



FY17/2 Q1 Corporate Presentation

July 14, 2016

Ichigo (2337)



Ichigo's Hiromi Miyake
(Weightlifting)



**World-Class
Excellence**



Ichigo's Yasuyo Matsumoto
(Rifle Shooting)

Ichigo Preserves and Improves Real Estate



FY17/2 Q1 Earnings

- OP 2.1X, EPS 2.3X YOY
- Earnings Growing Across All Segments
- Robust Cash Flow and Cash-On-Hand
- Strong Financial Position

Powerful Value-Add Business Model Underpins Growth

- On-Going Ichigo Office REIT (8975) Growth
- Ichigo Office REIT: 12 Consecutive Periods of Dividend Growth – No. 1 vs. All J-REITs
- Value-Add Driving Earnings
- Value-Add: Hotel Capex to Increase ADRs
- Value-Add: Hotel LED Lighting
- Value-Add: Kumamoto Earthquake Damage Recovery
- Infrastructure Fund Listing Progress
- National Solar Power Plant Portfolio
- CIAM Share Sale

Appendices: Financial & Real Estate Data

Power Up 2019 Mid-Term Business Plan

FY17/2 Q1 Earnings

OP 2.1X, EPS 2.3X YOY

- Revenue Growth 5.2X YOY on Asset Sales to Ichigo Office REIT
- Value-Add Segment Driving Earnings Growth

(Million Yen)

	FY16/2 Q1	FY17/2 Q1	YOY	Full Year Forecast	vs Full-Year Forecast
Revenues	8,903	46,415	+421.3%	125,600	37.0%
Gross Profit	3,627	6,612	+82.3%	23,867	27.7%
Operating Profit	2,492	5,412	+117.2%	18,500	29.3%
Recurring Profit	2,233	4,806	+115.2%	16,400	29.3%
Net Income	2,375	5,585	+135.1%	13,300	42.0%
EPS	4.76 yen	11.13 yen	+133.8%	26.43 yen	42.1%

Earnings Growing Across All Segments

- Value-Add OP 2.8X YOY
- Value-Add Rental Income/Gain on Sale Split: 48%:52%

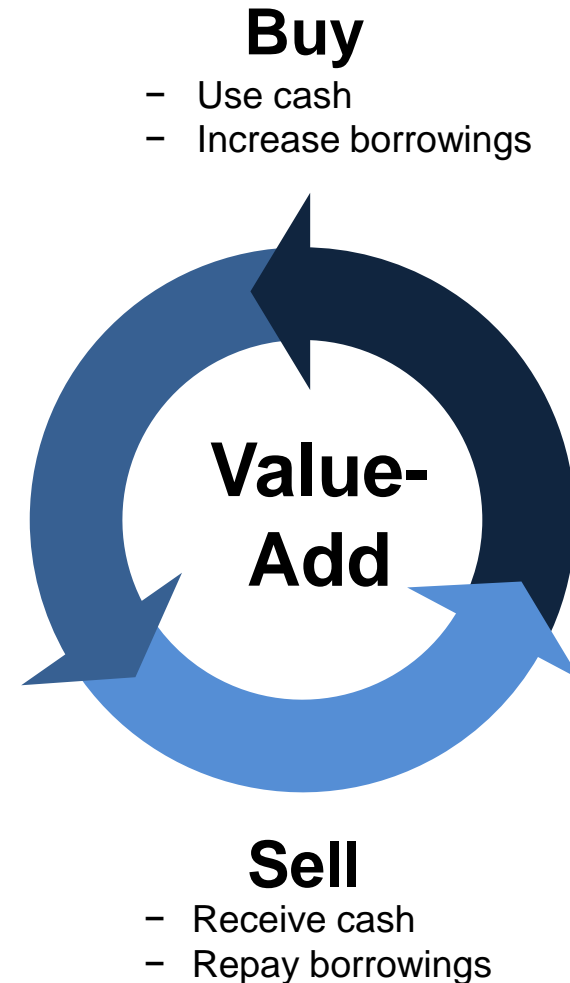
(Million Yen)

Segment	Revenues					Operating Profit					Earnings Drivers (Gross Profit Basis, YOY change in parentheses)
	FY16/2 Q1	FY17/2 Q1	YOY	Full-Year Forecast	vs Forecast	FY16/2 Q1	FY17/2 Q1	YOY	Full-Year Forecast	vs Forecast	
Asset Management	1,529	1,185	- 22.5%	5,079	23.3%	875	800	- 8.5%	2,386	33.5%	AM Fees: 343 (+131) Acquisition/Disposition Fees: 87 (-203) Performance Fees: 161 (+94) Sponsor Credit Support Fee: 0 (-360)
Value-Add	6,988	44,667	+539.2%	109,297	40.9%	1,572	4,404	+180.2%	13,530	32.6%	Rental Income: 2,709 (+992) Gain on Sale: 2,912 (+2,273)
Clean Energy	379	556	+46.7%	11,152	5.0%	96	143	+49.3%	2,608	5.5%	Solar Electricity Sales: 254(+88)
Other	6	5	- 16.7%	71	8.4%	-16	-14	—	-84	—	
Total	8,903	46,415	+421.3%	125,600	37.0%	2,527	5,334	+111.1%	18,440	28.9%	—
Adjustment (including offsets of cross-segment transactions)	—	—	—	—	—	-34	77	—	59	—	—
Total	8,903	46,415	+421.3%	125,600	37.0%	2,492	5,412	+117.2%	18,500	29.3%	—

Robust Cash Flow and Cash-On-Hand

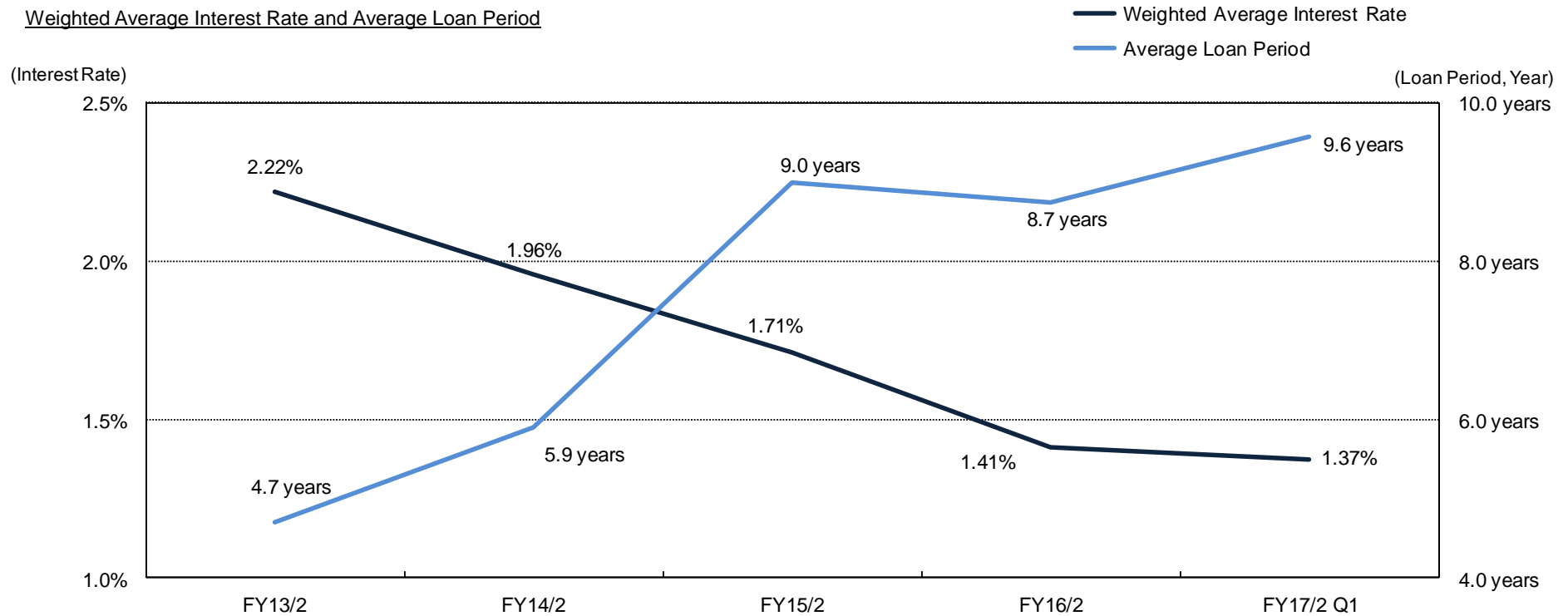
FY17/2 Q1

Cash Flow from Operating Activities	<p>+JPY 14.9B</p> <p>Sale of Value-Add Assets (Real Estate for Sale)</p> <p>+JPY 37.6B</p> <p>Acquisition of Value-Add Assets (Real Estate for Sale)</p> <p>-JPY 23.9B</p>
Cash Flow from Investing Activities	<p>+JPY 4.8B</p> <p>Sale of CIAM Shares (Investment Securities)</p> <p>+JPY 6.0B</p> <p>Acquisition of Solar Power Plants (Fixed Assets)</p> <p>-JPY 1.0B</p>
Cash Flow from Financing Activities	<p>-JPY 11.6B</p>
Cash-on-Hand	<p>JPY 34.7B (+6.4B)</p>

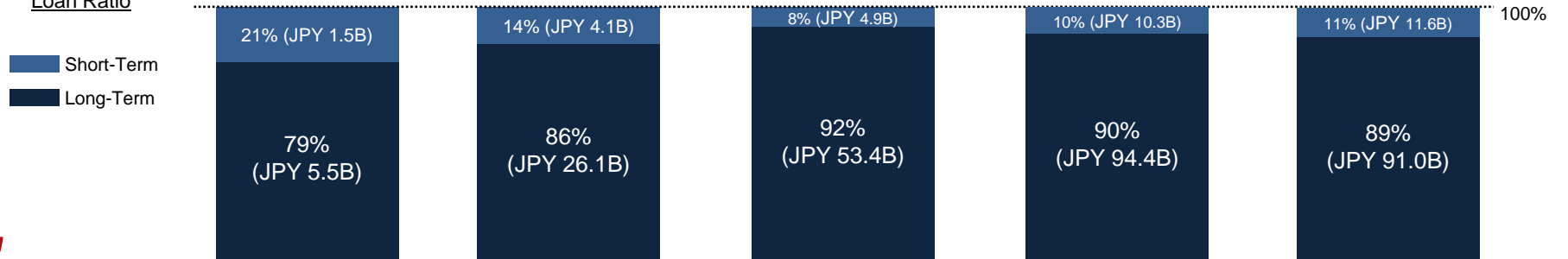


Strong Financial Position

Weighted Average Interest Rate and Average Loan Period



Long/Short-Term Loan Ratio



Powerful Value-Add Business Model Underpins Growth

On-Going Ichigo Office REIT (8975) Growth

Completed Sale of 13 Mid-Size Office Assets (JPY 29.2B) to Ichigo Office REIT, Driving Portfolio and Dividend Growth

Ichigo Office REIT Portfolio Growth

	April 2016 Period	Asset Acquisitions	May 24, 2016 (After Asset Sales)	Change
No. of Assets	73	13	86	+17.8%
Total Assets	JPY 162.7B	JPY 29.2B	JPY 191.9B	+17.9%
Leasable Area	217,381.68m ²	41,954.01m ²	259,335.69m ²	+19.3%



Ichigo Motoazabu Building



Ichigo Shibuya East Building



Ichigo Ningyocho Building



Ichigo Otsuka Building



Ichigo Nishi Honmachi Building



Ichigo Nishiki Building

Sale of 13 Assets
JPY29.2B



Ichigo Nagoya Building



Ichigo Ikenohata Building



Ichigo Ikebukuro East Building



Ichigo Minami Morimachi Building



Ichigo Hakata Building



Ichigo Fushimi Building

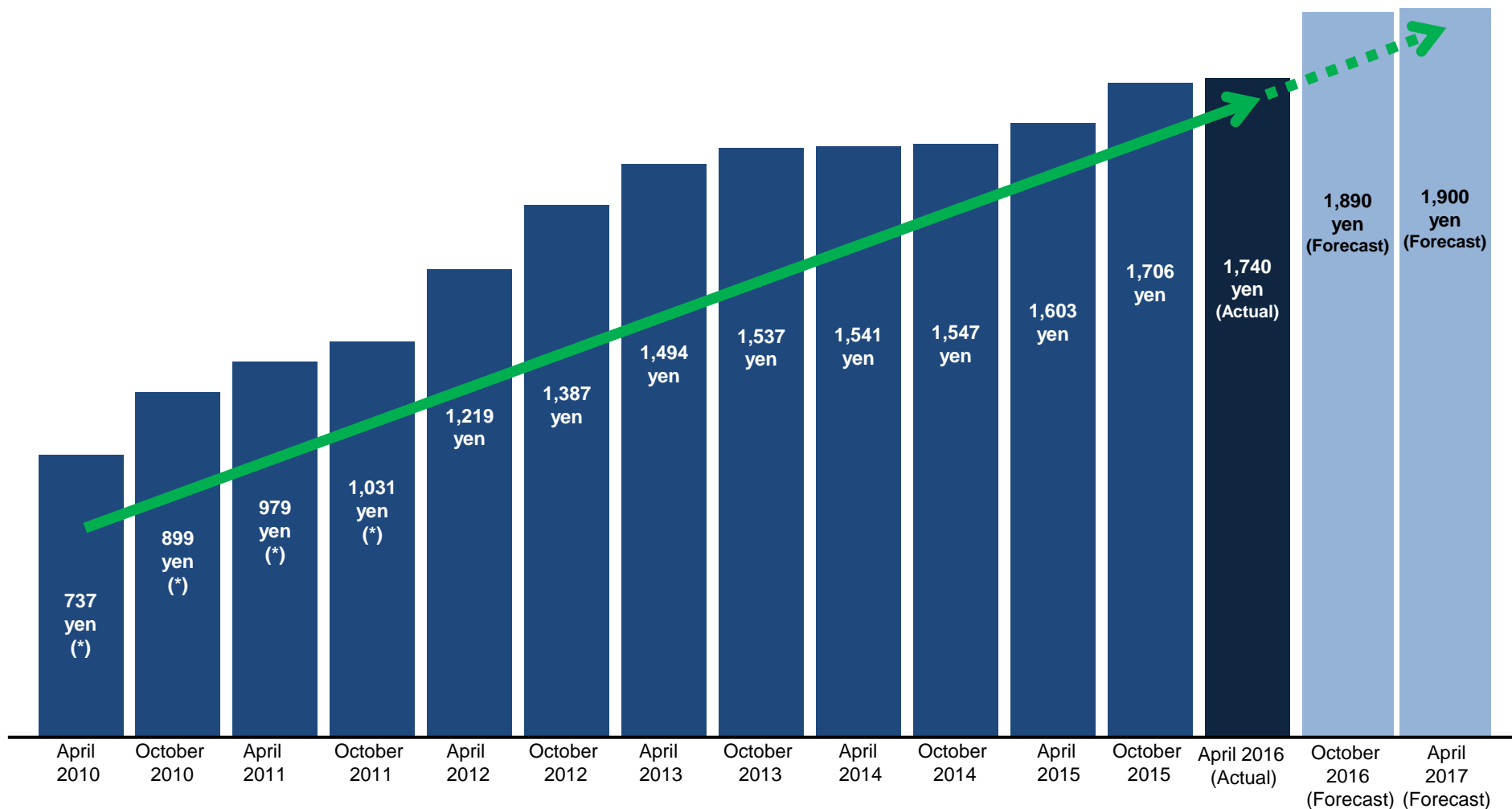


Nishiki First Building

Gain on Sale
JPY 600M

12 Consecutive Periods of Dividend Growth – No. 1 vs. All J-REITs

Currently Forecasting 14 Consecutive Periods of Dividend Growth



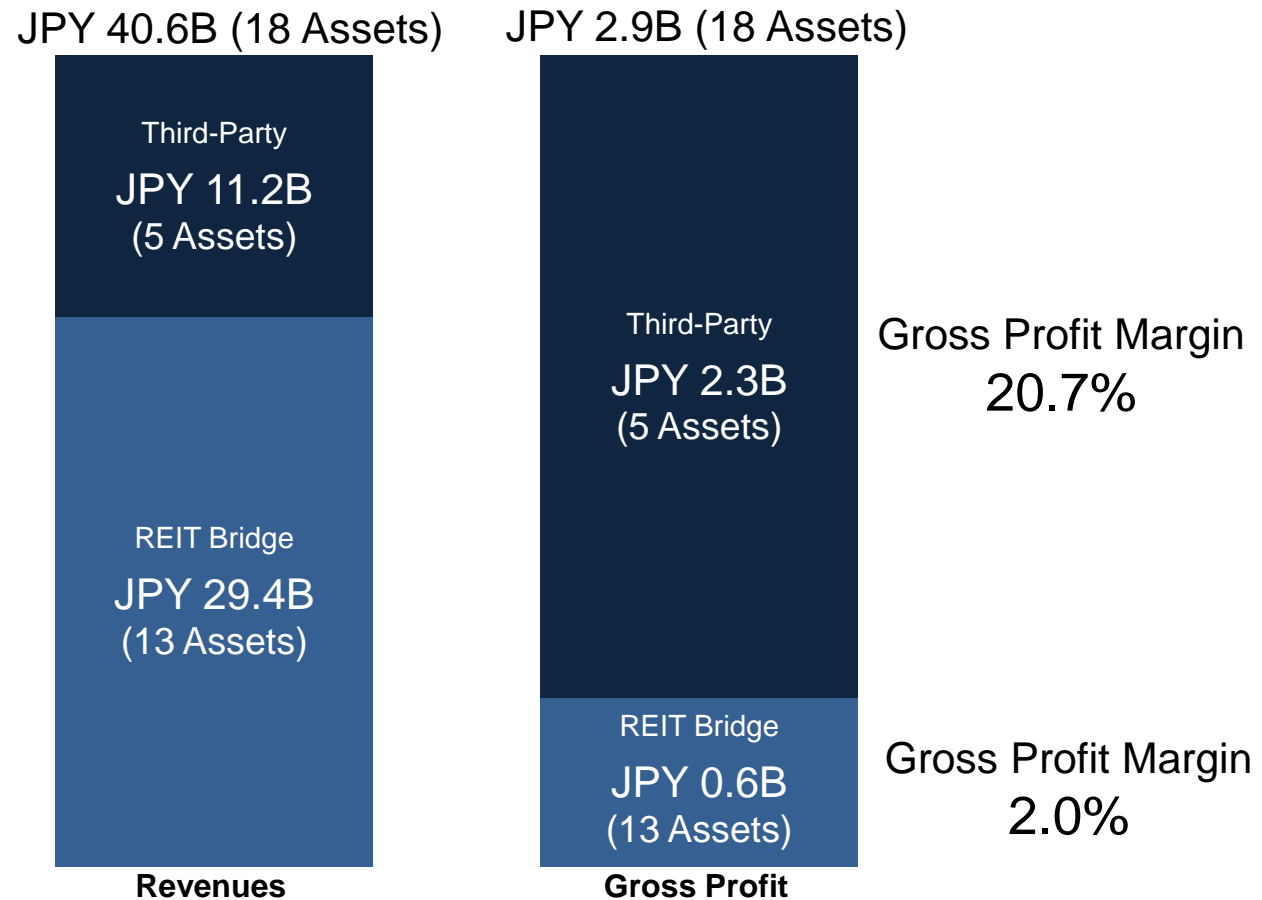
* Adjusted to reflect stock split on November 1, 2011



Value-Add Driving Earnings

In Addition to Rental Income from Value-Add Assets of JPY 2.7B, Value-Add Asset Sales Generated Earnings of JPY 2.9B, of Which Third-Party Sales Generated JPY 2.3B.

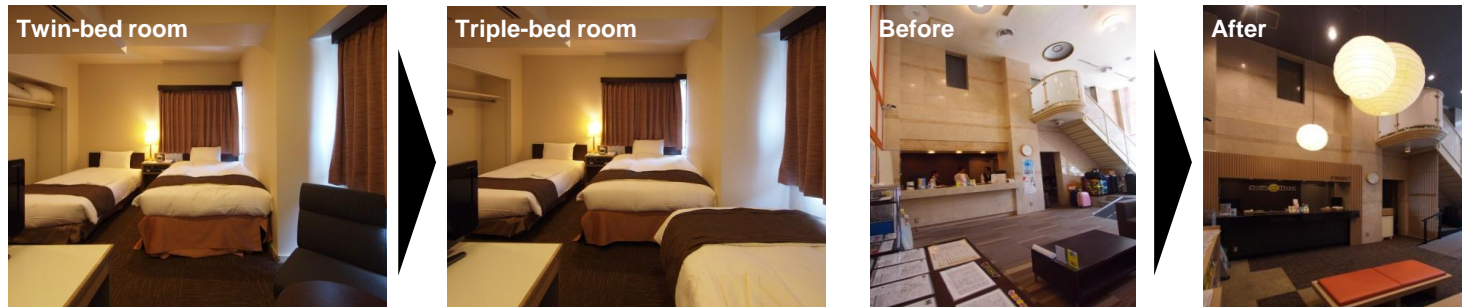
FY17/2 Q1 Value-Add Sales Breakdown



Hotel Capex to Increase ADRs

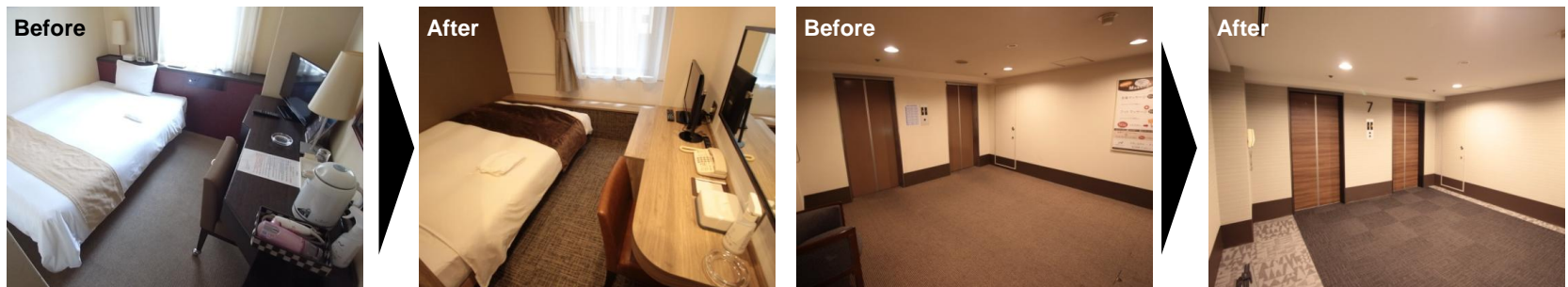
Tokyo Hotel (Capex JPY 10M)

- Centrally located hotel close to tourist attractions, generating significant demand from both business travelers and tourists
- Converted 6 twin-bed rooms to triple-bed rooms (ADR +JPY 3.8M p.a.)
- Renovated entrance floor and front desk area, and added a ramp to the stairs leading to the front entrance to ease guest access to the hotel



Osaka Hotel (Capex JPY 270M)

- Well-located hotel ideal for both business travelers and tourists
- Renovated common areas and all 300 guest rooms (forecast +9% ADR)



Hotel LED Lighting

Annual JPY 5.6M Savings on JPY 29.5M Capex (ROI 19%) via Lower Energy Costs & Lighting Replacement Costs

Facility	Location	Energy Consumption (KWh/year)			Energy Costs (thousand yen/year)			Minimized Replacement Cost (thousand yen/year)	Cost Reduction
		Before LED	After LED	Difference	Before LED	After LED	Difference		
Hotel A	Ehime	110,748	23,547	- 87,201	1,550	330	- 1,220	- 766	- 85.8%
Hotel B	Osaka	62,897	39,207	- 23,690	943	588	- 355	- 257	- 51.8%
Hotel C	Okayama	63,470	26,350	- 37,120	889	369	- 520	- 259	- 67.9%
Hotel D	Kumamoto	79,733	25,502	- 54,231	877	281	- 596	- 418	- 78.3%
Hotel E	Tokyo	15,555	6,135	- 9,420	233	92	- 141	- 18	- 63.3%
Hotel F	Tokyo	10,357	3,384	- 6,973	155	51	- 104	- 20	- 70.9%
Hotel G	Okinawa	61,193	24,118	- 37,075	1,224	482	- 742	- 172	- 65.5%
Total		403,953	148,243	- 255,710	5,871	2,193	- 3,678	- 1,910	- 71.8%

Total JPY 5.6M p.a. savings

Kumamoto Earthquake Damage Recovery

On-The-Ground Ichigo Relief and Recovery

- ✓ Ichigo Assets in Kumamoto: 1 Hotel and 1 Residence (Ichigo), 1 Office (Ichigo Office REIT)
- ✓ Ichigo management and technical support team on the ground in Kumamoto on the first day after the initial April 14 quake, providing technical support for reconstruction and rebuilding to Ichigo tenants and Kumamoto community
 - Even larger earthquake on April 16, during which Ichigo continued relief and recovery

Technical Assistance for Reconstruction



Delivery of Essential Goods



- No injuries or major damage to property, but recorded JPY 242M extraordinary loss for earthquake damages for repairs and tenant relief

Infrastructure Fund Listing Progress

Establishment of Ichigo Green Infrastructure Investment Corporation (June 2016)

- ✓ Tax-advantaged solar ETF that will offer shareholders an opportunity to invest in the rapidly expanding green infrastructure asset class
- ✓ Green, safe, and contributory to Japan's energy self-sufficiency
- ✓ Ichigo Real Estate Investment Advisors, the asset manager of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463), will be the asset manager
- ✓ Preparations are on track to list on the TSE's new infrastructure fund market

First Secondary-Market Solar Power Plant Acquisition

- ✓ Acquired an operating solar power plant in May 2016, which was renamed the Ichigo Kijo Takajo ECO Power Plant (FIT: 40 yen)
- ✓ Working on further secondary market acquisitions



Ichigo Kijo Takajo ECO Power Plant (0.90MW)

Have Begun Work on Wind Power Production

- ✓ Wind data surveys underway

No.	Location	Expected Output	Wind Data Survey
1	Chiba	4.0MW	Completed
2	Yamagata	7.5MW	In Preparation
3	Iwate	7.5MW	In Progress
4	Iwate	7.5MW	In Progress
5	Mie	7.5MW	In Preparation

National Solar Power Plant Portfolio (1)

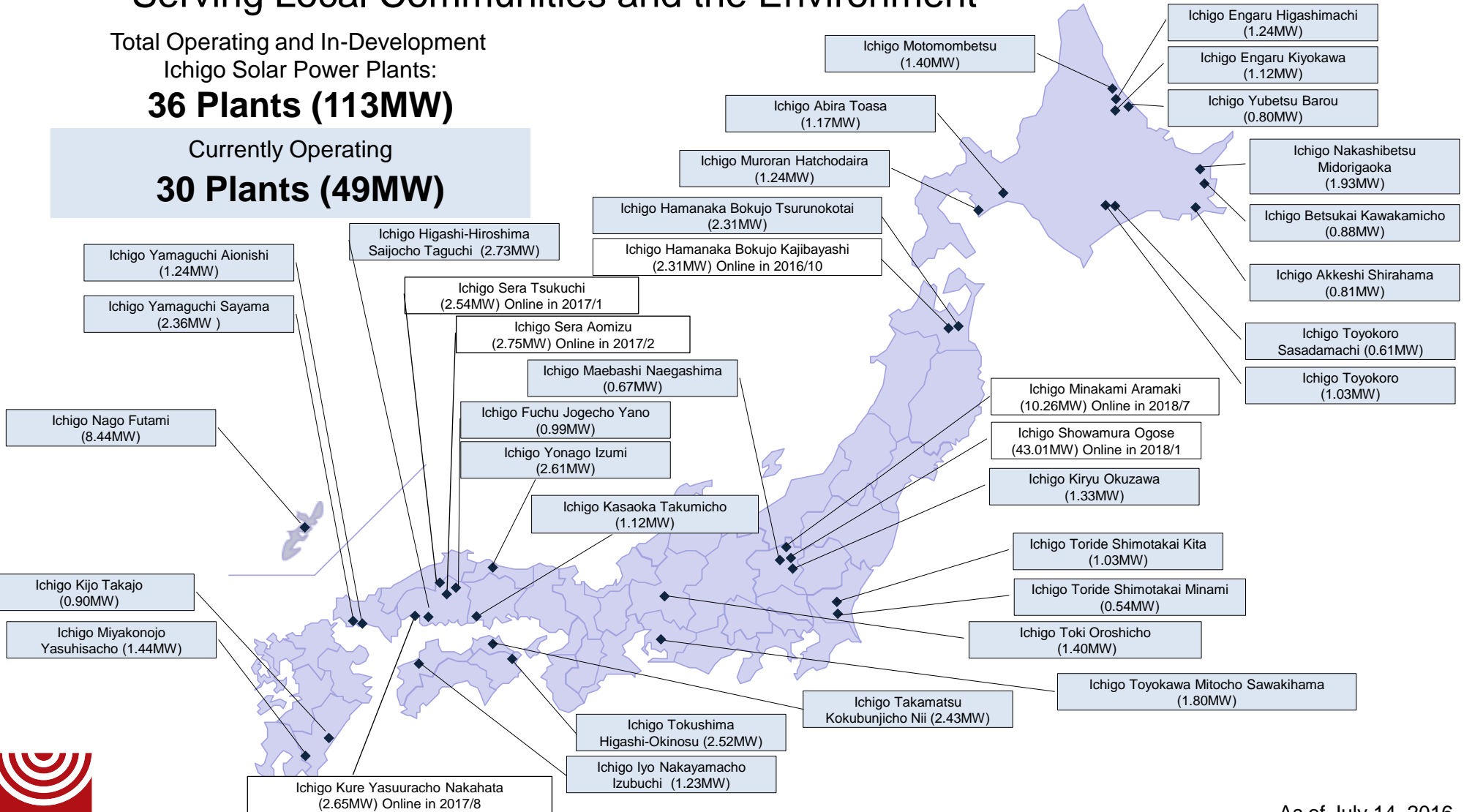
Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants:

36 Plants (113MW)

Currently Operating

30 Plants (49MW)

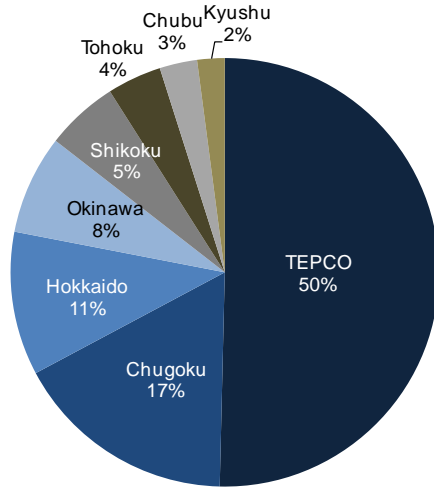


As of July 14, 2016

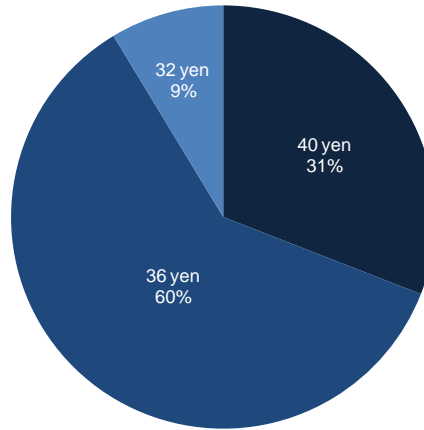


National Solar Power Plant Portfolio (2)

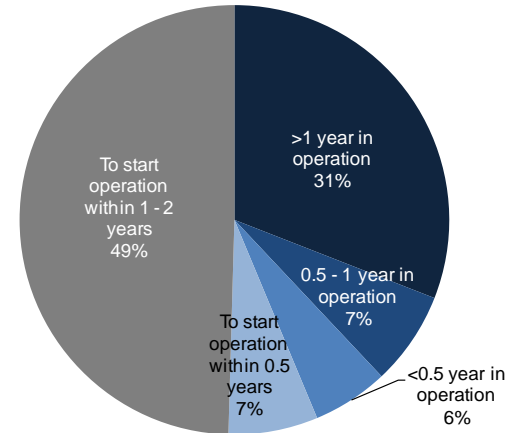
By Customer



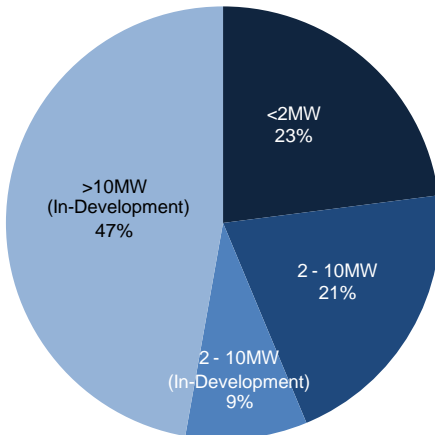
By Feed-in-Tariff



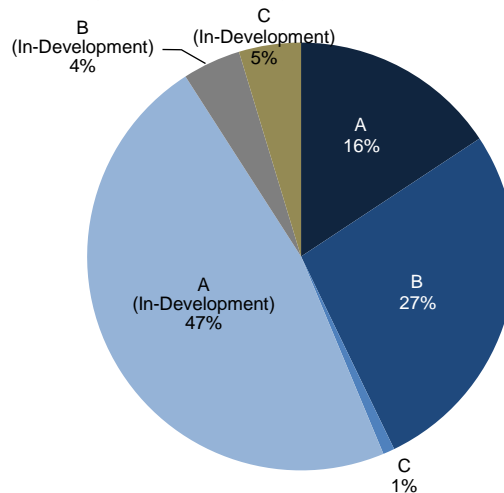
By Operating Timeline



By Output



By Solar Intensity



Rank	Solar Intensity
A	≥ 4.00
B	$\geq 3.75, < 4.00$
C	$\geq 3.50, < 3.75$
D	< 3.50

Unit: (kWh/m² per day)

As of July 14, 2016

CIAM Share Sale

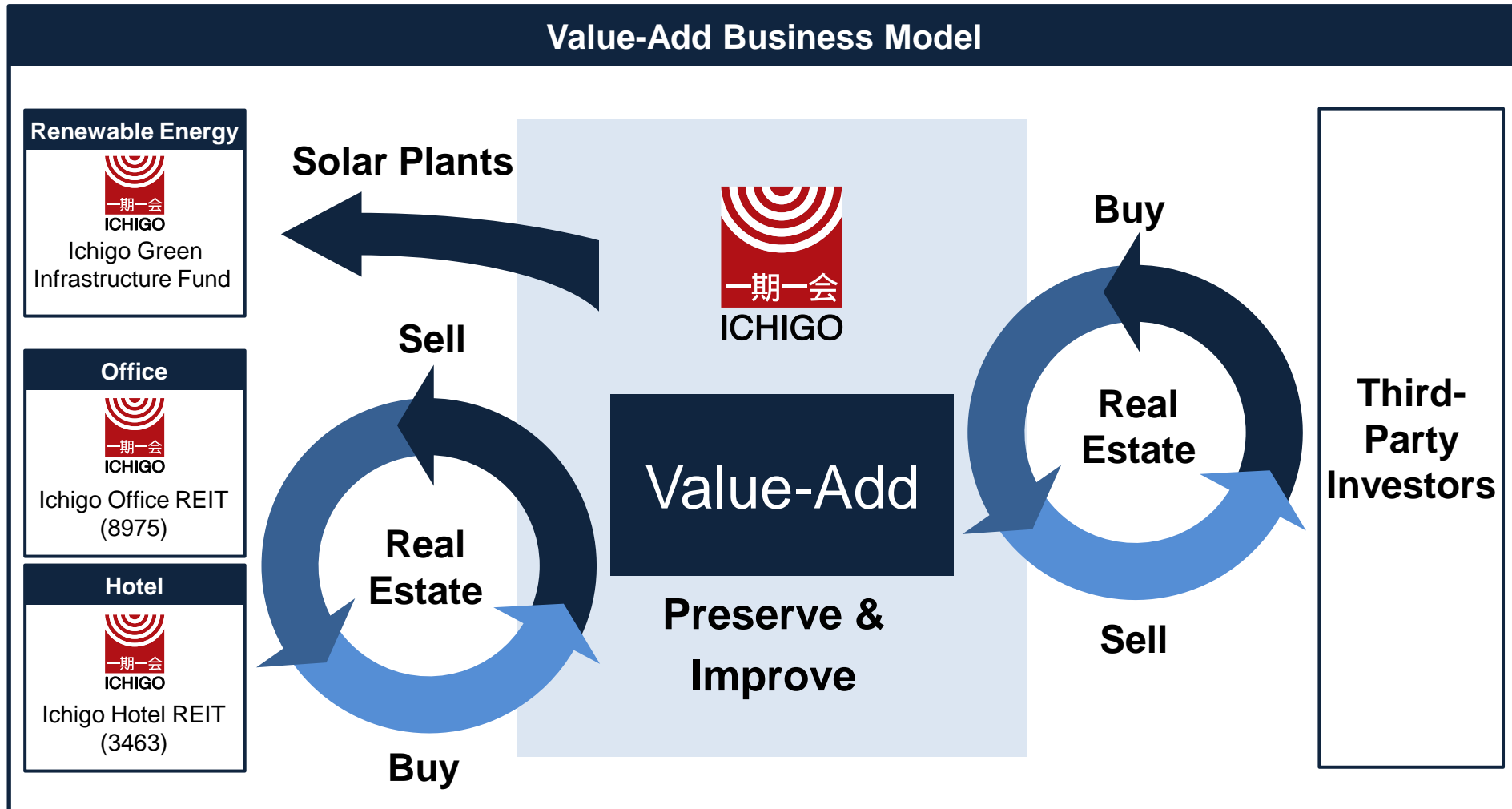
Sold All CITIC International Assets Management (CIAM) Shares in Q1

- ✓ Proceeds of JPY 6.0B to be redeployed to fund further growth; Also recorded extraordinary gain on sale of JPY 2.4B
- ✓ Divestment consistent with Ichigo's strategy to focus on its core Japan home market
- ✓ With this sale, Ichigo has completed its legacy non-Japan asset sell-down and no longer owns any material non-Japan assets

Appendix: Financial & Real Estate Data

Powerful Value-Add Business Model

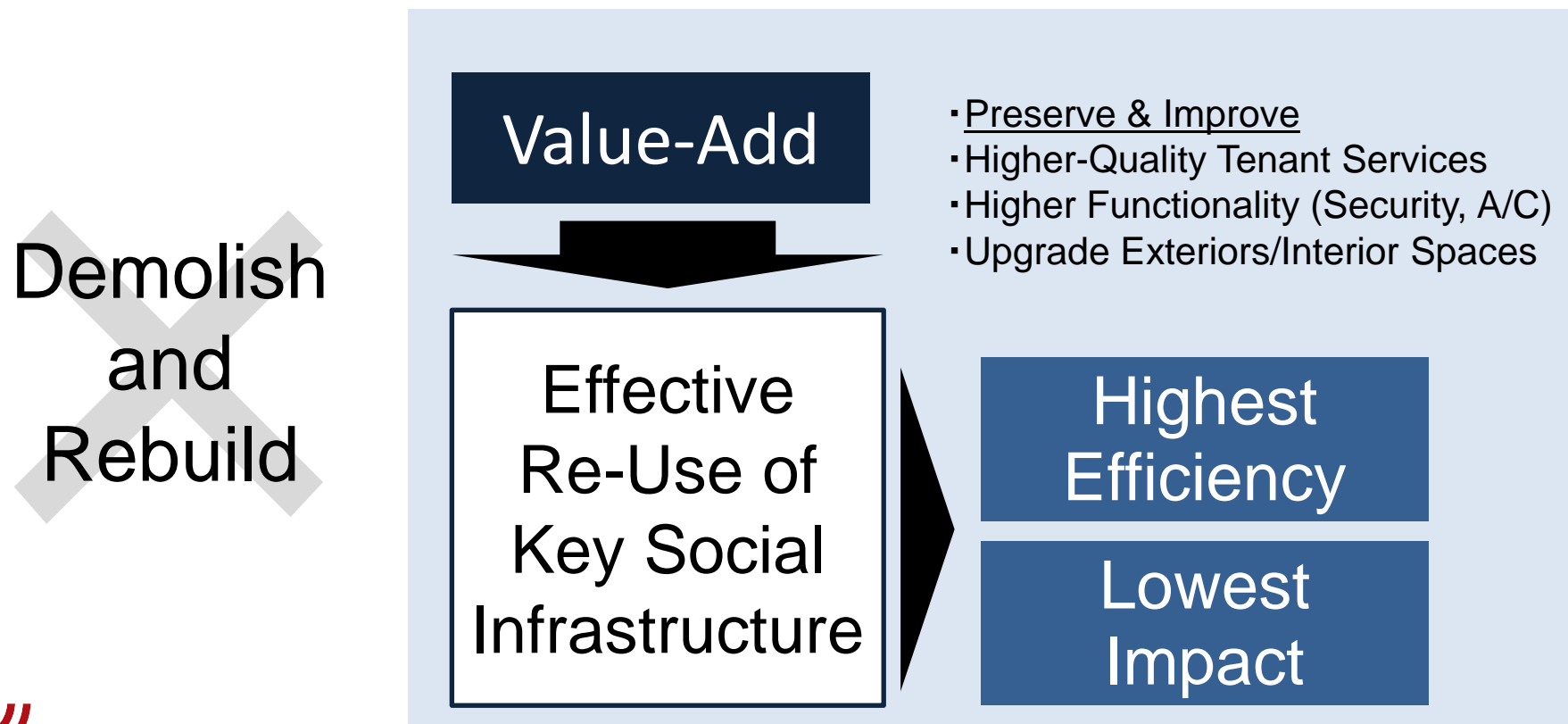
Significant Value-Add and Asset Management Business Synergies



Sustainable Real Estate Serving a Sustainable Society

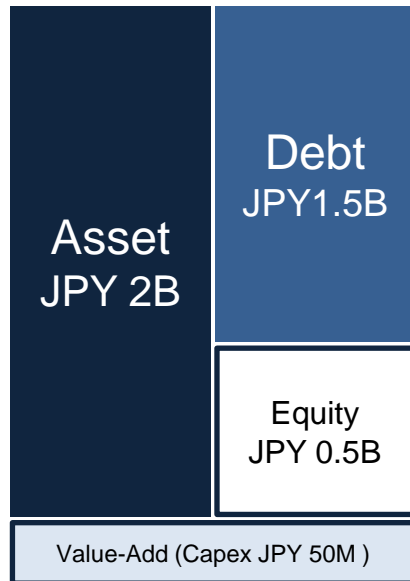
End Demolish and Rebuild and Embrace Value-Add

- Preserve and enhance high-function real estate
- Lengthen useful life and improve quality of existing assets via Value-Add



Value-Add Sample Earnings Model

5.5% NOI, JPY 2B purchase, LTV 75%, 1.5% interest rate, JPY 50M capex, 15% increase in NOI, 3-year value-add period



At Acquisition NOI

$(\text{JPY } 110\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 87.5\text{M NOI/year}$
 $\text{NOI} \div \text{Initial Investment} = 17.5\% \text{ NOI return during investment period}$

After Value-Add NOI

$(\text{JPY } 126.5\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 104\text{M NOI/year}$
 $\text{NOI} \div \text{Total Investment (JPY } 500\text{M} + \text{JPY } 50\text{M}) = 18.9\% \text{ NOI return during investment period}$

Value-Add for Capital Gain

Value-Add to increase NOI 15% at equivalent cap rate increases exit price by 15%: $\text{JPY } 2\text{B} * 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Result

JPY 550M investment generates JPY 512.5M over 3 years → 31.1% p.a.

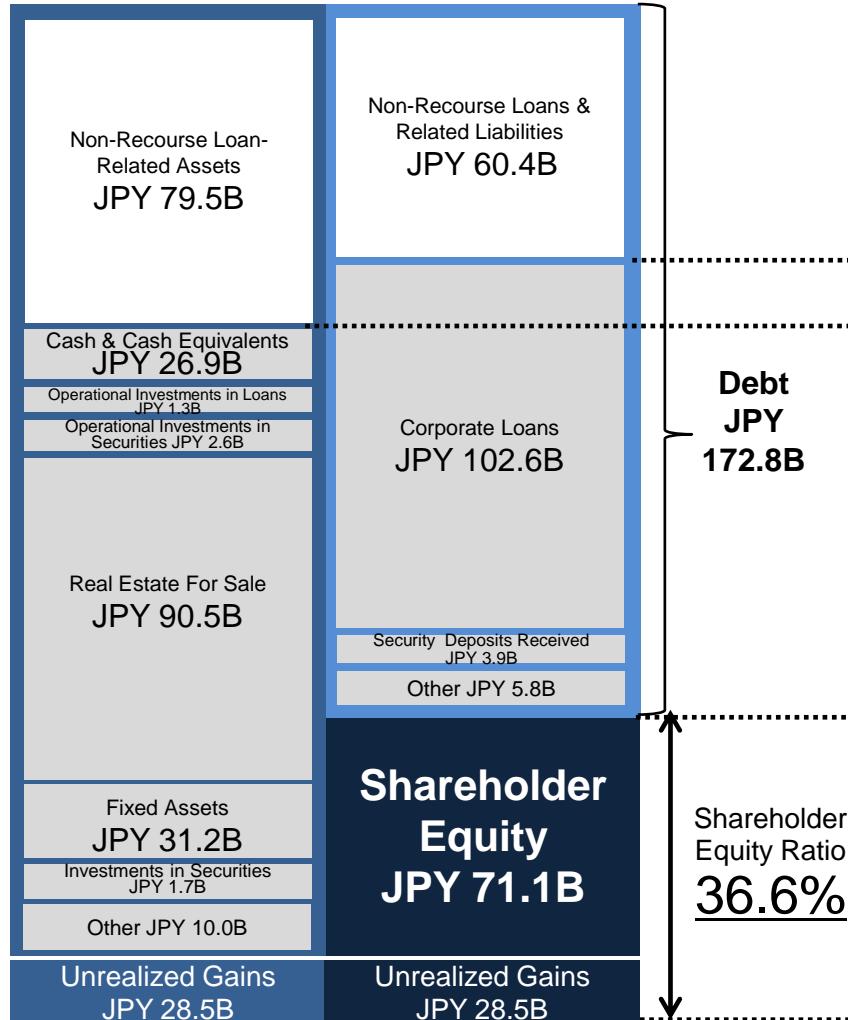
Consolidated Risk-Based Balance Sheet

Consolidated Current Value Balance Sheet

As of May 31, 2016

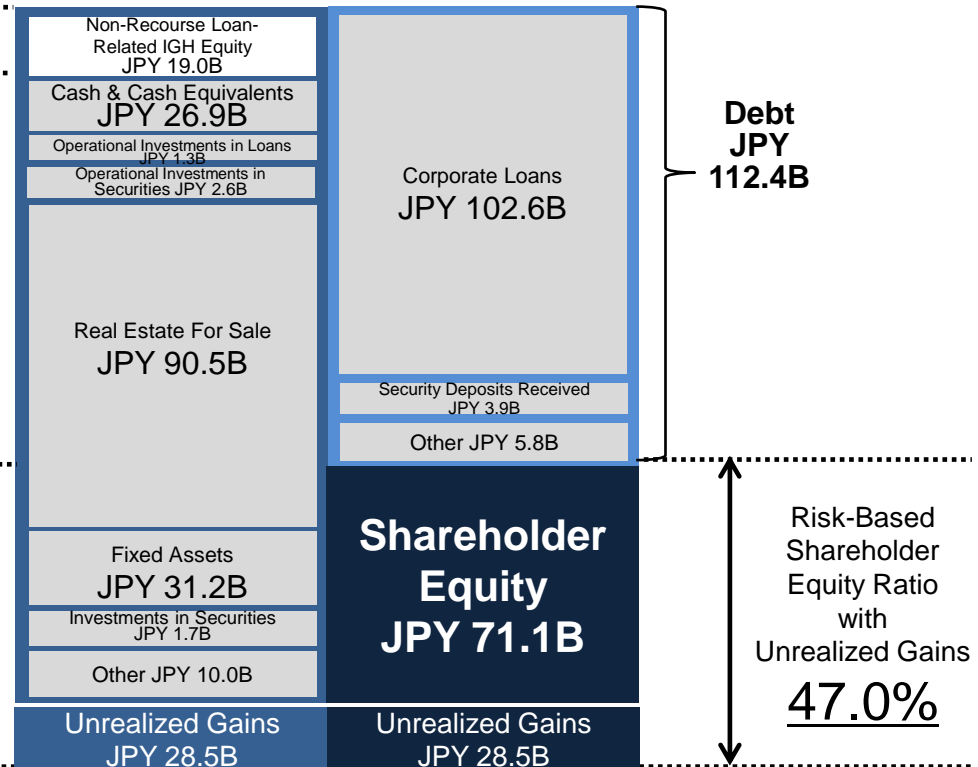
Total: JPY 272.6B

Assets JPY 244.0B + Unrealized Gains JPY 28.5B



Consolidated Risk-Based Balance Sheet

Assets JPY 183.5B



Note: Risk-based balance sheet includes unrealized gains/losses and excludes client and non-recourse assets and liabilities

Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 28.5B (Appraisal Value Basis)

Real estate directly held by Ichigo

(Million Yen)

Location	Book Value as of May 31, 2016	NOI	Cap Rate NOI/Book Value after write-down	Appraisal Value as of May 2016	Unrealized Gain
Tokyo	70,365	4,156	5.9%	84,572	+14,207
Outside Tokyo	97,481	6,431	6.7%	111,399	+13,918
Total	167,846	10,587	6.4%	195,971	+28,125

Note: Excludes development assets (c. JPY 371M) which are not currently generating NOI and includes intangible fixed assets subject to appraisal (c. JPY 62M)

Real estate held by Ichigo within Ichigo-managed funds (SPCs) where there are other non-Ichigo equity holders

(Million Yen)

	Book Value as of May 31, 2016	Appraisal Value as of May 31, 2016	Unrealized Gains
Equity Investments (Non-consolidated)	—	—	—
Equity Investments (Consolidated)	1,025	1,345	+319
Total	1,025	1,345	+319

Business Segments

Asset Management	<p><u>Asset Management</u> generates fee income via management of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463) and private funds and providing real estate services related to real estate acquisition, operation (PM/BM), and disposition.</p>
Value-Add	<p><u>Value-Add</u> preserves and improves real estate. Ichigo receives rental income during the period in which it is carrying out its value-add, along with profits on sale that reflect the real estate's higher value after the value-add is complete.</p>
Clean Energy	<p><u>Clean Energy</u> is utility-scale solar power production that produces clean energy and brings productive use to idle land.</p>
Other	<p><u>Other</u> is primarily legacy securities investments that are not related to the above three segments.</p>

Consolidated Balance Sheet

(Million Yen)

	FY16/2	FY 17/2 Q1		YOY	Market Value	Unrealized Gain	Unrealized Gain on Listed Securities ²
		B/S	Outside Investors' Interest				
Cash and Cash Equivalents	28,779	35,183	1,037	+6,404	35,183	—	—
Operating Loans Receivable (Value-Add)	1,324	1,324	—	—	1,324	—	—
Operational Investments in Securities	1,784	2,617	—	+833	2,617	—	+1
Value-Add	844	1,707	—	+863	1,707	—	—
Other	939	910	—	-29	910	—	+1
Real Estate for Sale (Value-Add)	172,833	159,384	3,009	-13,449	186,952	+26,789	—
Fixed Assets	31,546	33,020	—	+1,474	34,818	+1,798	—
Asset Management	39	37	—	-2	40	+3	—
Value-Add	15,897	15,845	—	-52	17,640	+1,794	—
Clean Energy	15,560	17,094	—	+1,534	17,094	—	—
Other ¹	48	42	—	-6	42	—	—
Intangible Assets	2,373	2,398	—	+25	2,398	—	—
Investments in Securities	5,486	1,734	—	-3,752	1,734	—	+704
Other	7,628	8,373	20	+745	8,373	—	—
Total Assets	251,757	244,037	4,067	-7,720	273,403	+28,587	+706

¹ Other refers to company assets that are not allocated to or cannot be allocated to above segments

² Unrealized Gain on Listed Securities is recorded in Unrealized Gain on Operational Investment in Securities and in Intangible Assets



Consolidated Balance Sheet: Segment Breakdown

(Million Yen)

Segment	Cash and Cash Equivalents	Operating Loans Receivable	Operational Investments in Securities	Real Estate for Sale	Fixed Assets	Intangible Assets	Investments in Securities	Other Assets	Total Assets
Asset Management	393	—	—	—	37	1,606	—	1,065	3,103
Value-Add	12,864	1,324	1,707	159,384	15,845	170	—	3,249	194,547
Clean Energy	1,127	—	—	—	17,094	591	—	1,236	20,050
Other	74	—	910	—	—	—	1,734	-442	2,276
Company-Wide Assets	20,722	—	—	—	42	29	—	3,264	24,059
Total	35,183	1,324	2,617	159,384	33,020	2,398	1,734	8,373	244,037

Consolidated P&L: Gross Profit Segment Breakdown

(Million Yen)

Segment	Revenues			Gross Profit			YOY (Gross Profit)
	FY16/2 Q1	FY17/2 Q1	Change	FY16/2 Q1	FY17/2 Q1	Change	
Asset Management	1,529	1,185	-343	1,103	734	-368	- 33.4%
Asset Management Fees	509	438	-71	505	435	-70	- 13.8%
PWBM Fees	530	567	+37	113	122	+8	+7.6%
Other	489	179	-310	483	176	-306	- 63.4%
Value-Add	6,988	44,667	+37,679	2,355	5,621	+3,265	+138.6%
Rental Income	2,714	4,086	+1,371	1,716	2,709	+992	+57.8%
Asset Sales	4,273	40,581	+36,307	639	2,912	+2,273	+355.7%
Clean Energy	379	566	+177	165	254	+88	+53.1%
Other	6	5	-0	2	1	-0	- 15.1%
Total	8,903	46,415	+37,511	3,627	6,612	+2,985	+82.3%

Consolidated P&L: Results vs. Forecast

(Million Yen)

Segment	FY17/2 Q1 (3M)						FY17/2 Full-Year Forecast (12M)		
	Revenues	vs Full-Year Forecast	Gross Profit	vs Full-Year Forecast	Operating Profit	vs Full-Year Forecast	Revenues	Gross Profit	Operating Profit
Asset Management	1,185	23.3%	734	24.5%	800	33.5%	5,079	2,999	2,386
Asset Management Fees	438	19.7%	435	19.7%	—	—	2,219	2,209	—
PMBM Fees	567	21.9%	122	23.0%	—	—	2,588	531	—
Other	179	66.2%	176	68.2%	—	—	271	259	—
Value-Add	44,667	40.9%	5,621	31.5%	4,404	32.6%	109,297	17,820	13,530
Rental Income	4,086	30.6%	2,709	31.0%	—	—	13,347	8,727	—
Asset Sales	40,581	42.3%	2,912	32.0%	—	—	95,950	9,093	—
Clean Energy	556	5.0%	254	8.3%	143	5.5%	11,152	3,065	2,608
Other	5	8.4%	1	—	-14	—	71	-18	-84
Total	46,415	37.0%	6,612	27.7%	5,334	28.9%	125,600	23,867	18,440
Adjustment (including offsets of cross-segment transactions)	—	—	—	—	77	—	—	—	59
Total	46,415	37.0%	6,612	27.7%	5,412	29.3%	125,600	23,867	18,500

Asset Management AUM Detail

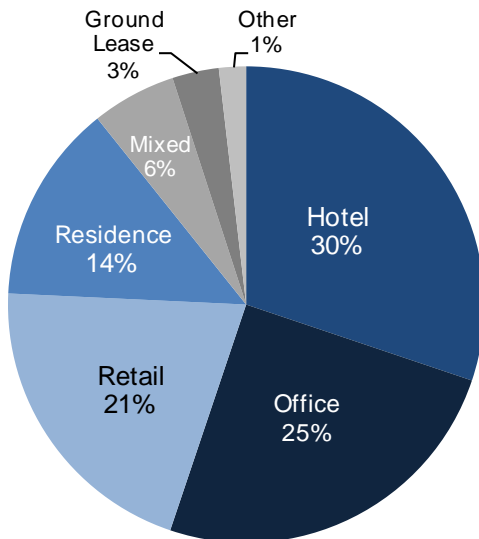
		FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q1 (3M)
Ichigo Office REIT (8975)	AUM (Fiscal Year End)	JPY 106.1B	JPY 104.3B	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 191.9B
	AM Fee % (Average)	0.61%	0.63%	0.65%	0.65%	0.64%	0.68%*
	AM Fee Gross Profit (Actual)	JPY 719M	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 293M
Ichigo Hotel REIT (3463)	AUM (Fiscal Year End)	—	—	—	—	JPY 20.4B	JPY 20.4B
	AM Fee % (Average)	—	—	—	—	0.59%*	0.78%*
	AM Fee Gross Profit (Actual)	—	—	—	—	JPY 30M	JPY 39M
Private Equity Real Estate Funds (excluding consolidated)	AUM (Fiscal Year End)	JPY 213.3B	JPY 169.7B	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 15.4B
	AM Fee % (Average)	0.15%	0.15%	0.26%	0.37%	0.32%	0.26%*
	AM Fee Gross Profit (Actual)	JPY 284M	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 10M
Total	AUM (Fiscal Year End)	JPY 319.3B	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 227.8B
	AM Fee % (Average)	0.33%	0.33%	0.47%	0.59%	0.61%	0.66%*
	AM Fee Gross Profit (Actual)	JPY 1,004M	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 344M

* Annualized

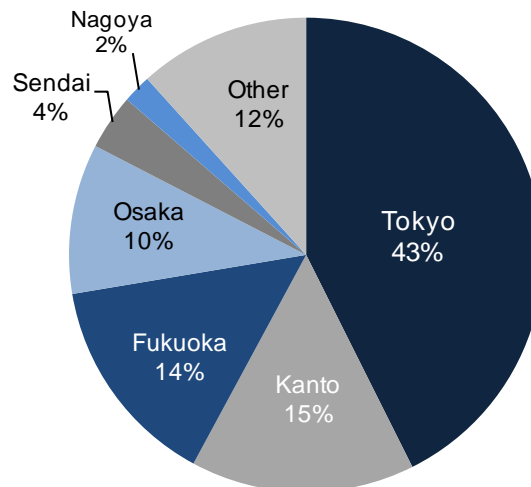
Ichigo-Owned Real Estate Portfolio

As of May 31, 2016

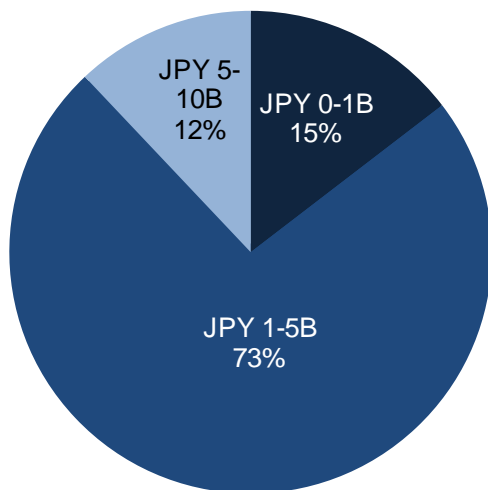
Assets by Type



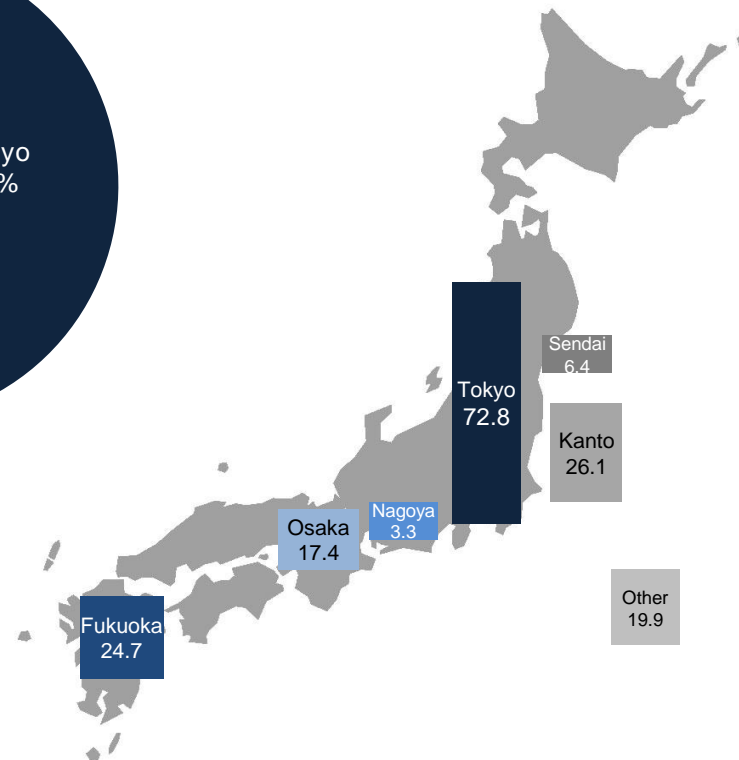
Assets by Location



Assets by Size



(Billion Yen)



Total Assets: JPY 171.0B

Including Ichigo-Managed AUM: JPY 404.5B

(Acquisition price basis)



Value-Add Full Asset Breakdown (1)

100 Assets, Book Value JPY 171.0B, Forecast NOI JPY 10.6B (6.2%)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
1	Other	Fixed Asset	Matsudo City, Chiba	44 years	JPY 2B-3B	2005/06	JPY 230M	JPY 1,900M	—	—
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	47 years	JPY 2B-3B	2005/10	JPY 131M	JPY 1,033M	—	—
3	Retail	Real Estate for Sale	Minato-ku, Tokyo	30 years	≥JPY 3B	2006/03	JPY 167M	JPY 1,356M	—	—
4	Retail	Real Estate for Sale	Yokohama City, Kanagawa	11 years	JPY 1B-2B	2006/09	JPY 57M	JPY 1,157M	—	—
5	Office	Real Estate for Sale	Sendai City, Miyagi	8 years	≥JPY 3B	2006/10	JPY 265M	JPY 1,042M	—	—
6	Office	Real Estate for Sale	Fukuoka City, Fukuoka	7 years	≥JPY 3B	2006/12	JPY 389M	JPY 1,339M	—	—
7	Other	Fixed Asset	Isumi City, Chiba	—	JPY 1B-2B	2007/02	—	JPY 1,055M	—	—
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	11 years	<JPY 1B	2007/04	JPY 57M	JPY 403M	—	—
10	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	36 years	<JPY 1B	2007/06	JPY 85M	JPY 240M	—	—
11	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	35 years	<JPY 1B	2007/06	JPY 119M	JPY 233M	—	—
12	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	52 years	JPY 2B-3B	2007/06	JPY 249M	JPY 554M	—	—
13	Office	Real Estate for Sale	Minato-ku, Tokyo	42 years	≥JPY 3B	2007/11	JPY 314M	JPY 2,049M	—	—
14	Ground Lease	Real Estate for Sale	Atsugi City, Kanagawa	—	JPY 1B-2B	2011/06	JPY 176M	JPY 147M	—	—
15	Mixed (Office/Retail)	Real Estate for Sale	Hiratsuka City, Kanagawa	20 years	<JPY 1B	2012/02	JPY 83M	JPY 172M	—	—
16	Retail	Real Estate for Sale	Yokohama City, Kanagawa	2 years	<JPY 1B	2012/10	JPY 32M	JPY 171M	—	—

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (2)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
17	Retail	Fixed Asset	Toshima-ku, Tokyo	5 years	≥ JPY 3B	2013/03	JPY 228M	JPY 340M	—	—
18	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	29 years	<JPY 1B	2013/05	JPY 45M	JPY 154M	—	—
19	Mixed (Office/Retail)	Real Estate for Sale	Chofu City, Tokyo	31 years	JPY 1B-2B	2013/06	JPY 112M	JPY 310M	—	—
20	Residence	Real Estate for Sale	Kita-ku, Tokyo	27 years	<JPY 1B	2013/06	JPY 2M	JPY 31M	—	—
21	Residence	Real Estate for Sale	Minato-ku, Tokyo	0 years	<JPY 1B	2013/06	JPY 42M	JPY 203M	—	—
22	Residence	Real Estate for Sale	Osaka City, Osaka	13 years	<JPY 1B	2013/07	JPY 32M	JPY 81M	—	—
23	Residence	Real Estate for Sale	Osaka City, Osaka	9 years	<JPY 1B	2013/08	JPY 49M	JPY 81M	—	—
24	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	25 years	JPY 1B-2B	2013/08	JPY 86M	JPY 520M	—	—
25	Residence	Real Estate for Sale	Osaka City, Osaka	11 years	<JPY 1B	2013/08	JPY 37M	JPY 90M	—	—
26	Retail	Fixed Asset	Kobe City, Hyogo	15 years	JPY 1B-2B	2013/09	JPY 145M	JPY 616M	—	—
27	Retail	Fixed Asset	Tokorozawa City, Saitama	8 years	JPY 1B-2B	2013/11	JPY 64M	JPY 92M	—	—
28	Ground Lease	Real Estate for Sale	Chiba City, Chiba	—	JPY 2B-3B	2014/02	JPY 128M	JPY 342M	—	—
29	Ground Lease	Real Estate for Sale	Fujisawa City, Kanagawa	—	JPY 1B-2B	2014/03	JPY 115M	JPY 273M	7.52 x	44.5%
30	Mixed (Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	32 years	<JPY 1B	2014/03	JPY 39M	JPY 108M	6.95 x	26.0%
31	Office	Real Estate for Sale	Shibuya-ku, Tokyo	5 years	JPY 1B-2B	2014/04	JPY 60M	JPY 1,090M	1.25 x	12.0%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (3)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
32	Retail	Fixed Asset	Fukuoka City, Fukuoka	10 years	JPY 1B-2B	2014/04	JPY 59M	JPY 279M	—	—
33	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	27 years	JPY 2B-3B	2014/05	JPY 155M	JPY 530M	2.04 x	20.0%
34	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	23 years	JPY 1B-2B	2014/05	JPY 131M	JPY 515M	2.27 x	23.4%
35	Mixed (Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	7 years	JPY 2B-3B	2014/05	JPY 155M	JPY 434M	3.08 x	15.2%
36	Residence	Real Estate for Sale	Kumamoto City, Kumamoto	9 years	≥ JPY 3B	2014/06	JPY 213M	JPY 476M	3.52 x	19.0%
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	44 years	<JPY 1B	2014/07	JPY 39M	JPY 77M	10.47 x	23.9%
38	Mixed (Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	40 years	≥ JPY 3B	2014/07	JPY 201M	JPY 645M	3.32 x	21.1%
39	Retail	Fixed Asset	Fukuoka City, Fukuoka	12 years	<JPY 1B	2014/07	JPY 47M	JPY 213M	3.32 x	—
40	Retail	Fixed Asset	Fukuoka City, Fukuoka	31 years	<JPY 1B	2014/09	JPY 55M	JPY 252M	—	—
41	Hotel	Real Estate for Sale	Utsunomiya City, Tochigi	29 years	JPY 1B-2B	2014/09	JPY 138M	JPY 400M	1.97 x	28.3%
42	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	15 years	<JPY 1B	2014/09	JPY 54M	JPY 177M	5.54 x	26.2%
43	Retail	Real Estate for Sale	Osaka City, Osaka	14 years	JPY 1B-2B	2014/09	JPY 90M	JPY 301M	4.64 x	24.3%
44	Retail	Real Estate for Sale	Machida City, Tokyo	30 years	<JPY 1B	2014/10	JPY 51M	JPY 82M	11.34 x	43.9%
45	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	13 years	JPY 1B-2B	2014/11	JPY 68M	JPY 135M	10.70 x	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	13 years	JPY 2B-3B	2014/12	JPY 119M	JPY 332M	2.18 x	29.2%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (4)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	9 years	JPY 1B-2B	2014/12	JPY 96M	JPY 270M	1.56 x	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 79M	JPY 238M	1.67 x	16.6%
49	Residence	Real Estate for Sale	Minato-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 61M	JPY 185M	1.63 x	15.7%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 59M	JPY 163M	1.55 x	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	14 years	<JPY 1B	2014/12	JPY 60M	JPY 150M	2.21 x	35.7%
52	Residence	Real Estate for Sale	Osaka City, Osaka	8 years	<JPY 1B	2014/12	JPY 58M	JPY 148M	1.86 x	24.8%
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	13 years	<JPY 1B	2014/12	JPY 38M	JPY 99M	2.96 x	44.4%
54	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 38M	JPY 123M	1.97 x	23.3%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	11 years	<JPY 1B	2014/12	JPY 29M	JPY 82M	2.05 x	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 87M	JPY 270M	2.00 x	23.2%
57	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90 x	21.0%
58	Residence	Real Estate for Sale	Minato-ku, Tokyo	11 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89 x	21.5%
59	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	11 years	<JPY 1B	2014/12	JPY 39M	JPY 117M	2.11 x	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	9 years	<JPY 1B	2014/12	JPY 19M	JPY 55M	1.80 x	21.1%
61	Mixed (Office/Retail)	Operating Loan	Shinjuku-ku, Tokyo	53 years	JPY 1B-2B	2014/12	JPY 103M	JPY 57M	15.26 x	51.7%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (5)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
62	Retail	Fixed Asset	Fukuoka City, Fukuoka	12 years	<JPY 1B	2014/12	JPY 42M	JPY 212M	—	—
63	Retail	Real Estate for Sale	Meguro-ku, Tokyo	9 years	JPY 1B-2B	2014/12	JPY 67M	JPY 129M	3.98 x	23.8%
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	62 years	<JPY 1B	2015/01	JPY 16M	JPY 0M	—	—
65	Office	Real Estate for Sale	Fujisawa City, Kanagawa	25 years	JPY 1B-2B	2015/01	JPY 69M	JPY 375M	1.41 x	41.9%
66	Retail	Real Estate for Sale	Miyagi City, Sendai	12 years	<JPY 1B	2015/02	JPY 47M	JPY 8M	42.58 x	198.9%
67	Office	Real Estate for Sale	Shibuya-ku, Tokyo	24 years	JPY 1B-2B	2015/03	JPY 59M	JPY 94M	6.39 x	54.4%
68	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	14 years	<JPY 1B	2015/04	JPY 42M	JPY 79M	5.65 x	27.9%
69	Hotel	Real Estate for Sale	Osaka City, Osaka	13 years	JPY 2B-3B	2015/05	JPY 178M	JPY 633M	1.56 x	58.3%
70	Hotel	Real Estate for Sale	Aomori City, Aomori	8 years	<JPY 1B	2015/06	JPY 45M	JPY 113M	2.10 x	20.2%
71	Retail	Real Estate for Sale	Fujisawa City, Kanagawa	1 years	JPY 1B-2B	2015/07	JPY 99M	JPY 126M	6.80 x	37.3%
85	Office	Real Estate for Sale	Bunkyo-ku, Tokyo	24 years	JPY 2B-3B	2015/07	JPY 114M	JPY 428M	1.34 x	16.8%
88	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	28 years	JPY 1B-2B	2015/07	JPY 96M	JPY 355M	1.32 x	15.8%
89	Office	Real Estate for Sale	Musashino City, Tokyo	27 years	≥ JPY 3B	2015/07	JPY 127M	JPY 670M	1.72 x	13.3%
90	Office	Real Estate for Sale	Osaka City, Osaka	22 years	JPY 1B-2B	2015/07	JPY 76M	JPY 248M	1.29 x	15.6%
91	Office	Real Estate for Sale	Osaka City, Osaka	18 years	JPY 1B-2B	2015/07	JPY 94M	JPY 330M	1.14 x	16.1%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (6)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
92	Office	Real Estate for Sale	Fukuoka City, Fukuoka	8 years	JPY 1B-2B	2015/07	JPY 87M	JPY 353M	1.82 x	17.7%
93	Office	Real Estate for Sale	Fukuoka City, Fukuoka	13 years	JPY 1B-2B	2015/07	JPY 87M	JPY 358M	1.92 x	18.8%
95	Office	Real Estate for Sale	Nagoya City, Nagoya	24 years	JPY 1B-2B	2015/07	JPY 59M	JPY 240M	1.17 x	19.4%
96	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	23 years	<JPY 1B	2015/08	JPY 26M	JPY 2M	5.52 x	291.5%
97	Hotel	Real Estate for Sale	Chuo-ku, Tokyo	1 years	JPY 1B-2B	2015/09	JPY 70M	JPY 240M	1.49 x	48.7%
98	Hotel	Real Estate for Sale	Naha City, Okinawa	27 years	JPY 2B-3B	2015/11	JPY 166M	JPY 640M	1.91 x	25.9%
99	Hotel	Real Estate for Sale	Suginami-ku, Tokyo	23 years	JPY 2B-3B	2015/12	JPY 182M	JPY 764M	1.74 x	74.4%
100	Hotel	Real Estate for Sale	Taito-ku, Tokyo	23 years	JPY 1B-2B	2015/12	JPY 85M	JPY 387M	1.71 x	70.6%
101	Hotel	Real Estate for Sale	OkayamaCity, Okayama	32 years	<JPY 1B	2015/12	JPY 81M	JPY 321M	1.58 x	57.9%
102	Hotel	Real Estate for Sale	Matsuyama City, Ehime	27 years	JPY 1B-2B	2015/12	JPY 114M	JPY 412M	1.69 x	68.5%
103	Hotel	Real Estate for Sale	Naha City, Okinawa	41 years	JPY 2B-3B	2015/12	JPY 192M	JPY 596M	2.04 x	104.3%
104	Hotel	Real Estate for Sale	Osaka City, Osaka	31 years	≥ JPY 3B	2015/12	JPY 341M	JPY 1,437M	1.76 x	76.0%
105	Hotel	Real Estate for Sale	Kumamoto City, Kumamoto	31 years	JPY 1B-2B	2015/12	JPY 117M	JPY 453M	1.61 x	61.2%
106	Hotel	Real Estate for Sale	Tokoname City, Aichi	11 years	≥ JPY 3B	2016/02	JPY 274M	JPY 1,228M	1.46 x	46.4%
107	Hotel	Real Estate for Sale	Kushiro City, Hokkaido	6 years	<JPY 1B	2016/02	JPY 26M	JPY 107M	1.59 x	59.4%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Value-Add Full Asset Breakdown (7)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
108	Hotel	Real Estate for Sale	Suzuka City, Mie	8 years	<JPY 1B	2016/02	JPY 25M	JPY 95M	1.60 x	59.7%
109	Hotel	Real Estate for Sale	Nagoya City, Aichi	7 years	JPY 2B-3B	2016/03	JPY 130M	JPY 525M	1.84 x	37.7%
110	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	30 years	≥ JPY 3B	2016/03	JPY 274M	JPY 905M	2.05 x	104.5%
111	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	32 years	JPY 2B-3B	2016/03	JPY 207M	JPY 228M	5.32 x	23.3%
112	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	28 years	≥ JPY 3B	2016/03	JPY 319M	JPY 354M	10.64 x	36.2%
113	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	28 years	≥ JPY 3B	2016/03	JPY 260M	JPY 344M	5.84 x	25.5%
114	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	26 years	≥ JPY 3B	2016/04	JPY 175M	JPY 550M	1.73 x	72.6%
115	Hotel	Real Estate for Sale	Osaka City, Osaka	9 years	JPY 2B-3B	2016/04	JPY 130M	JPY 274M	2.96 x	30.7%
116	Retail	Real Estate for Sale	Sendai City, Miyagi	27 years	<JPY 1B	2016/04	JPY 70M	JPY 86M	7.50 x	28.4%
117	Retail	Real Estate for Sale	Sendai City, Miyagi	24 years	<JPY 1B	2016/04	JPY 38M	JPY 126M	1.63 x	62.6%
Total				100 Assets	JPY 171,044M		JPY 10,690M	JPY 39,153M	2.51 x	41.7%
Assets acquired in FY17/2 Q1 Total 9 Assets					JPY 23,485M		JPY 1,603M	JPY 3,392M	3.66 x	46.8%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

² Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

Reference: Japanese Feed-in-Tariff (FIT)

What is a FIT?

- A policy mechanism designed to accelerate the deployment of renewable energy such as solar and wind, guaranteeing a long-term sale price for electricity (in Japan, 20 years) at a fixed price.
- Japan's FIT is updated every year.

Contract Date	Tariff per 1kWh*	Guarantee Period	Contract Date	Tariff per 1kWh*	Guarantee Period
FY2012 (4/1-3/31)	40 yen	20 years	FY2015 (4/1-6/30)	29 yen	20 years
FY2013 (4/1-3/31)	36 yen	20 years	FY2015 (7/1-3/31)	27 yen	20 years
FY2014 (4/1-3/31)	32 yen	20 years	FY2016 (4/1-3/31)	24 yen	20 years

*Pre-consumption tax FIT for power plants with output of >10kW

Source: Agency for Natural Resources and Energy

Current Regulatory Framework and Ichigo Plant Status

- Utilities are allowed to suspend its renewable energy supply without compensation if supply exceeds demand. The maximum suspension duration is total 30 days or 360 hours per annum.
- Although utilities are not allowed to suspend the acceptance of applications (based on the “Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities”), approval for grid connection is pending for many solar power suppliers. All of Ichigo's power plants have grid connection approvals.
- In certain cases, utilities that are potentially subject to renewable energy production that exceeds their grid capacity are allowed to suspend renewable energy supply from new suppliers without limit and without compensation. None of Ichigo's power plants are subject to these suspensions.

Clean Energy Earnings

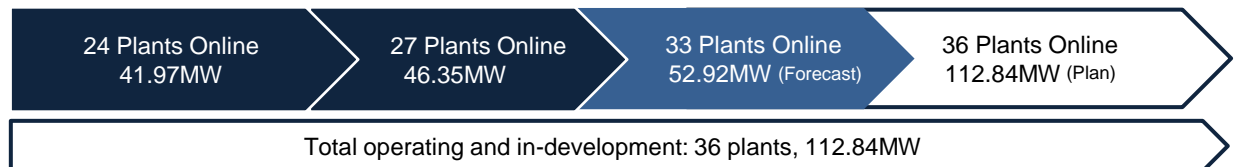
Revenue Growth Via New Plants Coming Online

OP +49.3% YOY (FY16/2 Q1 OP = JPY 143M vs. FY15/2 Q1 JPY 96M)

(Million Yen)

	FY16/2 (12M)	FY17/2 Q1 (3M)	FY17/2 Full-Year Forecast (12M)	vs Full-Year Forecast
Revenues	1,628	556	11,152	5.0%
Cost of Goods Sold	945	302	8,087	3.7%
Gross Profit	683	254	3,065	8.3%
SG&A	358	110	456	24.2%
Adjustments (including offsets of cross- segment transactions)	—	—	—	—
Operating Profit	323	143	2,608	5.5%

Solar Power Plant Schedule



Individual Solar Power Plant P&L Breakdown (1)

Total 20-Year Forecast IRR for All Plants: 38.5% p.a.

No.	Solar Power Plant	Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date	Expected NOI/Year	Depreciation	Ichigo Investment	Forecast Equity Multiple (If held for 20 years) ¹	Forecast IRR ²
1	Ichigo Tokushima Higashi Okinosu ECO Power Plant	Shikoku	2.52	40	Aug-13	JPY 84M	JPY 36M	JPY 129M	7.46 x	26.2%
2	Ichigo Kiryu Okuzawa ECO Power Plant	Kanto	1.33	40	Sep-13	JPY 42M	JPY 20M	JPY 94M	4.77 x	17.6%
3	Ichigo Motomombetsu ECO Power Plant	Hokkaido	1.40	40	Feb-14	JPY 44M	JPY 21M	JPY 134M	3.84 x	15.2%
4	Ichigo Fuchu Jogecho Yano ECO Power Plant	Chugoku	0.99	40	Mar-14	JPY 28M	JPY 15M	JPY 102M	3.09 x	12.4%
5	Ichigo Muroran Hatchodaira ECO Power Plant	Hokkaido	1.24	40	Mar-14	JPY 41M	JPY 20M	JPY 138M	3.29 x	12.3%
6	Ichigo Engaru Kiyokawa ECO Power Plant	Hokkaido	1.12	40	Mar-14	JPY 35M	JPY 16M	JPY 93M	4.17 x	16.5%
7	Ichigo Yubetsu Barou ECO Power Plant	Hokkaido	0.80	40	Apr-14	JPY 23M	JPY 13M	JPY 31M	5.30 x	15.0%
8	Ichigo Iyo Nakayamacho Izubuchi ECO Power Plant	Shikoku	1.23	40	Apr-14	JPY 43M	JPY 19M	JPY 73M	6.58 x	25.3%
9	Ichigo Maebashi Naegashima ECO Power Plant	Kanto	0.67	40	Apr-14	JPY 25M	JPY 9M	JPY 40M	8.57 x	34.3%
10	Ichigo Betsukai Kawakamicho ECO Power Plant	Hokkaido	0.88	40	Oct-14	JPY 29M	JPY 14M	JPY 42M	6.31 x	23.0%
11	Ichigo Toyokoro Sasadamachi ECO Power Plant	Hokkaido	0.61	40	Oct-14	JPY 23M	JPY 10M	JPY 31M	7.27 x	27.4%
12	Ichigo Nakashibetsu Midorigaoka ECO Power Plant	Hokkaido	1.93	40	Nov-14	JPY 64M	JPY 29M	JPY 175M	4.09 x	15.3%
13	Ichigo Abira Toasa ECO Power Plant	Hokkaido	1.17	40	Dec-14	JPY 39M	JPY 19M	JPY 36M	10.12 x	35.2%
14	Ichigo Toyokoro ECO Power Plant	Hokkaido	1.03	40	Dec-14	JPY 41M	JPY 16M	JPY 65M	7.59 x	33.0%
15	Ichigo Higashi Hiroshima Saijocho Taguchi ECO Power Plant	Chugoku	2.73	40	Jan-15	JPY 97M	JPY 41M	JPY 241M	5.15 x	20.3%
16	Ichigo Nago Futami ECO Power Plant	Okinawa	8.44	40	Feb-15	JPY 308M	JPY 132M	JPY 1,189M	3.48 x	12.0%
17	Ichigo Engaru Higashimachi ECO Power Plant	Hokkaido	1.24	40	Feb-15	JPY 40M	JPY 19M	JPY 32M	10.90 x	37.5%
18	Ichigo Akkeshi Shirahama ECO Power Plant	Hokkaido	0.81	40	Mar-15	JPY 23M	JPY 13M	JPY 43M	4.21 x	14.6%
19	Ichigo Takamatsu Kokubunjicho Nii ECO Power Plant	Shikoku	2.43	36	Jun-15	JPY 85M	JPY 32M	JPY 59M	16.72 x	37.9%
20	Ichigo Miyakonojo Yasuhisacho ECO Power Plant	Kyushu	1.44	36	Jul-15	JPY 46M	JPY 20M	N/A ³	N/A ³	N/A ³

¹ Forecast Equity Multiple is based on the P50* business plan of each plant and is the forecast 20-year NOI divided by Ichigo Investment.

² Forecast IRR is the internal rate of return based on each plant's P50 forecast cash flow.

³ The consumption tax rebate that Ichigo receives as the operator of these renewable power plants is greater than Ichigo's equity investment.

Therefore, Ichigo Investment is negative and Forecast Equity Multiple and Forecast IRR are not meaningful.

* P50 is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant's operating plan.



Individual Solar Power Plant P&L Breakdown (2)

No.	Solar Power Plant	Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date	Expected NOI/Year	Depreciation	Ichigo Investment	Forecast Equity Multiple (If held for 20 years) ¹	Forecast IRR ²
21	Ichigo Toyokawa Mitocho Sawakihama ECO Power Plant	Chubu	1.80	32	Sep-15	JPY 41M	JPY 22M	JPY 10M	32.63 x	97.1%
22	Ichigo Yamaguchi Aionishi ECO Power Plant	Chugoku	1.24	40	Dec-15	JPY 42M	JPY 19M	JPY 13M	29.44 x	87.0%
23	Ichigo Hamanaka Bokujo Tsurunokotai ECO Power Plant	Tohoku	2.31	36	Dec-15	JPY 74M	JPY 31M	JPY 22M	30.84 x	92.6%
24	Ichigo Yonago Izumi ECO Power Plant	Chugoku	2.61	40	Jan-16	JPY 89M	JPY 34M	N/A ³	N/A ³	N/A ³
25	Ichigo Kasaoka Takumicho ECO Power Plant	Chugoku	1.12	32	Mar-16	JPY 26M	JPY 14M	JPY 10M	20.48 x	59.6%
26	Ichigo Yamaguchi Sayama ECO Power Plant	Chugoku	2.36	36	Apr-16	JPY 74M	JPY 33M	JPY 19M	36.82 x	127.7%
27	Ichigo Kijo Takajo ECO Power Plant	Kyushu	0.90	40	May-16 ⁴	JPY 35M	JPY 18M	JPY 141M	3.01 x	18.2%
28	Ichigo Toki Oroshicho ECO Power Plant	Chubu	1.40	36	Jun-16	JPY 41M	JPY 20M	JPY 9M	38.04 x	96.1%
29	Ichigo Toride Shimotakai Kita ECO Power Plant	Kanto	1.03	32	Jul-16	JPY 25M	JPY 13M	JPY 8M	26.18 x	67.7%
30	Ichigo Toride Shimotakai Minami ECO Power Plant	Kanto	0.54	32	Jul-16	JPY 12M	JPY 6M	JPY 3M	32.29 x	75.3%
31	Ichigo Hamanaka Bokujo Kajibayashi ECO Power Plant	Tohoku	2.31	36	Oct-16	JPY 74M	JPY 33M	JPY 45M	15.13 x	35.3%
32	Ichigo Sera Tsukuchi ECO Power Plant	Chugoku	2.54	32	Jan-17	JPY 68M	JPY 30M	JPY 50M	6.93 x	22.2%
33	Ichigo Sera Aomizu ECO Power Plant	Chugoku	2.75	32	Feb-17	JPY 74M	JPY 33M	JPY 54M	6.92 x	21.7%
34	Ichigo Kure Yasuuracho Nakahata ECO Power Plant	Chugoku	2.65	36	Aug-17	JPY 70M	JPY 35M	JPY 88M	7.43 x	19.8%
35	Ichigo Showamura Ogose ECO Power Plant	Kanto	43.01	36	Jan-18	JPY 1,359M	JPY 606M	JPY 482M	29.07 x	43.1%
36	Ichigo Minakami Aramaki ECO Power Plant	Kanto	10.26	36	Jul-18	JPY 347M	JPY 176M	JPY 329M	9.40 x	14.9%
Total 112.84MW						JPY 3,611M	JPY 1,637M	JPY 4,030M	13.16 x	38.5%

¹ Forecast Equity Multiple is based on the P50* business plan of each plant and is the forecast 20-year NOI divided by Ichigo Investment.

² Forecast IRR is the internal rate of return based on each plant's P50 forecast cash flow.

³ The consumption tax rebate that Ichigo receives as the operator of these renewable power plants is greater than Ichigo's equity investment.

Therefore, Ichigo Investment is negative and Forecast Equity Multiple and Forecast IRR are not meaningful.

⁴ Ichigo's acquisition date. The plant began operation in April 2014.

* P50 is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant's operating plan.



Consolidated Balance Sheet: Assets

(Million Yen)

	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2 Q1 (This quarter)	vs FY16/2 (Increase/Decrease)
Assets						
Current Assets						
Cash and cash equivalents	9,713	24,991	19,383	28,779	35,183	+6,404
Trade notes and accounts receivable	548	451	519	691	1,494	+803
Operational investments in loans	3,636	1,100	2,330	1,324	1,324	—
Operational investments in securities	4,271	3,583	1,965	1,784	2,617	+833
Real estate for sale	46,176	54,084	109,769	172,833	159,384	-13,449
Deferred tax assets	369	576	1,200	1,766	1,173	-593
Other	2,042	1,384	2,657	3,966	4,669	+703
Less: allowance for doubtful	-3,177	-410	-484	-458	-447	+11
Total Current Assets	63,581	85,761	137,342	210,687	205,401	-5,286
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	2,863	4,901	4,021	3,830	3,773	-57
Equipment (net)	21	2,044	9,168	12,267	13,099	+832
Land	7,082	12,433	12,142	12,192	12,192	—
Buildings under construction	80	1,922	989	3,255	3,953	+698
Other (net)	10,047	21,300	26,321	31,546	33,020	+1,474
Intangible Assets						
Goodwill	2,203	2,221	2,082	1,942	1,969	+27
Leasehold rights	—	392	392	392	392	—
Other	20	71	27	38	35	-3
Total Intangible Assets	2,223	2,686	2,502	2,373	2,398	+25
Investments and Other Assets						
Investments in securities	4,117	4,278	5,266	5,486	1,734	-3,752
Long-term loans receivable	13	13	12	12	10	-2
Deferred tax assets	0	222	2	39	33	-6
Other	545	780	1,392	1,736	1,532	-204
Less: allowance for doubtful	-101	-97	-95	-124	-93	+31
Total Investments and Other	4,575	5,196	6,578	7,149	3,217	-3,932
Total Fixed Assets	16,846	29,183	35,402	41,069	38,635	-2,434
Total Assets	80,428	114,944	172,744	251,757	244,037	-7,720

Consolidated Balance Sheet: Liabilities & Net Assets

(Million Yen)

	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2 Q1 (This quarter)	vs FY16/2 (Increase/Decrease)
Liabilities						
Current Liabilities						
Trade notes and accounts payable	64	132	124	80	81	+1
Short-term borrowings	484	950	1,416	2,188	1,425	-763
Short-term non-recourse loans	—	—	48	79	79	—
Long-term borrowings (due within one year)	966	3,123	3,488	8,161	10,171	+2,010
Long-term non-recourse loans (due within one year)	2,263	428	786	2,975	931	-2,044
Income taxes payable	65	96	284	631	250	-381
Deferred tax liabilities	15	24	30	53	75	+22
Accrued bonuses	25	14	16	13	155	+142
Other current liabilities	3,419	2,817	3,677	3,979	3,906	-73
Total Current Liabilities	7,304	7,588	9,872	18,161	17,077	-1,084
Long-Term Liabilities						
Non-recourse bonds	—	—	100	100	100	—
Long-term borrowings	5,456	26,126	53,409	94,409	91,011	-3,398
Long-term non-recourse loans	32,776	24,178	43,004	56,193	52,447	-3,746
Deferred tax liabilities	277	1,213	1,402	1,543	1,590	+47
Long-term security deposits received	3,230	4,770	6,391	8,707	6,965	-1,742
Negative goodwill	270	180	90	—	—	—
Other long-term liabilities	46	44	96	475	742	+267
Total Long-Term Liabilities	42,056	56,513	104,494	161,430	152,857	-8,573
Total Liabilities	49,361	64,102	114,367	179,591	169,934	-9,657
Net Assets						
Shareholders' Equity						
Capital	18,113	26,443	26,499	26,575	26,589	+14
Capital reserve	2,429	10,808	10,873	10,968	10,983	+15
Retained earnings	7,923	10,891	17,201	29,454	33,534	+4,080
Treasury shares	-187	-92	-78	-41	-39	+2
Total Shareholders' Equity	28,279	48,050	54,496	66,956	71,068	+4,112
Accumulated Other Comprehensive Income						
Valuation gain (loss) on other securities	160	400	1,208	761	503	-258
Deferred gain (loss) on hedges	—	—	-36	-251	-440	-189
Foreign currency translation adjustment	16	9	6	23	20	-3
Total Accumulated Other Comprehensive Income	177	409	1,177	533	83	-450
Stock Options	143	121	198	319	365	+46
Non-controlling Interests	2,466	2,261	2,505	4,357	2,586	-1,771
Total Net Assets	31,066	50,842	58,377	72,166	74,103	+1,937
Total Liabilities and Net Assets	80,428	114,944	172,744	251,757	244,037	-7,720

Consolidated P&L

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q1 (3M)	FY16/2 Q1 (3M)	Change (YoY)	FY17/2 Full-Year Forecast	vs Forecast
Revenues	16,397	35,101	42,705	49,699	46,415	8,903	+37,512	125,600	37.0%
Cost of Goods Sold	11,422	27,666	30,539	29,835	39,803	5,276	+34,527	—	—
Gross Profit	4,974	7,435	12,166	19,863	6,612	3,627	+2,985	23,867	27.7%
SG&A	3,130	3,522	3,977	4,446	1,200	—	+66	—	—
Operating Profit	1,844	3,912	8,189	15,417	5,412	—	+2,920	18,500	29.3%
Non-Operating Profit									
Interest income	3	4	5	2	-13,449	—	—	—	—
Dividend income	24	112	78	99	-593	—	-1	—	—
Amortization of negative goodwill	90	90	90	90	—	22	-22	—	—
Other	36	31	39	43	5	13	-8	—	—
Total Non-Operating Profit	155	238	213	215	-57	41	-33	—	—
Non-Operating Expenses									
Interest expense	238	370	943	1,277	381	—	+116	—	—
Debt financing-related fees, etc.	—	—	—	—	202	7	+195	—	—
Stock Issuance Cost	0	89	—	—	—	—	—	—	—
Other	26	93	202	465	30	27	+3	—	—
Total Non-Operating Expenses	265	553	1,146	1,743	614	300	+314	—	—
Recurring Profit	1,734	3,597	7,255	13,889	-3	2,233	+2,573	16,400	0.0%
Extraordinary Gain									
Gain on sales of investment securities	9	7	—	—	—	—	—	—	—
Total Extraordinary Gain	72	204	—	223	-3,752	223	+2,204	—	—
Receipt of share trading proceeds	—	434	—	—	-6	—	—	—	—
Other	0	33	57	—	-204	—	—	—	—
Total Extraordinary Gain	83	680	57	223	2,427	223	+2,204	—	—
Extraordinary Loss									
Loss on sales and retirement of fixed assets	1	1	0	—	-2,434	—	—	—	—
Valuation loss on investments in securities	62	—	—	49	—	—	—	—	—
Office move expenses	19	21	1	9	—	—	—	—	—
Impairment Loss	33	307	—	—	—	—	—	—	—
Earthquake damages	—	—	—	—	242	—	+242	—	—
Other	8	13	91	31	—	—	—	—	—
Total Extraordinary Loss	124	344	93	89	242	—	+242	—	—
Pre-Tax Net Income	1,693	3,933	7,220	14,022	-7,720	2,456	+4,534	—	—
Income Taxes – Current	54	43	564	1,330	548	179	+369	—	—
Income Taxes – Deferred	-106	-616	-220	-369	555	-124	+679	—	—
Total Income Taxes	-51	-573	343	960	1,103	55	+1,048	—	—
Pre-Minority Interest Net Income	1,745	4,506	6,876	13,062	5,886	2,401	+3,485	—	—
Net Income Attributable to Minority Interests	108	-19	115	136	301	25	+276	—	—
Net Income	1,637	4,526	6,761	12,925	5,585	2,375	+3,210	13,300	42.0%

Consolidated Cash Flows from Operating Activities

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q1 (3M)
Cash Flows From Operating Activities					
Pre-tax net income	1,693	3,933	7,220	14,022	6,990
Depreciation	230	304	565	792	224
Share-based compensation expenses	49	69	112	174	56
Amortization of goodwill	114	139	139	139	35
Amortization of negative goodwill	-90	-90	-90	-90	—
Increase (decrease) in accrued bonuses	3	-11	1	-3	142
Increase (decrease) in allowance for doubtful accounts	195	33	65	3	-6
Increase (decrease) in other allowances	-11	—	—	—	—
Interest and dividend income	-28	-116	-83	-81	-3
Interest expense	238	370	943	1,277	381
Loss (gain) on sales of investment securities	-72	-204	—	-223	-2,427
Loss (gain) on sales/retirement of fixed assets	-8	-6	—	—	—
Impairment Loss	33	307	—	—	—
Valuation loss on investment securities	62	—	—	49	—
Decrease (increase) in trading notes and receivables	515	97	-68	-172	-802
Decrease (increase) in operating loans receivable	-1,100	218	-1,230	1,006	—
Decrease (increase) in operational investments	723	1,635	1,110	1,239	814
Decrease (increase) in operational investment	63	114	—	19	—
Decrease (increase) in real estate for sale	2,556	-6,729	-42,991	-63,070	13,451
Valuation loss in real estate for sale	119	—	—	—	—
Valuation loss on investments in capital	1	12	91	11	—
Decrease (increase) in advances paid	—	—	—	-990	10
Decrease (increase) in accounts receivable	-380	-255	-1,079	-1,140	-393
Increase (decrease) in accounts payable	-39	-139	388	535	-872
Increase (decrease) in accrued expenses	519	137	16	42	44
Increase (decrease) in advances received	11	38	211	317	—
Increase (decrease) in security deposits received	-253	1,230	1,391	2,380	-1,740
Other	-239	522	-407	435	-40
Sub-total	4,908	1,611	-33,693	-43,324	15,865
Interest and dividend income received	28	116	83	81	3
Interest expenses paid	-220	-378	-843	-1,226	-327
Income taxes paid	-106	-94	161	-186	-547
Net Cash from (Used for) Operating Activities	4,609	1,254	-34,292	-44,654	14,994

Consolidated Cash Flows from Investing & Financing Activities

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q1 (3M)
Cash Flows from Investing Activities:					
Payments into time deposits	-0	-0	-325	-0	-0
Proceeds from withdrawal of time deposits	151	—	325	—	—
Acquisition of investment securities	-15	—	-210	-671	—
Proceeds from sales of investment securities	76	282	—	296	6,021
Proceeds from redemption of investment securities	30	2	0	3	—
Acquisition of property and equipment	-124	-7,150	-10,769	-6,628	-1,045
Proceeds from sale of property and equipment	17	72	—	—	—
Acquisition of intangible assets	-0	-389	-23	-21	—
Payments for investments	-4	-5	-10	-9	-2
Proceeds from redemption of investments	0	7	0	6	—
Proceeds from redemption of investments	—	-5	-127	-37	—
Proceeds from acquisitions of subsidiaries resulting in the change of consolidation scope	-218	-1,389	—	—	-89
Payments for acquisitions of newly consolidated subsidiaries	—	—	-1,349	—	—
Other	60	-35	4	9	-0
Net Cash from (Used for) Investing Activities	-27	-8,610	-12,485	-7,052	4,884
Cash Flows from Financing Activities:					
Increase (decrease) in short-term bank loans, net	314	465	466	771	-763
Increase (decrease) in short-term non-recourse loans, net	—	—	48	31	—
Proceeds from long-term bank loans	5,440	26,777	47,203	64,866	25,870
Repayment of long-term bank loans	-8,199	-5,388	-19,557	-19,192	-27,504
Proceeds from long-term non-recourse loans	12,346	5,675	19,900	18,150	4,350
Repayment of long-term non-recourse loans	-13,885	-19,030	-5,958	-2,772	-10,140
Proceeds from issuance of common shares	—	16,387	—	—	—
Proceeds from exercise of stock options	48	242	99	153	22
Cash dividends paid	—	-445	-543	-646	-1,425
Share issuance to non-controlling interests	20	—	—	2,000	—
Proceeds from minority interests	-19	—	—	—	-2,000
Cash dividends paid to minority interests	-0	—	—	-43	-39
Net Cash from (Used for) Financing Activities	-3,935	24,682	41,658	63,318	-11,630

Appendix: Power Up 2019 Mid-Term Business Plan

Power Up 2019 Key Goals & KPIs

Key Goals

1. Drive Further Sustainable Growth in Ichigo's Core Businesses
2. Develop New Ichigo Businesses
3. Deepen Ichigo's Core Capabilities and Corporate Strength

Power Up 2019 KPIs (Key Performance Indicators)

(Million Yen)

	FY16/2 (Actual)	FY17/2 (Forecast)	FY19/2 (Plan)	vs FY16/2
Operating Profit	15,417	18,500	25,000	+62.2%
Recurring Profit	13,889	16,400	21,400	+54.1%
Tax Rate	6.9%	27.8%	30.0%	—
Net Income	12,925	13,300	14,800	+14.5%
EPS	25.86 yen	26.43 yen	29.00 yen	+12.1%
DPS	3.00 yen	5.00 yen	7.00 yen	+133.0%
ROE	21.0%	18.1%	15.6%	—

Capital Efficiency	ROE>15%	Shareholder Return	DOE>3%
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Power Up 2019 JPX-Nikkei 400 Top 200 Ranking

Additional Target: JPX-Nikkei 400 Top 200 Ranking by August 2019

- ✓ Anticipate entering JPX-Nikkei 400 this August
- ✓ By August 2019, the final year of Power Up 2019, Ichigo will seek to rank within the JPX-Nikkei 400's top 200 companies

Note: While the JPX-Nikkei 400 does not provide an official ranking of its 400 constituents, the ranking can be objectively calculated based upon the JPY-Nikkei 400's publically-available quantitative ranking formula, which rank orders the joint set of the 1,200 highest market capitalization and 1,200 highest value-traded Japanese companies by:

- (a) 3-year average ROE (40% weighting)
- (b) 3-year cumulative operating profit (40% weighting)
- (c) Market capitalization (20% weighting)

Power Up 2019 Key Initiatives

Profitability		Sustainability	
<p>(1) Core Business Growth</p>	<ul style="list-style-type: none"> • List Ichigo's solar assets on the TSE's new Infrastructure Fund Market • Support the on-going growth of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463) • Expand the architecture and structural engineering team to deliver real estate that is high-function, safe, secure, and environmentally friendly • Spin out a dedicated leasing team to drive tenant acquisition and rental income 	<p>(3) Finance as a Strategic Weapon</p>	<ul style="list-style-type: none"> • Grow <u>both</u> financial stability and earnings • De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile
<p>(2) New Business Creation</p>	<ul style="list-style-type: none"> • Extend Ichigo's REIT-focused asset management business into the much larger physical real estate market • Grow Ichigo's hotel business synergistically with Ichigo Hotel REIT • Launch one or more <u>REtech</u> businesses, fusing Ichigo's <u>Real Estate</u> and <u>IT</u> capabilities 	<p>(4) High Capital Efficiency and Organic Growth</p>	<ul style="list-style-type: none"> • ROE >15%
		<p>(5) Best Place to Work</p>	<ul style="list-style-type: none"> • Support employee health and wellness • Goal: Japan's number one company in providing opportunities for employees
		<p>(6) Global Best Practice Governance and Compliance</p>	

Adoption of Progressive Dividend Policy

- ✓ Progressive Dividend: Previous year's dividend is the floor for the current year's dividend. Dividend will be raised (or kept flat) but not cut, providing shareholders with downside dividend protection
- ✓ Newly setting minimum DOE (dividend on equity) payout ratio of >3 %
 - Dividend payout ratio policy: Dividends based on annual earnings
→ More volatile
 - DOE policy: Dividends based on shareholder equity → More Stable
- ✓ Combination of progressive dividend and DOE-based payout policy will significantly increase the security, certainty, and visibility of the dividend to the benefit of Ichigo's shareholders
- ✓ Also underscores Ichigo's commitment to driving continued organic earnings and dividend growth for its shareholders

Notice: Corporate Name Change on September 1, 2016

To further focus on its core identity and unify its Japanese and English corporate names, Ichigo is simplifying its Japanese corporate name to **Ichigo Inc.** as of September 1, 2016.

The change in the asset management subsidiary name is to reflect the listing of the Green Infrastructure Fund.

- ✓ New Japanese Company Name
 - **Ichigo Inc.** from Ichigo Group Holdings
(No change to the English corporate name, which is already Ichigo Inc.)

- ✓ New Asset Management Subsidiary Name
 - **Ichigo Investment Advisors Co., Ltd** from Ichigo Real Estate Investment Advisors Co., Ltd.

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Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.

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