



FY17/2 Q3 (March-November 2016)
Corporate Presentation

January 13, 2017

Ichigo (2337)

Ichigo Preserves and Improves Real Estate



World-Class Excellence

ICHIGO's
Hiromi Miyake

ICHIGO



Contents

FY17/2 Q3 Earnings

- OP 1.3X, Net Income 1.1X YOY
- Earnings Growing Across All Segments
- Robust Cash Flow and Cash-On-Hand
- Strong Financial Position

Powerful Value-Add Business Model Underpins Growth

- Ichigo Green (9282) IPO
- Growing Asset Management Business
- Accelerated Asset Turnover
- Expanding Value-Add Business to Large-Size Office Buildings
- New Business Launch: Client Real Estate Services
- Clean Energy Business Growth

Appendices: Financial & Real Estate Data

Power Up 2019 Mid-Term Business Plan

FY17/2 Q3 Earnings

OP 1.3X, Net Income 1.1X YOY

- Gains on Sale of Solar Power Plants to Ichigo Green to be Recorded in Q4 (Revenue JPY 10.3B, Net Income JPY 2.0B)
- 96.5% Progress as of Q3 vs. Full-Year Net Income Forecast

(Million Yen)

	FY16/2 Q3 Cumulative (9M)	FY17/2 Q3 Cumulative (9M)	YOY	Full-Year Forecast	% of Full- Year Forecast	FY16/2 Actual
Revenue	44,500	93,835	+110.9%	125,600	74.7%	49,699
Gross Profit	17,041	20,790	+22.0%	23,867	87.1%	19,863
Operating Profit	13,602	17,042	+25.3%	18,500	92.1%	15,417
Recurring Profit	12,450	15,375	+23.5%	16,400	93.8%	13,889
Net Income	11,598	12,837	+10.7%	13,300	96.5%	12,925
EPS	23.22 yen	25.57 yen	+10.1%	26.43 yen	96.7%	25.86 yen

Earnings Growing Across All Segments

- 108% Progress in Value-Add as of Q3 vs. Full-Year Forecast
- Growth Across the Board in Ongoing Earnings

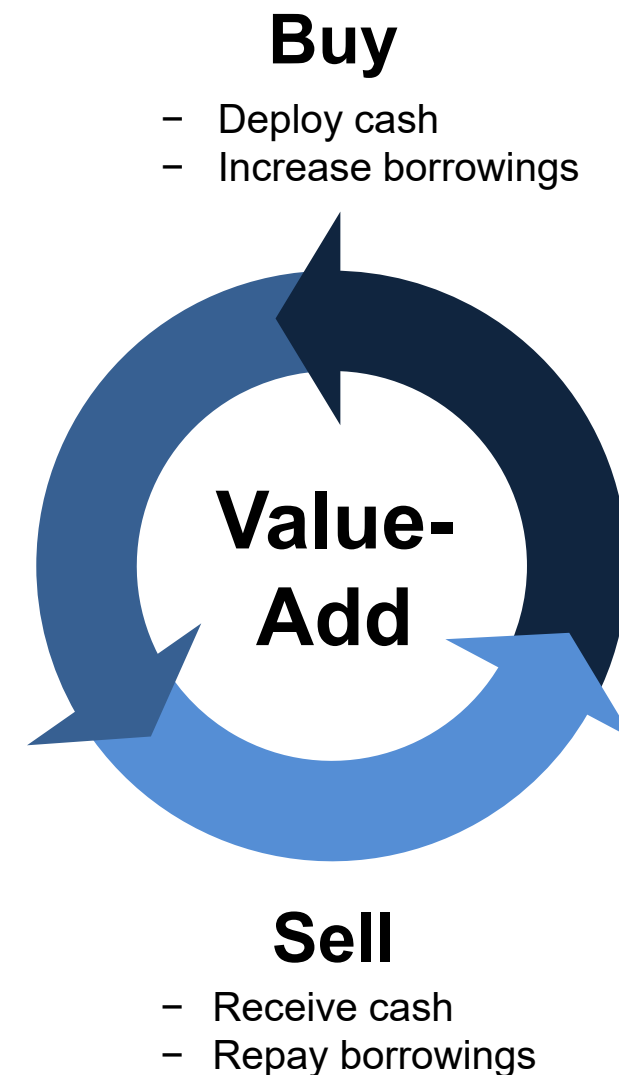
(Million Yen)

Segment	Revenue					Operating Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY16/2 Q3 Cumulative (9M)	FY17/2 3Q Cumulative (9M)	YOY	Full-Year Forecast	vs. Forecast	FY16/2 Q3 Cumulative (9M)	FY17/2 3Q Cumulative (9M)	YOY	Full-Year Forecast	vs. Forecast	
Asset Management	4,178	3,556	-14.9%	5,079	70.0%	2,527	1,859	-26.4%	2,386	77.9%	<ul style="list-style-type: none"> •AM Fee: 1,157 (+375) •Acquisition/Disposition Fees: 412 (-123) •Performance Fees: 183 (-546) •Sponsor Credit Support Fee: 38 (-371)
Value-Add	38,955	88,481	+127.1%	109,297	81.0%	11,011	14,637	+32.9%	13,530	108.2%	<ul style="list-style-type: none"> •Rental Income: 7,239 (+1,347) •Gains on Sale: 10,557 (+2,914)
Clean Energy	1,315	1,783	+35.6%	11,152	16.0%	362	537	+48.3%	2,608	20.6%	<ul style="list-style-type: none"> •Solar Electricity Sales: 908 (+274)
Other	51	14	-72.2%	71	20.1%	-16	-142	-	-84	-	<ul style="list-style-type: none"> •Up-Front Loan Fees & Related Expenses: 14 (-34)
Total	44,500	93,835	+110.9%	125,600	74.7%	13,884	16,892	+21.7%	18,440	91.6%	
Adjustment (including offsets of inter-segment transactions)	-	-	-	-	-	-282	150	-	59	-	
Total	44,500	93,835	+110.9%	125,600	74.7%	13,602	17,042	+25.3%	18,500	92.1%	

Robust Cash Flow and Cash-On-Hand

FY17/2 Q3 (9M)

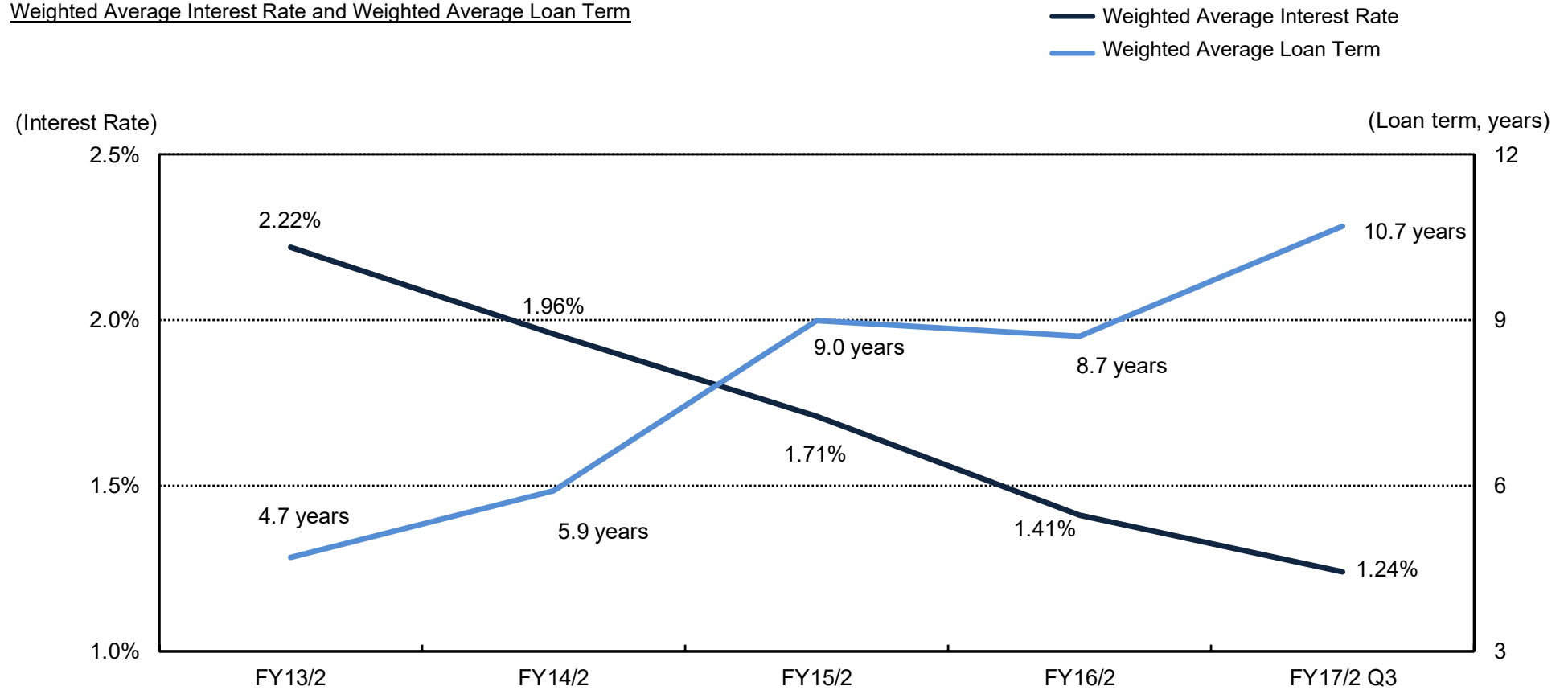
Cash Flow from Operating Activities	<p>JPY +19.3B</p> <p>Sale of Value-Add Assets (Real Estate for Sale) JPY +66.4B</p> <p>Acquisition of Value-Add Assets (Real Estate for Sale) JPY -61.9B</p>
Cash Flow from Investing Activities	<p>JPY -6.2B</p> <p>Solar Power Plant Development (Fixed Assets) JPY -5.6B</p>
Cash Flow from Financing Activities	<p>JPY -6.9B</p>
Cash-on-Hand	<p>JPY 32.4B (+4.0B)</p>



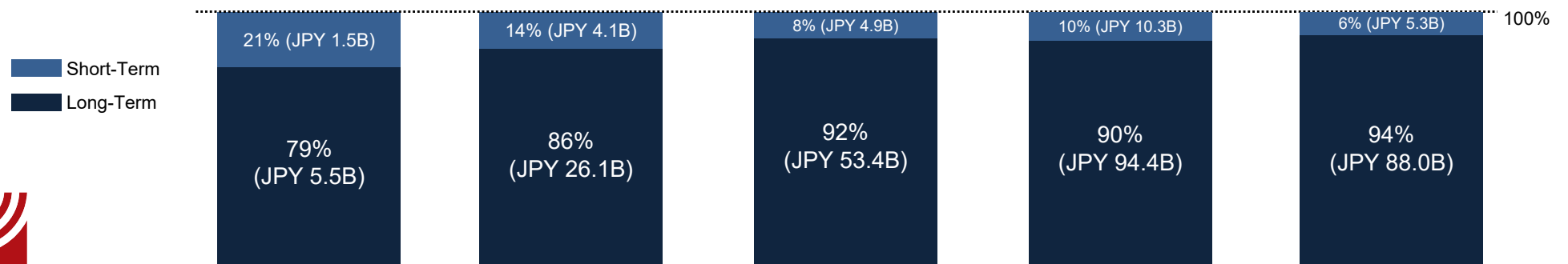
* Parentheses show change vs. FY16/2

Strong Financial Position

Weighted Average Interest Rate and Weighted Average Loan Term



Term Structure of Loans



Powerful Value-Add Business Model Underpins Growth

Ichigo Green (9282) IPO

Solar Power YieldCo Listed on TSE on December 1, 2016

- ✓ Offers investors an opportunity to invest in Japan's rapidly expanding green infrastructure asset class
- ✓ Ichigo's third listed investment vehicle, in addition to Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463), offering institutional and individual investors earnings stability and security, drawing upon Ichigo's mission to preserve and improve real estate
- ✓ Not a development vehicle: all power plants in stable operation >1 year



Ichigo Takamatsu Kokubunjicho Nii ECO Power Plant (2.43MW)






Ichigo Kiryu Okuzawa ECO Power Plant (1.33MW)

No. of Power Plants	13
Total Acquisition Price	JPY 10.02B
Total Panel Output	25.83 MW

Growing Asset Management Business

2 Listed J-REITs, 1 Listed YieldCo

✓ Deploying Ichigo's Value-Add Capabilities for REIT/YieldCo Shareholders

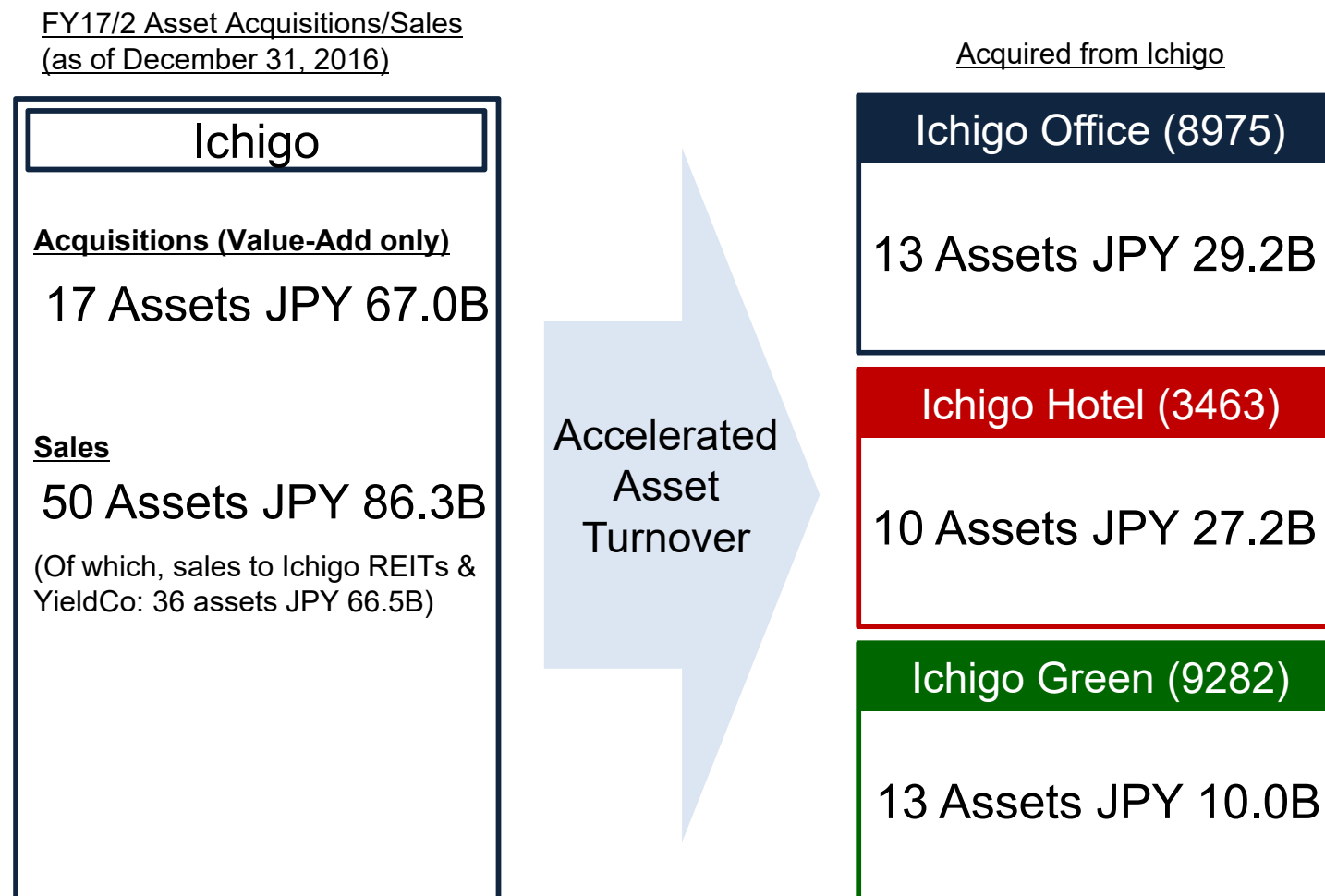
Name	Listing Date	Characteristics	Forecast Dividend Yield (Based on Share Price as of Dec 30, 2016)	Portfolio
Ichigo Office REIT (8975)	October 12, 2005	<ul style="list-style-type: none"> Specialized Office REIT focused on mid-size offices with return stability and upside potential 13 Consecutive periods of dividend growth, No.1 among all J-REITs 	5.0%	85 assets JPY 191.0B 
Ichigo Hotel REIT (3463)	November 30, 2015	<ul style="list-style-type: none"> Specialized Hotel REIT focused on driving shareholder value via income stability and earnings growth Rapidly expanding portfolio via Ichigo's sponsor support 	4.5%	19 hotels JPY 47.6B 
Ichigo Green (9282)	December 1, 2016	<ul style="list-style-type: none"> Offers investors an opportunity to invest in Japan's rapidly expanding green infrastructure asset class Renewable energy YieldCo that maximizes shareholder value via a portfolio that offers both return stability and growth potential The second YieldCo to be listed on the TSE 	6.0%	13 power plants JPY 10.0B (25.83MW) 

* Forecast dividend yield is based on the most recent dividend forecast. Ichigo Green includes dividend in excess of earnings.

Accelerated Asset Turnover

Highly Competitive Acquisition Market, but Ichigo Value-Add Capabilities an Acquisition Edge

Ongoing Sales to Ichigo REITs and YieldCo to Support Their Growth



Expanding Value-Add Business to Large-Size Office Buildings

Acquisition of Tradepia Odaiba on October 18, 2016 (JPY 30B)

- Landmark building visible from Tokyo's Rainbow Bridge – will contribute to further build-out of Ichigo brand
- Extensive Ichigo Value-Add opportunity

Started Value-Add Immediately upon Acquisition

- Ichigo team on-site from acquisition
- Extensive tenant interviews – will carry out Capex matched to tenant needs
- Cost efficiencies available to increase asset profitability



Name	Tradepia Odaiba
Location	2-Chome, Daiba, Minato-ku, Tokyo
Access	3-minute walk from Tokyo Teleport Station on the Tokyo Rinkai Line
Land Area	12,910.26m ²
Total Floor Area	76,580.43m ²
Zoning	Commercial
Structure	Steel & Steel-Reinforced Concrete 23 Floors plus 2 Basement Floors
Builder	Joint Venture of Shimizu, Taisei, and Obayashi
Date Built	February 2001
Date Acquired	October 18, 2016

New Business Launch: Client Real Estate Services

New Opportunity for Ichigo to Serve Investor Needs

- Extend Ichigo's REIT-focused asset management business into Japan's broader real estate market, with Ichigo providing ongoing asset management services to clients
- Large addressable market: Japan's investable real estate market (JPY 208T) 15X larger than J-REIT market
- Focus on Value-Add assets
- Expand Ichigo client base

Aoyama Office Building Value-Add Example

- Rectified building code violation vis-a-vis site boundary
- Fixed water leakage
- Executed MOUs with city and surrounding owners to establish legal site boundaries that were missing
- Replaced tenants, marked-to-market rents, and implemented cost efficiencies to increase NOI



Five-story office building with basement acquired in March 2015
Conducted 1-year value-add and completed sale to investor in October 2016

Clean Energy Business Growth

Ichigo Showamura Ogose ECO Power Plant (43.35MW) Development

- ✓ Completed 165,000+ panel install
- ✓ Completed high-voltage substation
- ✓ 75.2% complete as of Dec. 31, 2016
- ✓ Power generation testing scheduled, expect operation-start next period



Ichigo Showamura Ogose ECO Power Plant

Wind Power Development

- ✓ All projects on track
- ✓ Growing project pipeline

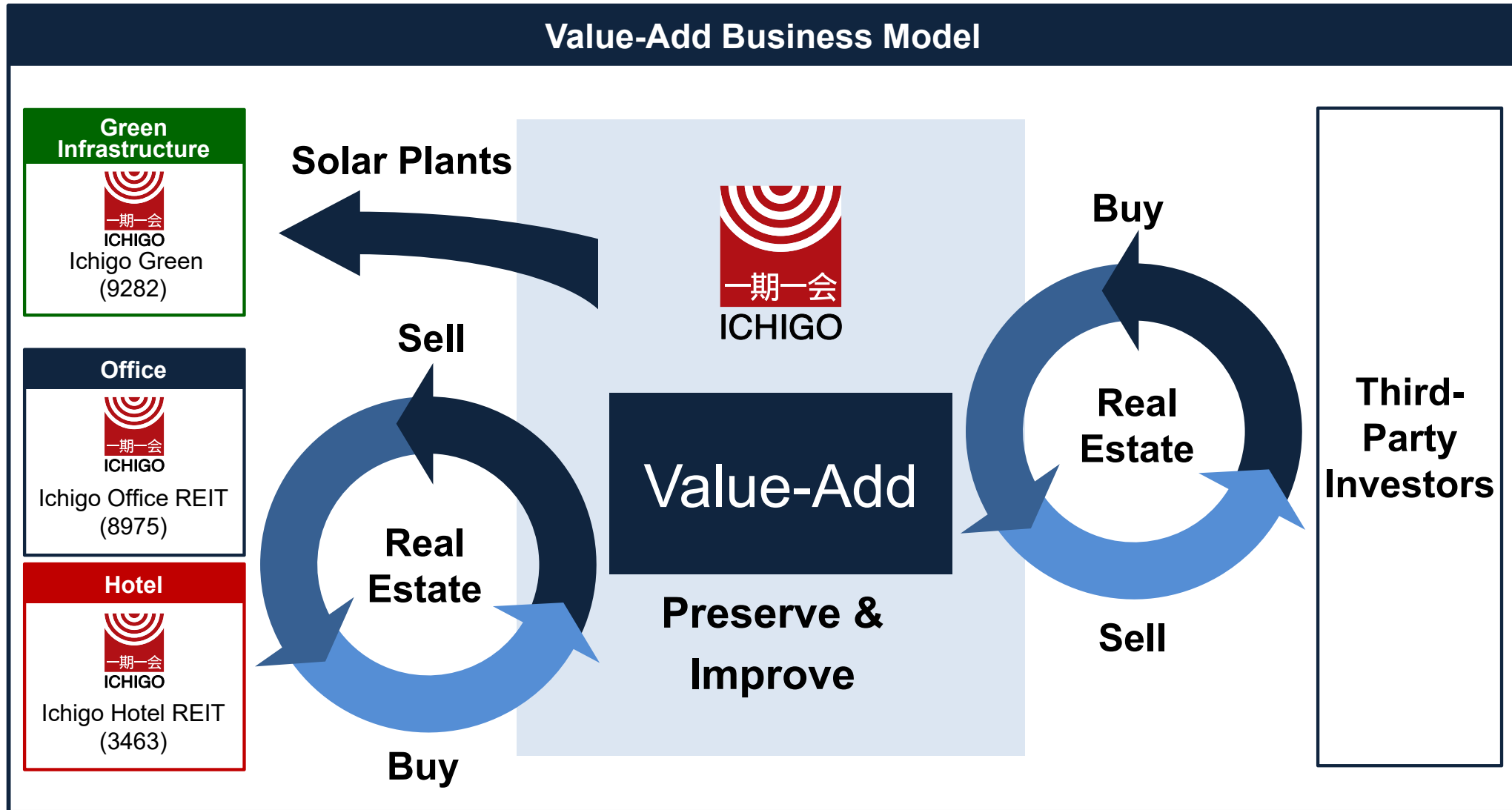
No.	Location	Expected Output	Wind Data Survey
1	Chiba	4.0MW	Completed
2	Yamagata	7.5MW	In Progress
3	Iwate	7.5MW	In Progress
4	Iwate	7.5MW	In Progress
5	Mie	7.5MW	In Progress

In detailed power plant simulation and design phase

Appendix: Financial & Real Estate Data

Powerful Value-Add Business Model

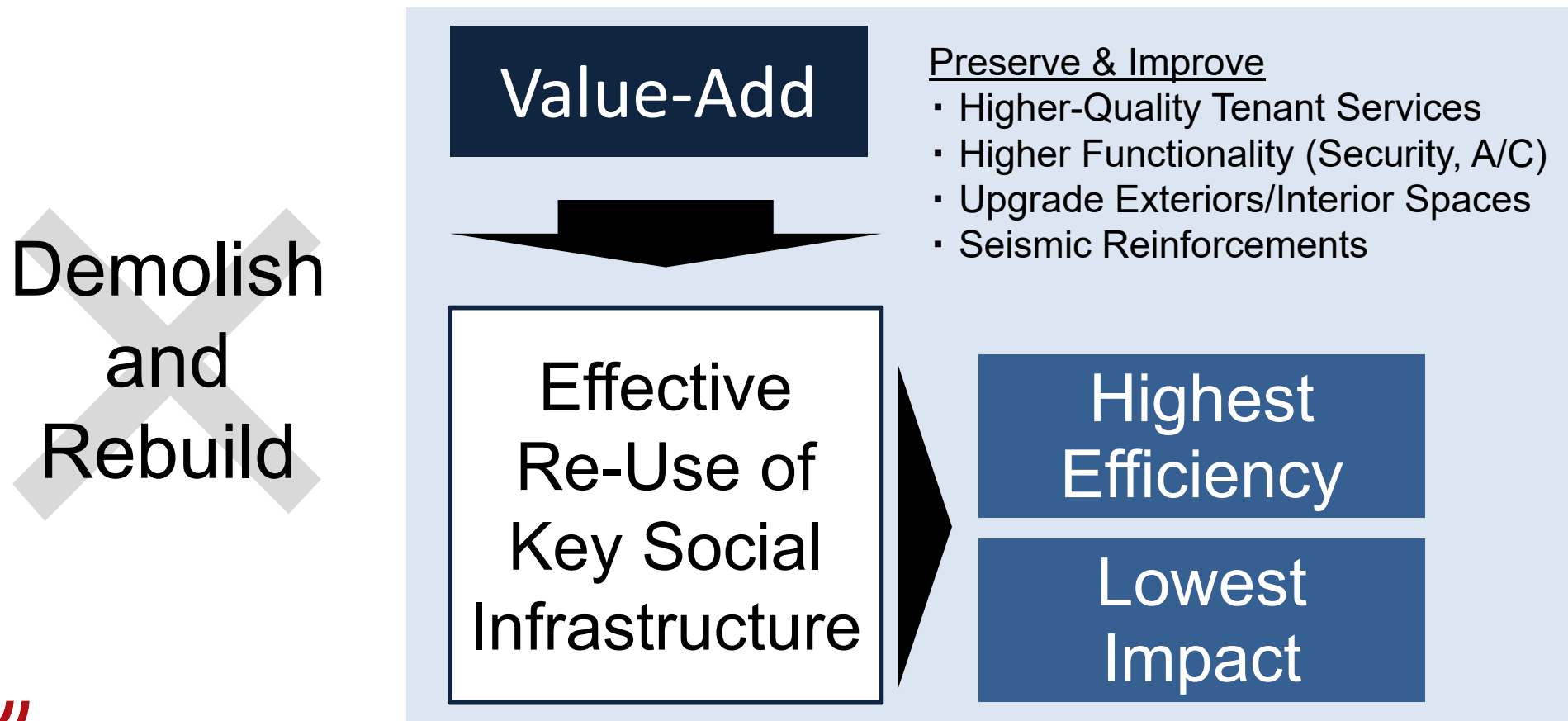
Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



Sustainable Real Estate Serving a Sustainable Society

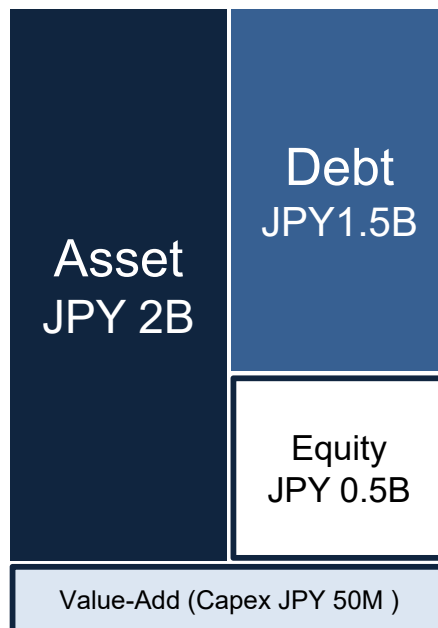
End Demolish and Rebuild and Embrace Value-Add

- 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 on borrowings, JPY 50M Capex, 15% increase in NOI, 3-year Value-Add period



NOI at Acquisition

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

NOI after Value-Add

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

Value-Add for Capital Gain

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

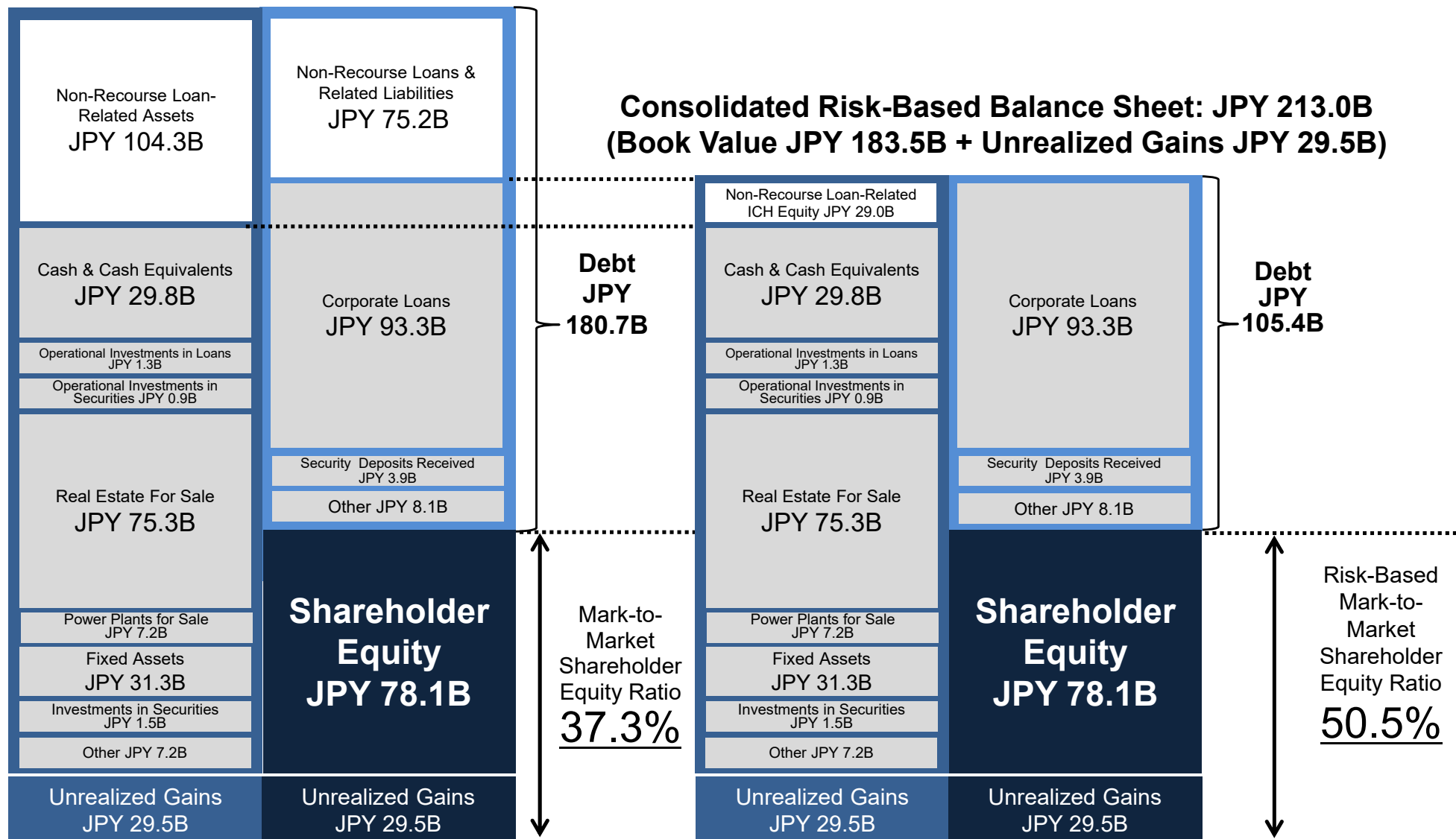
Result

JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 288.4B
(Book Value JPY 258.9B + Unrealized Gains JPY 29.5B)

As of November 30, 2016



Note: Risk-Based Balance Sheet excludes client and non-recourse assets and liabilities.

Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 29.4B (Appraisal Value Basis)

Real estate directly held by Ichigo

(Million Yen)

Location	Book Value as of Nov 30, 2016	NOI	Cap Rate NOI/Book Value after write-down	Appraisal Value as of Nov 30, 2016	Unrealized Gains
Tokyo	101,963	5,948	5.9%	119,644	+17,681
Outside Tokyo	76,607	5,056	6.7%	88,046	+11,439
Total	178,571	11,005	6.3%	207,690	+29,119

* Cap rate is the simple average of the cap rates for each asset. Excludes development assets (c. JPY 371 million) which are not currently generating NOI and includes intangible fixed assets subject to appraisal (c. JPY 62 million).

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

(Million Yen)

	Book Value as of Nov 30, 2016	Appraisal Value as of Nov 30, 2016	Unrealized Gains
Equity Investments (Non-consolidated)	—	—	—
Equity Investments (Consolidated)	1,041	1,359	+317
Total	1,041	1,359	+317

Business Segments

Asset Management	<p><u>Asset Management</u> generates fee income via management of Ichigo Office REIT (8975), Ichigo Hotel REIT (3463), and Ichigo Green (9282), 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	FY 17/2 H1	FY 17/2 Q3		QOQ	Market Value	Unrealized Gains	Unrealized Gains on Listed Securities ²
		B/S	B/S	B/S	Outside Investors' Interest				
Cash and Cash Equivalents	28,779	35,183	46,473	38,750	558	-7,723	38,750	-	-
Operating Loans Receivable (Value-Add)	1,324	1,324	1,324	1,324	-	-	1,324	-	-
Operational Investments in Securities	1,784	2,617	880	982	-	+102	982	-	+1
Value-Add	844	1,707	134	204	-	+70	204	-	-
Other	939	910	746	777	-	+31	777	-	+1
Real Estate for Sale (Value-Add)	172,833	159,384	135,193	168,869	3,014	+33,676	197,279	+27,636	-
Power Plants for Sale (Clean Energy)	-	-	7,251	7,259	-	+8	7,259	-	-
Fixed Assets	31,546	33,020	29,624	31,937	-	+2,313	33,893	+1,955	-
Asset Management	39	37	29	28	-	-1	28	-	-
Value-Add	15,897	15,845	15,792	15,747	-	-45	17,703	+1,955	-
Clean Energy	15,560	17,094	13,748	16,110	-	+2,362	16,110	-	-
Other ¹	48	42	54	51	-	-3	51	-	-
Intangible Assets	2,373	2,398	2,032	1,994	-	-38	1,994	-	-
Investments in Securities	5,486	1,734	1,583	1,565	-	-18	1,565	-	+235
Other	7,628	8,373	5,247	6,168	7	+921	6,168	-	-
Total Assets	251,757	244,037	229,612	258,853	3,580	+29,241	289,218	+29,592	+237

¹ Other refers to company assets that are not allocated to the three business segments

² Unrealized Gains on Listed Securities is recorded in Unrealized Gains on Operational Investments 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	Power Plants for Sale	Fixed Assets	Intangible Assets	Investments in Securities	Other Assets	Total Assets
Asset Management	455	–	–	–	–	28	1,550	–	1,014	3,049
Value-Add	14,244	1,324	204	168,869	–	15,747	164	–	3,079	203,635
Clean Energy	1,409	–	–	–	7,259	16,110	254	–	1,351	26,386
Other	87	–	777	–	–	–	–	1,565	-447	1,982
Company-Wide Assets	22,553	–	–	–	–	51	25	–	1,170	23,800
Total	38,750	1,324	982	168,869	7,259	31,937	1,994	1,565	6,168	258,853

Consolidated P&L: Gross Profit Segment Breakdown

(Million Yen)

Segment	Revenue			Gross Profit			YOY (Gross Profit)
	FY16/2 Q3 Cumulative (9M)	FY17/2 Q3 Cumulative (9M)	Change	FY16/2 Q3 Cumulative (9M)	FY17/2 Q3 Cumulative (9M)	Change	
Asset Management	4,178	3,556	-621	2,834	2,178	-655	- 23.1%
Asset Management Fees	1,337	1,596	+259	1,328	1,589	+260	+19.6%
PM/BM Fees	1,645	1,721	+75	365	366	+1	+0.3%
Other	1,195	238	-956	1,139	222	-917	- 80.5%
Value-Add	38,955	88,481	+49,526	13,534	17,797	+4,262	+31.5%
Rental Income	9,160	10,990	+1,830	5,891	7,239	+1,347	+22.9%
Asset Sales	29,795	77,491	+47,696	7,643	10,557	+2,914	+38.1%
Clean Energy	1,315	1,783	+467	634	908	+274	+43.3%
Other	51	14	-37	38	-93	-132	-
Total	44,500	93,835	+49,335	17,041	20,790	+3,748	+22.0%

Consolidated P&L: Results vs. Forecast

(Million Yen)

Segment	FY17/2 Q3 (9M)						FY17/2 Full-Year Forecast (12M)		
	Revenue	% of Full-Year Forecast	Gross Profit	% of Full-Year Forecast	Operating Profit	% of Full-Year Forecast	Revenue	Gross Profit	Operating Profit
Asset Management	3,556	70.0%	2,178	72.6%	1,859	77.9%	5,079	2,999	2,386
Asset Management Fees	1,596	71.9%	1,589	71.9%	—	—	2,219	2,209	—
PMBM Fees	1,721	66.5%	366	69.0%	—	—	2,588	531	—
Other	238	88.0%	222	85.8%	—	—	271	259	—
Value-Add	88,481	81.0%	17,797	99.9%	14,637	108.2%	109,297	17,820	13,530
Rental Income	10,990	82.3%	7,239	83.0%	—	—	13,346	8,727	—
Asset Sales	77,491	80.8%	10,557	116.1%	—	—	95,950	9,093	—
Clean Energy	1,783	16.0%	908	29.6%	537	20.6%	11,152	3,065	2,608
Other	14	20.1%	-93	—	-142	—	71	-18	-84
Total	93,835	74.7%	20,790	87.1%	16,892	91.6%	125,600	23,867	18,440
Adjustment (including offsets of inter-segment transactions)	—	—	—	—	150	—	—	—	59
Total	93,835	74.7%	20,790	87.1%	17,042	92.1%	125,600	23,867	18,500

Asset Management AUM Detail

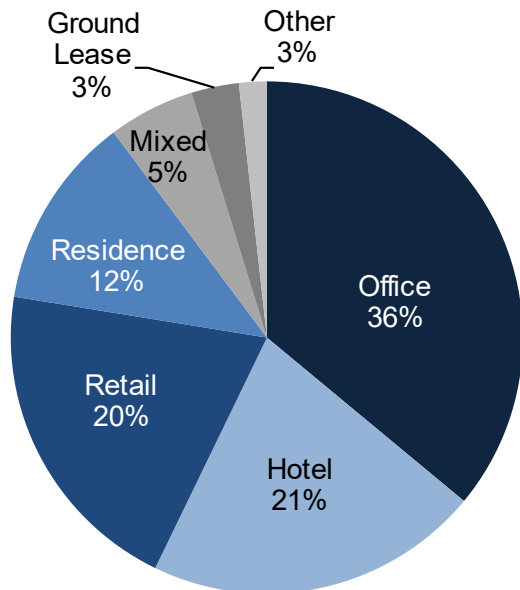
		FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q3 (9M)
Ichigo Office REIT (8975)	AUM (Fiscal Year End)	JPY 106.1B	JPY 104.3B	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 194.5B
	AM Fee % (Average)	0.61%	0.63%	0.65%	0.65%	0.64%	0.68%*
	AM Fee Gross Profit (Actual)	JPY 719M	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 950M
Ichigo Hotel REIT (3463)	AUM (Fiscal Year End)	–	–	–	–	JPY 20.4B	JPY 47.6B
	AM Fee % (Average)	–	–	–	–	0.59%*	0.93%*
	AM Fee Gross Profit (Actual)	–	–	–	–	JPY 30M	JPY 185M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 213.3B	JPY 169.7B	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 6.4B
	AM Fee % (Average)	0.15%	0.15%	0.26%	0.37%	0.32%	0.27%*
	AM Fee Gross Profit (Actual)	JPY 284M	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 24M
Total	AUM (Fiscal Year End)	JPY 319.3B	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 248.6B
	AM Fee % (Average)	0.33%	0.33%	0.47%	0.59%	0.61%	0.69%*
	AM Fee Gross Profit (Actual)	JPY 1,004M	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,160M

* Annualized

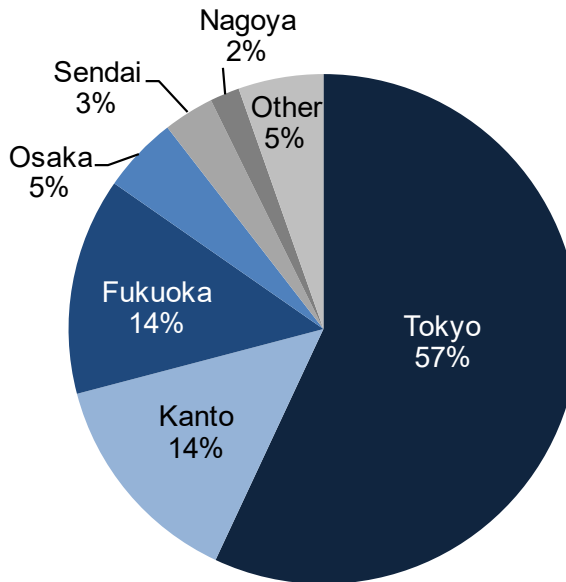
Ichigo-Owned Real Estate Portfolio

As of November 30, 2016

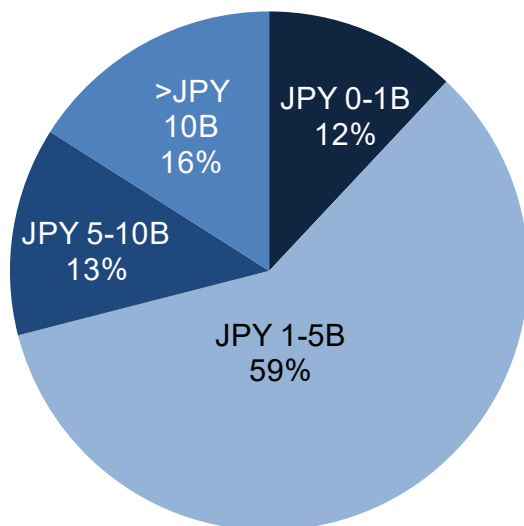
Assets by Class



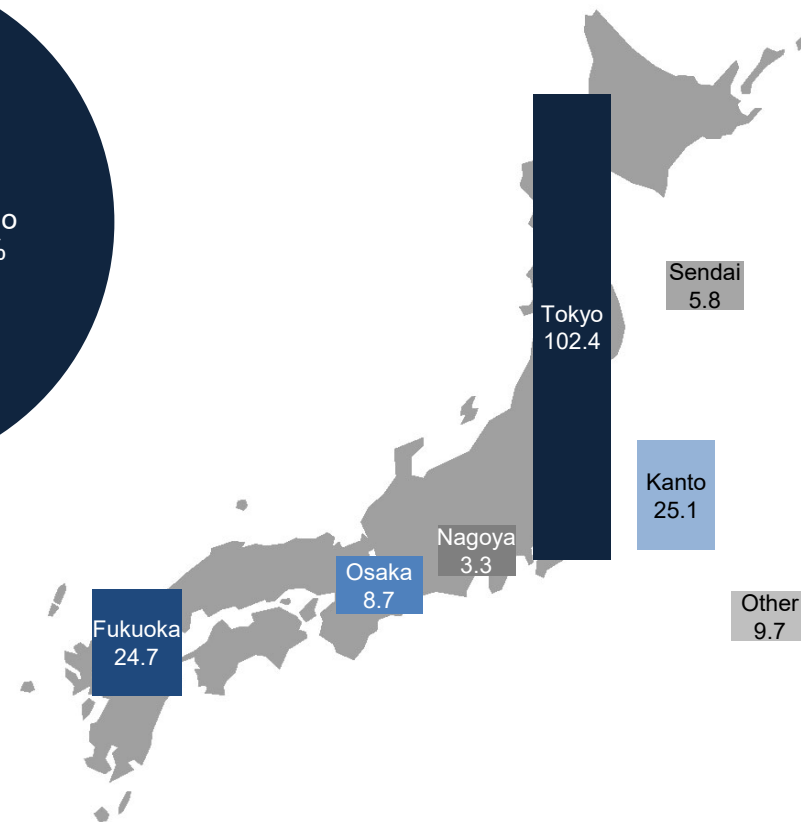
Assets by Location



Assets by Size



(Billion Yen)



Total Ichigo-Owned Assets: JPY 179.7B

Including Ichigo-Managed AUM: JPY 434.0B
(Acquisition price basis)



Value-Add Asset Breakdown (1)

85 Assets, Book Value JPY 179.7B, Forecast NOI JPY 11.0B (6.3% Yield)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition 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	31 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	8 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	53 years	JPY 2B-3B	2007/06	JPY 249M	JPY 554M	–	–
13	Office	Real Estate for Sale	Minato-ku, Tokyo	43 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	21 years	<JPY 1B	2012/02	JPY 83M	JPY 172M	–	–
16	Retail	Real Estate for Sale	Yokohama City, Kanagawa	3 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 Asset Breakdown (2)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition 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	30 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	–	–
21	Residence	Real Estate for Sale	Minato-ku, Tokyo	1 years	<JPY 1B	2013/06	JPY 42M	JPY 203M	–	–
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	–	–
26	Retail	Fixed Asset	Kobe City, Hyogo	16 years	JPY 1B-2B	2013/09	JPY 145M	JPY 616M	–	–
27	Retail	Fixed Asset	Tokorozawa City, Saitama	9 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	6 years	JPY 1B-2B	2014/04	JPY 60M	JPY 1,090M	1.25 x	12.0%
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%

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 Asset Breakdown (3)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
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	41 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	–	–
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	16 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%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	10 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%

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 Asset Breakdown (4)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
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	Minato-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90 x	21.0%
58	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	11 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89 x	21.5%
59	Residence	Real Estate for Sale	Setagaya-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	10 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%
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	10 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	–	–

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 Asset Breakdown (5)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
66	Retail	Real Estate for Sale	Sendai City, Miyagi	12 years	<JPY 1B	2015/02	JPY 47M	JPY 8M	42.58 x	198.9%
68	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	15 years	<JPY 1B	2015/04	JPY 42M	JPY 79M	5.65 x	27.9%
69	Hotel	Real Estate for Sale	Osaka City, Osaka	14 years	JPY 2B-3B	2015/05	JPY 178M	JPY 633M	1.56 x	58.3%
70	Hotel	Real Estate for Sale	Aomori City, Aomori	9 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%
92	Office	Real Estate for Sale	Fukuoka City, Fukuoka	9 years	JPY 1B-2B	2015/07	JPY 87M	JPY 353M	1.82 x	17.7%
93	Office	Real Estate for Sale	Fukuoka City, Fukuoka	14 years	JPY 1B-2B	2015/07	JPY 87M	JPY 358M	1.92 x	18.8%
96	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	23 years	<JPY 1B	2015/08	JPY 26M	JPY 2M	5.52 x	291.5%
98	Hotel	Real Estate for Sale	Naha City, Okinawa	28 years	JPY 2B-3B	2015/11	JPY 166M	JPY 640M	1.91 x	25.9%
105	Hotel	Real Estate for Sale	Kumamoto City, Kumamoto	32 years	JPY 1B-2B	2015/12	JPY 117M	JPY 453M	1.61 x	61.2%

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 Asset Breakdown (6)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
109	Hotel	Real Estate for Sale	Nagoya City, Aichi	8 years	JPY 2B-3B	2016/03	JPY 130M	JPY 525M	1.84 x	37.7%
110	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	31 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	29 years	≥JPY 3B	2016/03	JPY 319M	JPY 354M	10.64 x	36.2%
113	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	29 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%
118	Retail	Real Estate for Sale	Nagoya City, Aichi	19 years	JPY 1B-2B	2016/06	JPY 83M	JPY 102M	7.71 x	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	29 years	<JPY 1B	2016/06	JPY 42M	JPY 136M	3.91 x	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	37 years	≥JPY 3B	2016/09	JPY 554M	JPY 349M	2.70 x	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	15 years	≥JPY 3B	2016/10	JPY 1,489M	JPY 3,450M	2.87 x	43.5%
Total				85 Assets	JPY 179,771M		JPY 11,004M	JPY 35,989M	2.92 x	37.4%
Assets acquired in FY17/2 Q1 Total 9 Assets					JPY 23,485M		JPY 1,603M	JPY 3,392M	3.66 x	85.8%
Assets acquired in FY17/2 Q2 Total 2 Assets					JPY 2,100M		JPY 125M	JPY 238M	5.54 x	25.0%
Assets acquired in FY17/2 Q3 Total 2 Assets					JPY 35,100M		JPY 2,043M	JPY 3,799M	2.86 x	41.7%
Assets acquired in FY17/2 Cumulative Q3 (9M) Total 13 Assets					JPY 60,685M		JPY 3,773M	JPY 7,429M	3.31 x	69.7%
Note: Assets acquired and sold in FY17/2 Total 1 Asset					JPY 670M		JPY 38M	JPY 126M	1.57 x	413.7%

* Assets acquired in the current FY17/2 period

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: Japan's 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: METI, Agency for Natural Resources and Energy

Current Regulatory Framework and Ichigo Plant Status

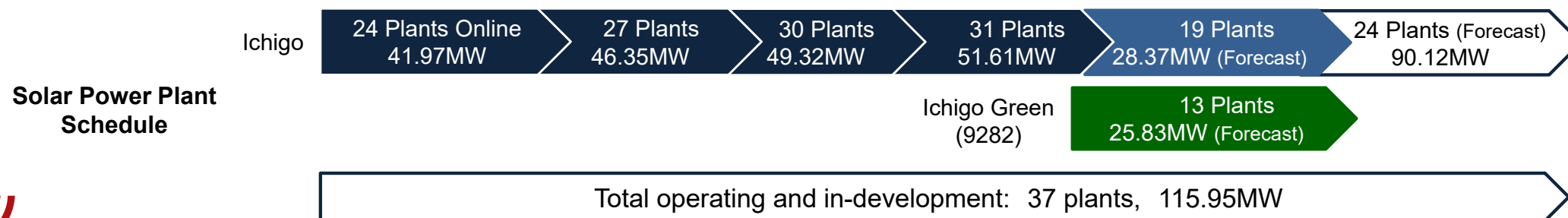
- Utilities are allowed to suspend renewable energy supply, without compensation, if supply exceeds demand. The maximum suspension duration is either 30 days per year or 360 hours per year.
- Although utilities are not allowed to suspend acceptance of applications (based on the “Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities”), approval for grid connection is pending for many solar power suppliers.
- In certain cases, utilities that are potentially subject to renewable energy production in excess of 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 +48% YOY (JPY 537M in FY17/2 Q3 vs. JPY 362M in FY16/2 Q3)

	FY16/2 (12M)	FY17/2 Q1 (3M)	FY17/2 H1 (6M)	FY17/2 Q3 (9M)	FY17/2 Full-Year Forecast (12M)	% of Full-Year Forecast
Revenue	JPY 1,628M	JPY 556M	JPY 1,214M	JPY 1,783M	JPY 11,152M	16.0%
Cost of Goods Sold	JPY 945M	JPY 302M	JPY 629M	JPY 874M	JPY 8,087M	10.8%
Gross Profit	JPY 683M	JPY 254M	JPY 584M	JPY 908M	JPY 3,065M	29.6%
SG&A	JPY 358M	JPY 110M	JPY 233M	JPY 371M	JPY 456M	81.3%
Adjustments (including offsets of inter- segment transactions)	—	—	—	—	—	—
Operating Profit	JPY 323M	JPY 143M	JPY 351M	JPY 537M	JPY 2,608M	20.6%



National Solar Power Plant Portfolio (1)

Ichigo

Solar Power Plant	Area	Panel Output (MW)	Fixed Tariff (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi Okinosu	Shikoku	2.52	40 yen	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	40 yen	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	40 yen	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	40 yen	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	40 yen	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.61	40 yen	Oct 2014
Ichigo Higashi Hiroshima Saijocho Taguchi	Chugoku	2.73	40 yen	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.81	40 yen	Mar 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	40 yen	Dec 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	36 yen	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	40 yen	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.12	32 yen	Mar 2016
Ichigo Yamaguchi Sayama	Chugoku	2.36	36 yen	Apr 2016
Ichigo Kijo Takajo	Kyushu	0.90	40 yen	May 2016
Ichigo Toki Oroshicho	Chubu	1.40	36 yen	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	32 yen	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	32 yen	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	36 yen	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	32 yen	Feb 2017
Ichigo Sera Aomizu	Chugoku	2.87	32 yen	Mar 2017
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.65	36 yen	Aug 2017
Ichigo Showamura Ogose	Kanto	43.35	36 yen	Jan 2018
Ichigo Minakami Aramaki	Kanto	10.26	36 yen	Jul 2018
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.65	32 yen	Nov 2021
Total		90.12MW		

Ichigo Green (9282)

Solar Power Plant	Area	Panel Output (MW)	Fixed Tariff (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	40 yen	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	40 yen	Feb 2014
Ichigo Muroran Hatchodaira	Hokkaido	1.24	40 yen	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	40 yen	Mar 2014
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	40 yen	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	40 yen	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.17	40 yen	Dec 2014
Ichigo Toyokoro	Hokkaido	1.03	40 yen	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	40 yen	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	40 yen	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	36 yen	Jun 2015
Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	36 yen	Jul 2015
Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	32 yen	Sep 2015
Total		25.83MW		

Total Solar Plant Output
115.95MW

National Solar Power Plant Portfolio (2)

As of December 1, 2016

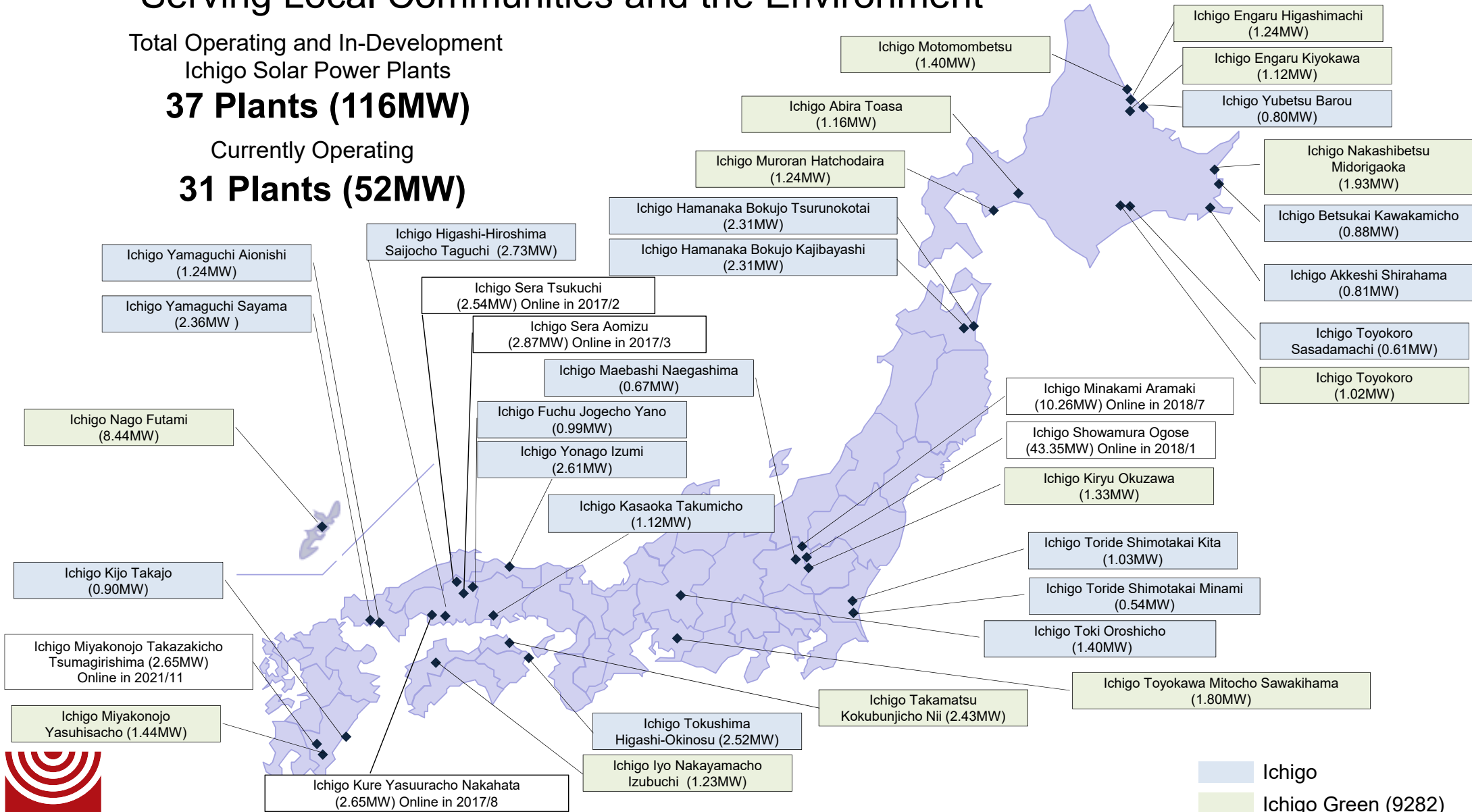
Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants

37 Plants (116MW)

Currently Operating

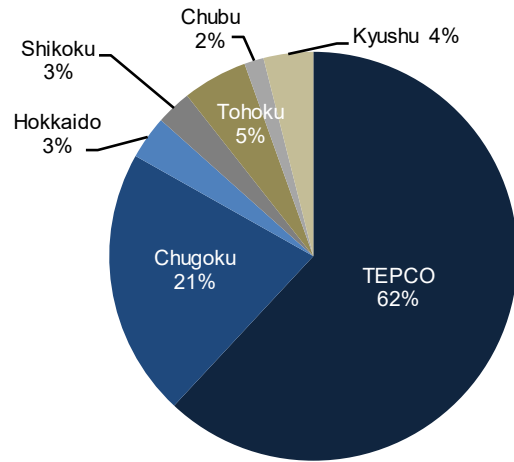
31 Plants (52MW)



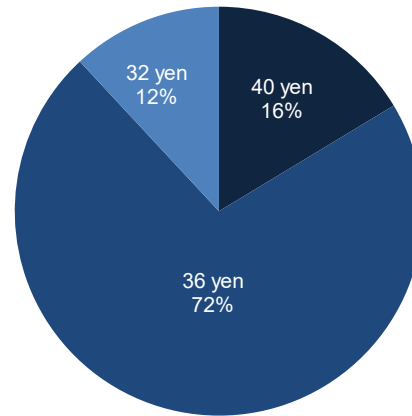
Ichigo-Owned Solar Power Plant Details

As of December 1, 2016

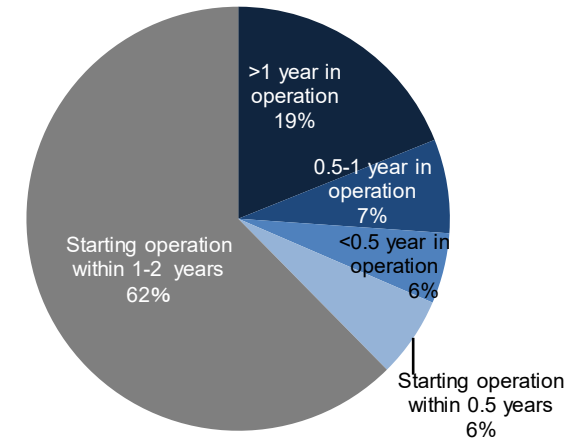
■ By Customer
(Electric Power Utility Co)



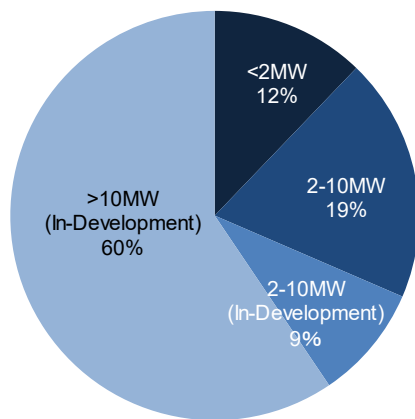
■ By Feed-In-Tariff



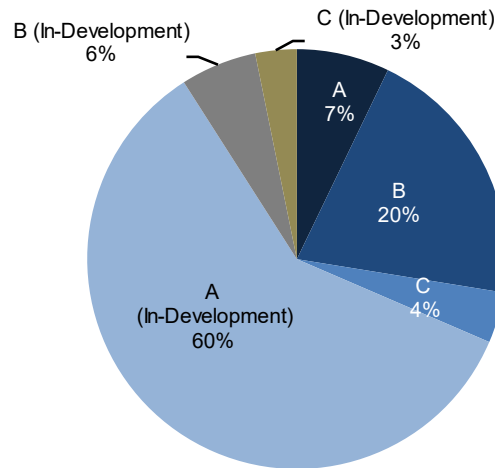
■ By Operating Timeline



■ 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

Consolidated Balance Sheet: Assets

	(Million Yen)						
	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2 H1	FY17/2 Q3	Change (QOQ)
Assets							
Current Assets							
Cash and cash equivalents	9,713	24,991	19,383	28,779	46,473	38,750	-7,723
Trade notes and accounts receivable	548	451	519	691	1,021	1,382	+361
Operational investments in loans	3,636	1,100	2,330	1,324	1,324	1,324	-
Operational investments in securities	4,271	3,583	1,965	1,784	880	982	+102
Real estate for sale	46,176	54,084	109,769	172,833	135,193	168,869	+33,676
Power plants for sale	-	-	-	-	7,251	7,259	+8
Deferred tax assets	369	576	1,200	1,766	407	435	+28
Other	2,042	1,384	2,657	3,966	2,954	2,866	-88
Less: allowance for doubtful accounts	-3,177	-410	-484	-458	-414	-447	-33
Total Current Assets	63,581	85,761	137,342	210,687	195,093	221,424	+26,331
Fixed Assets							
Property, Plant, and Equipment							
Buildings and Structures (net)	2,863	4,901	4,021	3,830	3,734	3,687	-47
Solar power plant equipment (net)	21	2,044	9,168	12,267	6,850	6,771	-79
Land	7,082	12,433	12,142	12,192	12,109	12,110	+1
Other (net)	80	1,922	989	3,255	6,929	9,368	+2,439
Total Property, Plant, and Equipment	10,047	21,300	26,321	31,546	29,624	31,937	+2,313
Intangible Assets							
Goodwill	2,203	2,221	2,082	1,942	1,935	1,900	-35
Leasehold rights	-	392	392	392	62	62	-
Other	20	71	27	38	33	32	-1
Total Intangible Assets	2,223	2,686	2,502	2,373	2,032	1,994	-38
Investments and Other Assets							
Investments in securities	4,117	4,278	5,266	5,486	1,583	1,565	-18
Long-term loans receivable	13	13	12	12	10	10	-
Deferred tax assets	-	222	2	39	40	39	-1
Other	545	780	1,392	1,736	1,322	1,974	+652
Less: allowance for doubtful accounts	-101	-97	-95	-124	-92	-92	-
Total Investments and Other Assets	4,575	5,196	6,578	7,149	2,862	3,496	+634
Total Fixed Assets	16,846	29,183	35,402	41,069	34,519	37,429	+2,910
Total Assets	80,428	114,944	172,744	251,757	229,612	258,853	+29,241

Consolidated Balance Sheet: Liabilities & Net Assets

(Million Yen)

	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2 Q2	FY17/2 Q3	Change (QOQ)
Liabilities							
Current Liabilities							
Trade notes and accounts payable	64	132	124	80	72	111	+39
Short-term loans	484	950	1,416	2,188	1,410	600	-810
Short-term non-recourse loans	-	-	48	79	79	611	+532
Bonds (due within one year)	-	-	-	-	112	112	-
Long-term loans (due within one year)	966	3,123	3,488	8,161	5,066	4,645	-421
Long-term non-recourse loans (due within one year)	2,263	428	786	2,975	902	1,370	+468
Income taxes payable	65	96	284	631	747	727	-20
Deferred tax liabilities	15	24	30	53	48	54	+6
Accrued bonuses	25	14	16	13	123	247	+124
Other current liabilities	3,419	2,817	3,677	3,979	5,350	5,534	+184
Total Current Liabilities	7,304	7,588	9,872	18,161	13,912	14,014	+102
Long-Term Liabilities							
Bonds	-	-	-	-	688	688	-
Non-recourse bonds	-	-	100	100	100	100	-
Long-term loans	5,456	26,126	53,409	94,409	78,699	87,337	+8,638
Long-term non-recourse loans	32,776	24,178	43,004	56,193	47,621	65,365	+17,744
Deferred tax liabilities	277	1,213	1,402	1,543	1,398	1,408	+10
Long-term security deposits received	3,230	4,770	6,391	8,707	6,239	7,979	+1,740
Negative goodwill	270	180	90	-	-	-	-
Other long-term liabilities	46	44	96	475	881	788	-93
Total Long-Term Liabilities	42,056	56,513	104,494	161,430	135,627	163,668	+28,041
Total Liabilities	49,361	64,102	114,367	179,591	149,539	177,682	+28,143
Net Assets							
Shareholders' Equity							
Capital	18,113	26,443	26,499	26,575	26,594	26,625	+31
Capital reserve	2,429	10,808	10,873	10,968	10,988	11,030	+42
Retained earnings	7,923	10,891	17,201	29,454	39,885	40,786	+901
Treasury shares	-187	-92	-78	-41	-39	-17	+22
Total Shareholders' Equity	28,279	48,050	54,496	66,956	77,429	78,425	+996
Accumulated Other Comprehensive Income							
Valuation gain (loss) on other securities	160	400	1,208	761	178	175	-3
Deferred gain (loss) on long-term interest rate hedges	-	-	-36	-251	-534	-471	+63
Foreign currency translation adjustment	16	9	6	23	6	-2	-8
Total Accumulated Other Comprehensive Income	177	409	1,177	533	-349	-299	+50
Stock Options	143	121	198	319	419	449	+30
Minority Interests	2,466	2,261	2,505	4,357	2,573	2,594	+21
Total Net Assets	31,066	50,842	58,377	72,166	80,072	81,170	+1,098
Total Liabilities and Net Assets	80,428	114,944	172,744	251,757	229,612	258,853	+29,241

Consolidated P&L

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q3 Cumulative (9M)	FY16/2 Q3 Cumulative (9M)	Change (YOY)	FY17/2 Full-Year Forecast	vs. Forecast
Revenue	16,397	35,101	42,705	49,699	93,835	44,500	+49,335	125,600	74.7%
Cost of Goods Sold	11,422	27,666	30,539	29,835	73,045	27,458	+45,587	-	-
Gross Profit	4,974	7,435	12,166	19,863	20,790	17,041	+3,749	23,867	87.1%
SG&A	3,130	3,522	3,977	4,446	3,748	3,439	+309	-	-
Operating Profit	1,844	3,912	8,189	15,417	17,042	13,602	+3,440	18,500	92.1%
Non-Operating Income									
Interest income	3	4	5	2	-	1	-1	-	-
Dividend income	24	112	78	79	80	74	+6	-	-
Amortization of negative goodwill	90	90	90	90	-	67	-67	-	-
Other	36	31	39	43	35	34	+1	-	-
Total Non-Operating Income	155	238	213	215	115	177	-62	-	-
Non-Operating Expenses									
Interest expense	238	370	943	1,277	1,034	950	+84	-	-
Stock issuance cost	-	89	-	-	-	-	-	-	-
Other	26	93	202	465	747	378	+369	-	-
Total Non-Operating Expenses	265	553	1,146	1,743	1,782	1,329	+453	-	-
Recurring Profit	1,734	3,597	7,255	13,889	15,375	12,450	+2,925	16,400	93.8%
Extraordinary Gains									
Gain on sales of fixed assets	9	7	-	-	-	-	-	-	-
Gain on sales of investment securities	72	204	-	223	2,427	223	+2,204	-	-
Receipt of share trading proceeds	-	434	-	-	-	-	-	-	-
Other	-	33	57	-	-	-	-	-	-
Total Extraordinary Gains	83	680	57	223	2,427	223	+2,204	-	-
Extraordinary Losses									
Loss on sales and retirement of fixed assets	1	1	-	-	-	-	-	-	-
Valuation loss on investments in securities	62	-	-	49	-	-	-	-	-
Office move expenses	19	21	1	9	-	9	-9	-	-
Impairment loss	33	307	-	-	-	-	-	-	-
Earthquake-related damages	-	-	-	-	269	-	+269	-	-
Other	8	13	91	31	-	-	-	-	-
Total Extraordinary Losses	124	344	93	89	269	9	+260	-	-
Pre-Tax Net Income	1,693	3,933	7,220	14,022	17,533	12,664	+4,869	-	-
Income Taxes – Current	54	43	564	1,330	3,147	1,185	+1,962	-	-
Income Taxes – Deferred	-106	-616	-220	-369	1,250	-223	+1,473	-	-
Total Income Taxes	-51	-573	343	960	4,398	962	+3,436	-	-
Pre-Minority Interest Net Income	1,745	4,506	6,876	13,062	13,135	11,702	+1,433	-	-
Net Income Attributable to Minority Interests	108	-19	115	136	297	104	+193	-	-
Net Income	1,637	4,526	6,761	12,925	12,837	11,598	+1,239	13,300	96.5%

Consolidated Cash Flows from Operating Activities

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q3 Cumulative (9M)
Cash Flows from Operating Activities:					
Pre-tax net income	1,693	3,933	7,220	14,022	17,533
Depreciation	230	304	565	792	615
Share-based compensation expenses	49	69	112	174	167
Amortization of goodwill	114	139	139	139	106
Amortization of negative goodwill	-90	-90	-90	-90	-
Increase (decrease) in accrued bonuses	3	-11	1	-3	234
Increase (decrease) in allowance for doubtful accounts	195	33	65	3	-
Increase (decrease) in other allowances	-11	-	-	-	-
Interest and dividend income	-28	-116	-83	-81	-80
Interest expense	238	370	943	1,277	1,034
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	-691
Decrease (increase) in operating loan receivables	-1,100	218	-1,230	1,006	-
Decrease (increase) in operational investments in securities	723	1,635	1,110	1,239	2,616
Valuation loss on operational investments in securities	63	114	-	19	-
Decrease (increase) in real estate for sale	2,556	-6,729	-42,991	-63,070	3,956
Valuation loss on real estate for sale	119	-	-	-	-
Valuation loss on investments in capital	1	12	91	11	-
Decrease (increase) in advances paid	-	-	-	-990	-190
Decrease (increase) in accounts receivable	-380	-255	-1,079	-1,140	-217
Increase (decrease) in accounts payable	-39	-139	388	535	-638
Increase (decrease) in accrued expenses	519	137	16	42	40
Increase (decrease) in advances received	11	38	211	317	-
Increase (decrease) in security deposits received	-253	1,230	1,391	2,380	-726
Other	-239	522	-407	435	-1,426
Sub-total	4,908	1,611	-33,693	-43,324	19,906
Interest and dividend income received	28	116	83	81	80
Interest expenses paid	-220	-378	-843	-1,226	-909
Income taxes paid and refunded	-106	-94	161	-186	313
Net Cash from (Used for) Operating Activities	4,609	1,254	-34,292	-44,654	19,390

Consolidated Cash Flows from Investing & Financing Activities

(Million Yen)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 Q3 Cumulative (9M)
Cash Flows from Investing Activities:					
Payments into time deposits	–	–	-325	–	- 6,100
Redemption of time deposits	151	–	325	–	201
Acquisition of investment securities	-15	–	-210	-671	- 300
Proceeds from sales of investment securities	76	282	–	296	6,021
Proceeds from redemption of investment securities	30	2	–	3	–
Acquisition of property and equipment	-124	-7,150	-10,769	-6,628	- 5,604
Proceeds from sale of property and equipment	17	72	–	–	–
Acquisition of intangible assets	–	-389	-23	-21	- 1
Payments for investments	-4	-5	-10	-9	- 401
Proceeds from redemption of investments	–	7	–	6	–
Payments of security deposits	–	-5	-127	-37	- 5
Acquisitions of subsidiaries resulting in the change of consolidation scope	-218	-1,389	–	–	- 93
Payments for acquisitions of newly consolidated subsidiaries	–	–	-1,349	–	–
Other	60	-35	4	9	18
Net Cash from (Used for) Investing Activities	-27	-8,610	-12,485	-7,052	- 6,263
Cash Flows from Financing Activities:					
Net increase (decrease) in short-term loans	314	465	466	771	- 1,588
Net increase (decrease) in short-term non-recourse loans	–	–	48	31	532
Issuance of bonds	–	–	–	–	785
Proceeds from long-term loans	5,440	26,777	47,203	64,866	49,177
Repayment of long-term loans	-8,199	-5,388	-19,557	-19,192	- 59,556
Proceeds from long-term non-recourse loans	12,346	5,675	19,900	18,150	22,350
Repayment of long-term non-recourse loans	-13,885	-19,030	-5,958	-2,772	- 15,232
Proceeds from issuance of common shares	–	16,387	–	–	–
Proceeds from employee exercise of stock options	48	242	99	153	99
Payments received from minority interests	20	–	–	2,000	–
Payments to minority interests	-19	–	–	–	- 2,000
Dividends paid	–	-445	-543	-646	- 1,500
Dividends paid to minority interests	–	–	–	-43	- 39
Net Cash from (Used for) Financing Activities	-3,935	24,682	41,658	63,318	- 6,972

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%	Dividend	DOE > 3%
---------------------------	---------------------	-----------------	--------------------

Target: Top 200 Ranking within the JPX-Nikkei 400

Ichigo targeting ranking within the Index's top 200 companies by August 2019 (the final year of Power Up 2019)

Note: While the JPX-Nikkei Index 400 does not provide an official ranking of its 400 constituents, it can be calculated based upon the JPY-Nikkei 400's publically-available quantitative ranking formula, which rank orders the top 1,000 companies from 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 Market Support the ongoing 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 Measure</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 REtech 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 & DOE Policy

- ✓ Progressive Dividend: The 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 set a 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
- ✓ The combination of a Progressive Dividend and DOE policy will significantly increase the stability, certainty, and visibility of Ichigo's dividend to the benefit of Ichigo's shareholders
- ✓ Adoption of this policy also underscores Ichigo's commitment to driving continued organic earnings growth and dividend growth for its shareholders

These materials were prepared to explain the Company's businesses and are not for the purpose of soliciting investment in marketable securities issued by the Company. The Company does not guarantee the accuracy of the figures, information, estimates or other statements included herein, and accepts no responsibility for damages or losses arising through the use of the figures, information, estimates or other statements contained herein.

These materials are based upon information available as of the publication date, and may contain forward-looking statements pertaining to the Company's expectations, targets, plans and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information currently available. Actual operating results or developments concerning the Company may differ substantially from those indicated by forward-looking statements. The information enclosed is subject to revision without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.



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.

Contact:

Ichigo (TSE1 2337)

Investor Relations

TEL: +81-3-3502-4818 FAX: +81-3-3502-4801

E-mail: ir@ichigo.gr.jp

<http://en.ichigo.gr.jp/english>