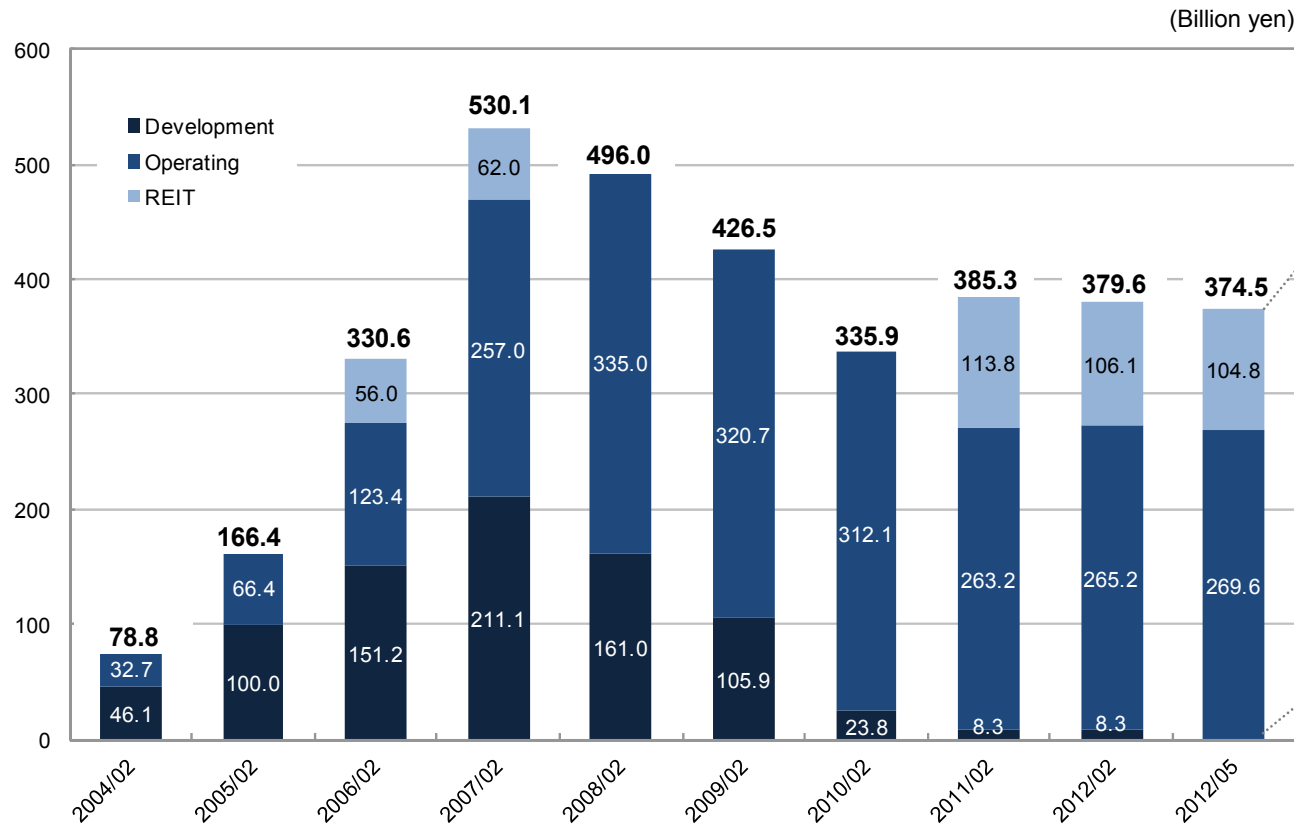
## Appendix: Real Estate Data

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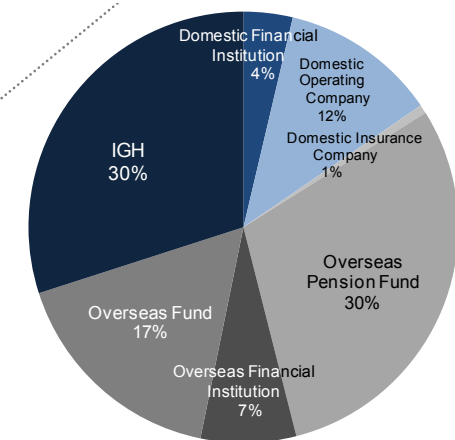
# Assets Under Management (AUM)

Net AUM Decreased by ¥ 5 Billion – Decrease of ¥16.4 Billion from Disposition of Assets and Increase of ¥11.4 Billion from Launching New Funds and New Rescue AM Mandate

(As of May 2012)



## Breakdown of Equity Investors

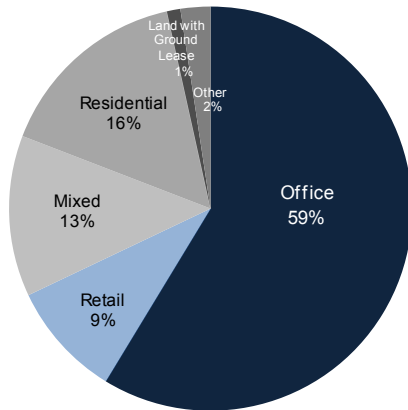




# Real Estate Portfolio

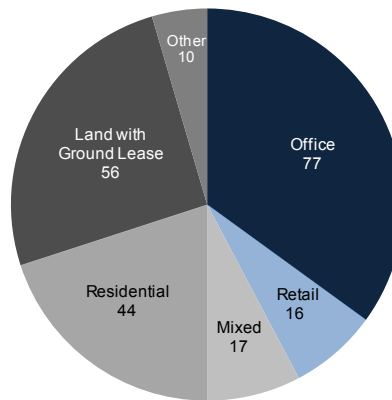
- Track Record Mainly in Office and Also Across a Wide Variety of Other Asset Types
- Strong in Mid-Sized Assets in Tokyo, Which are Highly Liquid and Have Stable Cashflows

**AUM by Type**



**# of Properties by Type**

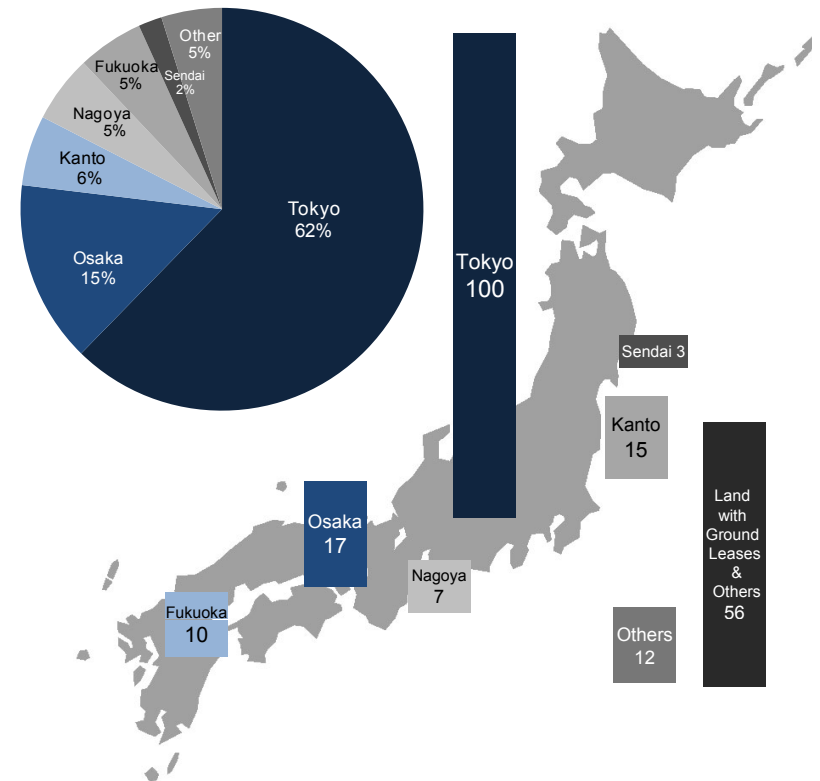
(Unit: # of buildings)



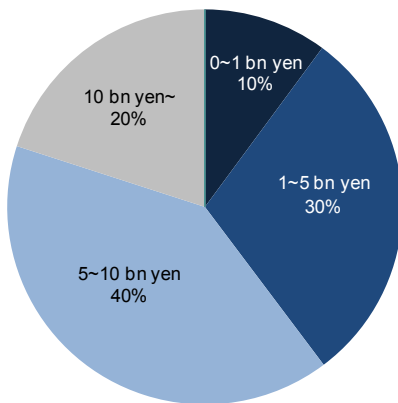
**AUM by Location**

(As of May 2012)

(Unit: # of buildings)

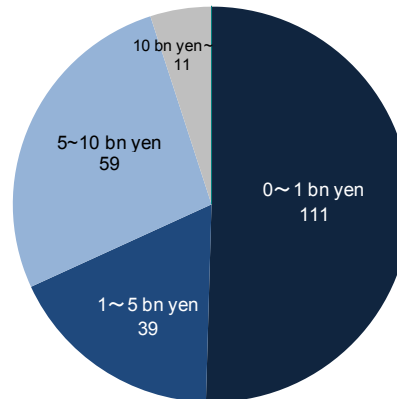


**AUM by Size**



**# of Properties by Size**

(Unit: # of buildings)



# Real Estate Cap Rates

- Conservative assessment of cap rates, generally more conservative than market
- Continually mark assets to market
- Unrealized gains in both client and IGH assets

(As of May 2012)

## Real Estate Investments held by Funds (SPCs)

(Million yen)

Location	Acquisition Value	Book Value (after write-down)	NOI (current)	Cap rate (at Acquisition) NOI / Acquisition Value	Cap Rate (current) NOI / Book Value after write-down	Appraisal Value as of February 2012	Unrealized Gain
Tokyo	150,494	134,139	6,768	5.3%	6.0%	135,396	+1,257
Outside Tokyo	83,431	64,214	4,200	5.4%	7.0%	73,459	+9,245
<b>Total</b>	<b>233,925</b>	<b>198,353</b>	<b>10,968</b>	<b>5.3%</b>	<b>6.4%</b>	<b>208,855</b>	<b>+10,503</b>

## Real Estate Investments directly held by IGH

(Million yen)

Location	Acquisition Value	Book Value (after write-down)	NOI (current)	Cap rate (at Acquisition) NOI / Acquisition Value	Cap Rate (current) NOI / Book Value after write-down	Appraisal Value as of February 2012	Unrealized Gain
Tokyo	7,647	6,754	467	6.6%	7.1%	7,961	+1,207
Outside Tokyo	7,462	5,428	587	6.2%	9.7%	6,607	+1,179
<b>Total</b>	<b>15,109</b>	<b>12,182</b>	<b>1,054</b>	<b>6.4%</b>	<b>8.4%</b>	<b>14,568</b>	<b>+2,386</b>

\*Excludes one development asset (c. ¥700M) which is not currently generating NOI

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Ichigo Group Holdings is Japan's first zero carbon listed real estate company. We are taking responsibility for the carbon emissions we create, such as via this presentation material, by taking measures to create offsets to our carbon emissions and working with organizations to invest in low-carbon technologies.

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