



 **JPX-NIKKEI 400**



FY18/2 Q3 Corporate Presentation

January 12, 2018

Ichigo (2337)

Ichigo Preserves and Improves Real Estate



**World-Class
Excellence**

ICHIGO Ichigo's
Hiromi Miyake

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FY18/2 Q3 Earnings

Operating Profit -8%, Net Income -15% YOY (9M)

- Progress vs. Full-Year Forecast: Operating Profit 76.3%, Net Income 81.1%
- Vs. FY17/2 Q3 (3M): Operating Profit +48.9%, Net Income +129.7% YOY
- 43.2% GPM and 35.1% OPM Underscores Ongoing High Profitability

(JPY million)

	FY17/2 Q3 Cumulative (9M)	FY18/2 Q3 Cumulative (9M)	YOY	Full-Year Forecast	vs. Full-Year Forecast
Revenue	93,835	44,755	-52.3%	75,500	59.3%
Gross Profit	20,790	19,332	-7.0%	25,994	74.4%
Operating Profit	17,042	15,715	-7.8%	20,600	76.3%
Recurring Profit	15,375	14,461	-5.9%	18,300	79.0%
Net Income	12,837	10,945	-14.7%	13,500	81.1%
EPS	JPY 25.57	JPY 21.92	-14.3%	JPY 26.98	81.2%

Segment Earnings Details

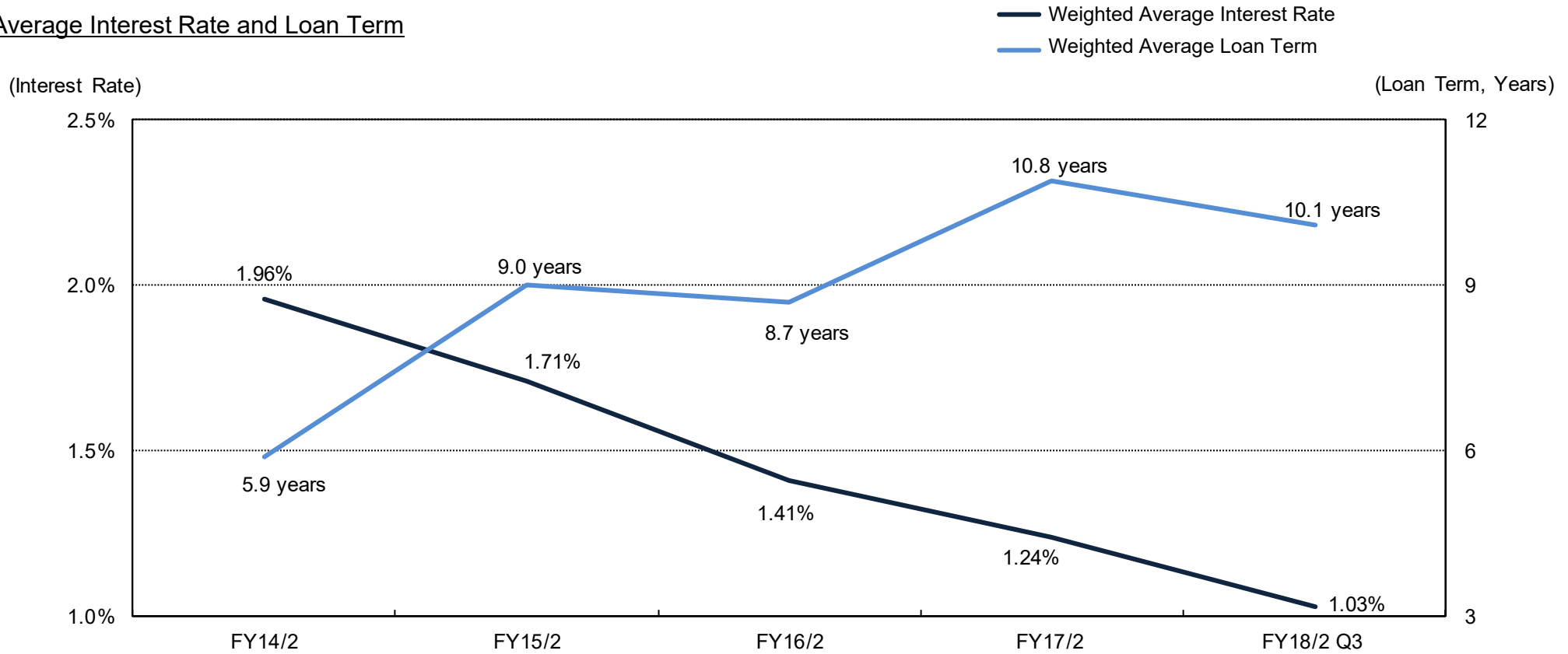
- Asset Management: Ongoing AM Fees Up 24% YOY
- Value-Add: Rental Income Up Slightly, Gains on Sales Down YOY
- Clean Energy: Achieved Full-Year Forecast in Q3 via Ichigo Showamura Ogose Power Plant Launch Ahead of Schedule

(JPY million)

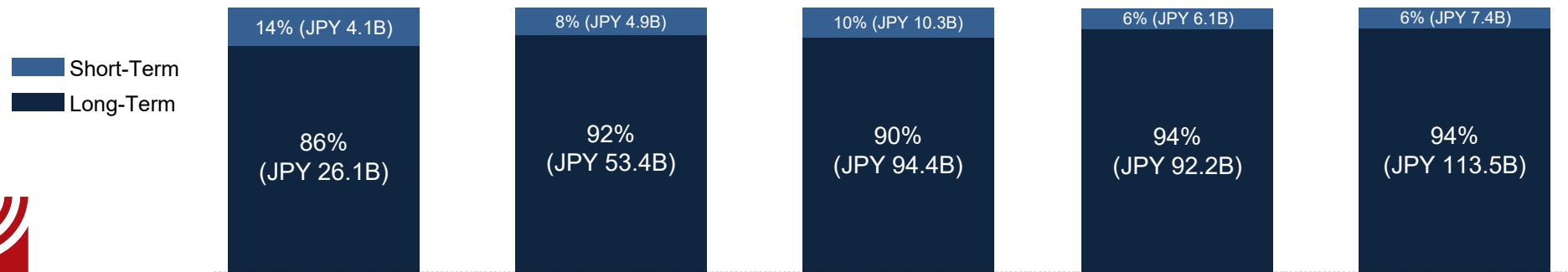
Segment	Revenue					Gross Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY17/2 Q3 Cumulative (9M)	FY18/2 Q3 Cumulative (9M)	YOY	Full-Year Forecast	vs. Forecast	FY17/2 Q3 Cumulative (9M)	FY18/2 Q3 Cumulative (9M)	YOY	Full-Year Forecast	vs. Forecast	
Asset Management	3,556	1,911	-46.3%	2,485	76.9%	2,178	1,906	-12.5%	2,457	77.6%	AM Fees 1,434 (+277) Acquisition/Disposition Fees 76 (-335) Performance Fees 364 (+203) PM/BM Fees 0 (-366) Note: Decrease in PM/BM Fees is due to Sale of Takara Subsidiary
Value-Add	88,481	39,894	-54.9%	69,719	57.2%	17,797	16,310	-8.4%	22,336	73.0%	Rental Income 7,283 (+44) Gains on Value-Add Sales 9,026 (-1,530)
Clean Energy	1,783	2,843	+59.5%	3,216	88.4%	908	1,128	+24.3%	1,122	100.6%	Gains on Sales of Power Plants 467 (+467) FIT Solar Power Sales 661 (-247)
Other	14	106	+639.8%	78	135.9%	-93	-13	-	78	-	Foreign Private Fund Disposition Expenses -13 (+80)
Total	93,835	44,755	-52.3%	75,500	59.3%	20,790	19,332	-7.0%	25,994	74.4%	

Financing Details

Average Interest Rate and Loan Term



Term Structure of Loans

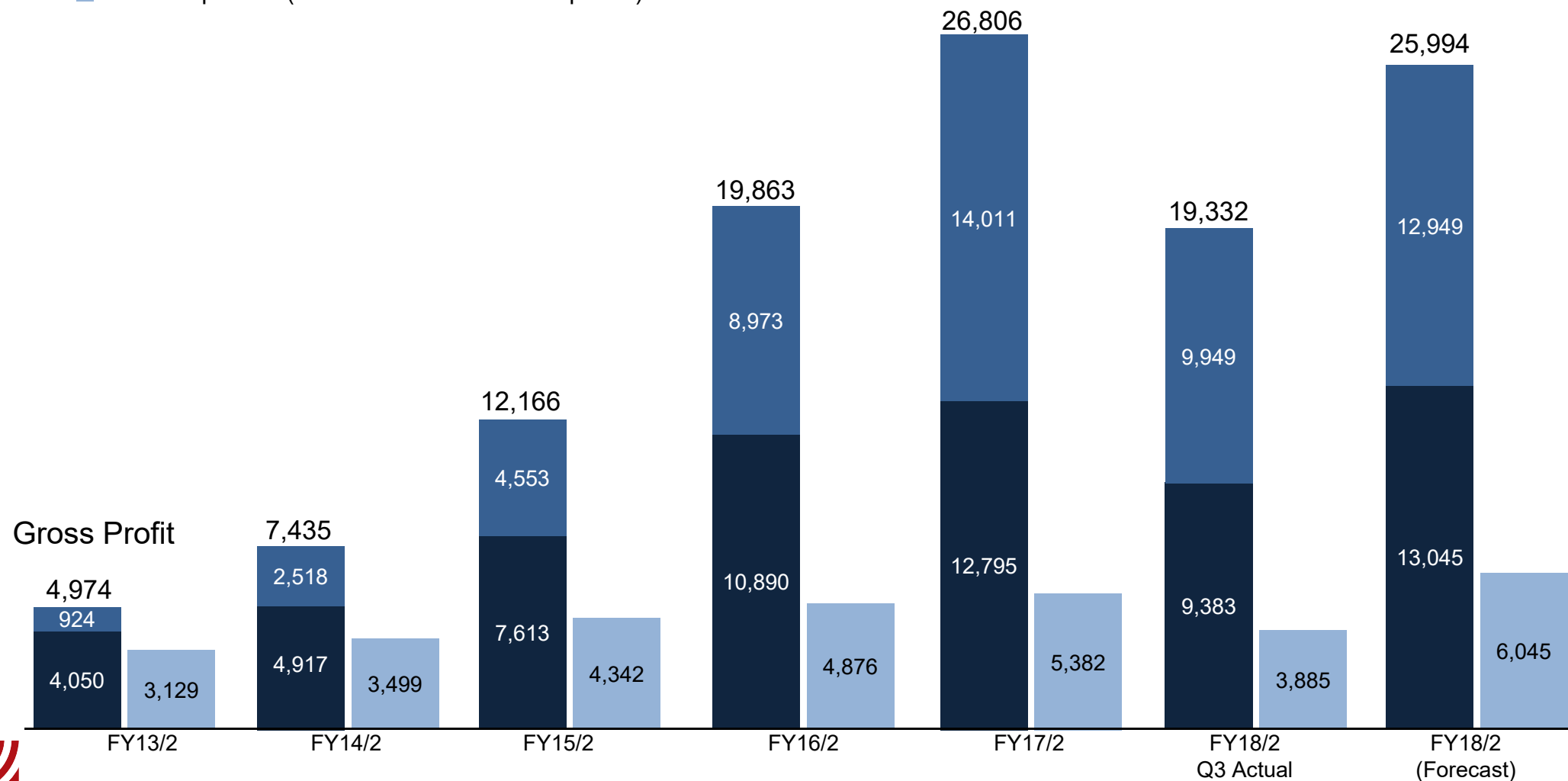


Powerful Value-Add Business Model Underpins Growth

Business Model (1) Stock + Flow Earnings

- Stock Earnings (Primarily Rental Income, AM Fees, and FIT Solar Power Sales)
- Flow Earnings (Primarily Profits on Value-Add Real Estate Sales)
- Fixed Expenses (Fixed SG&A + Interest Expense)

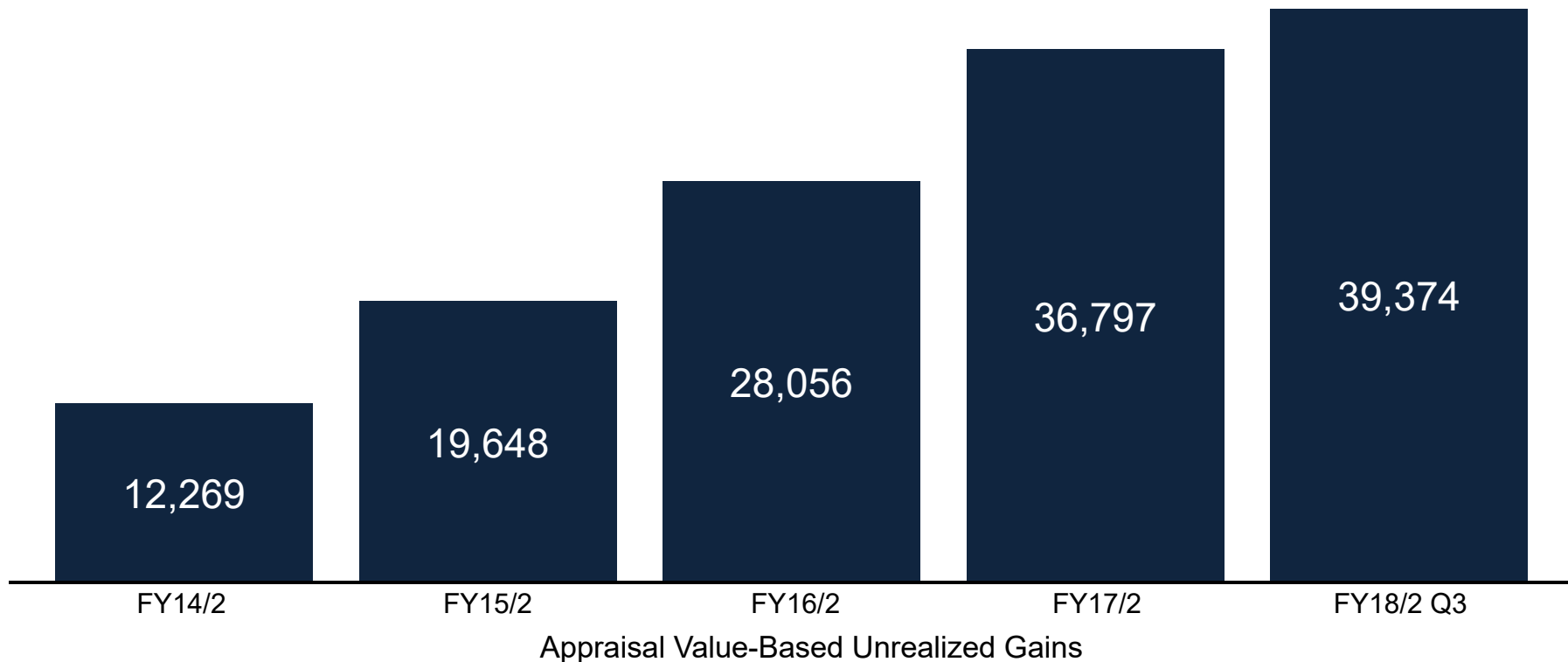
(JPY million)



Business Model (2) Embedded Forward Earnings

Full Economic Earnings from Value-Add are Generally Not Recognized during the Current Accounting Period – Value-Add Thus Generates Significant Unrealized Gains that are an “Earnings Bank” for Future Periods

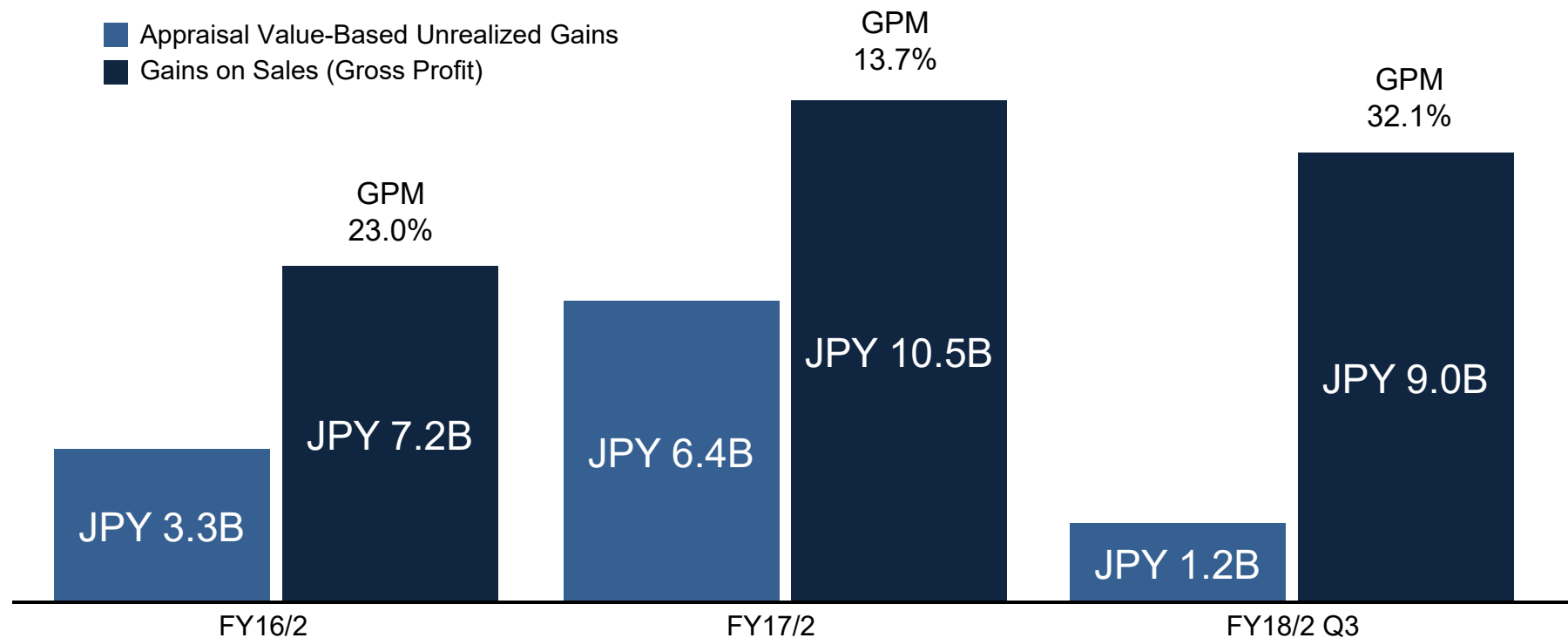
(JPY million)



Business Model (3) Value-Add Durable Value Growth

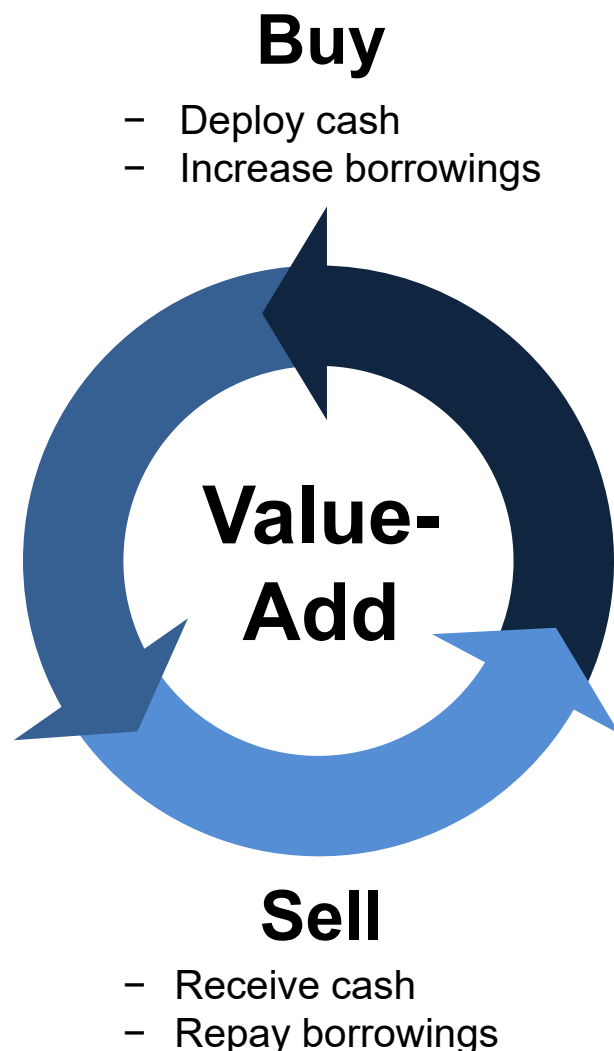
Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains

- Ichigo Value-Add generates durable ongoing value
- Ichigo also has ongoing rental income earnings stream during Value-Add
- Post-Value-Add, run efficient sales processes to maximize gains on sales



Capital-Efficient Asset Turnover

- Accelerating Ichigo Owners Asset Acquisitions as New Earnings Driver
- Innovative Real Estate Acquisitions such as via M&A

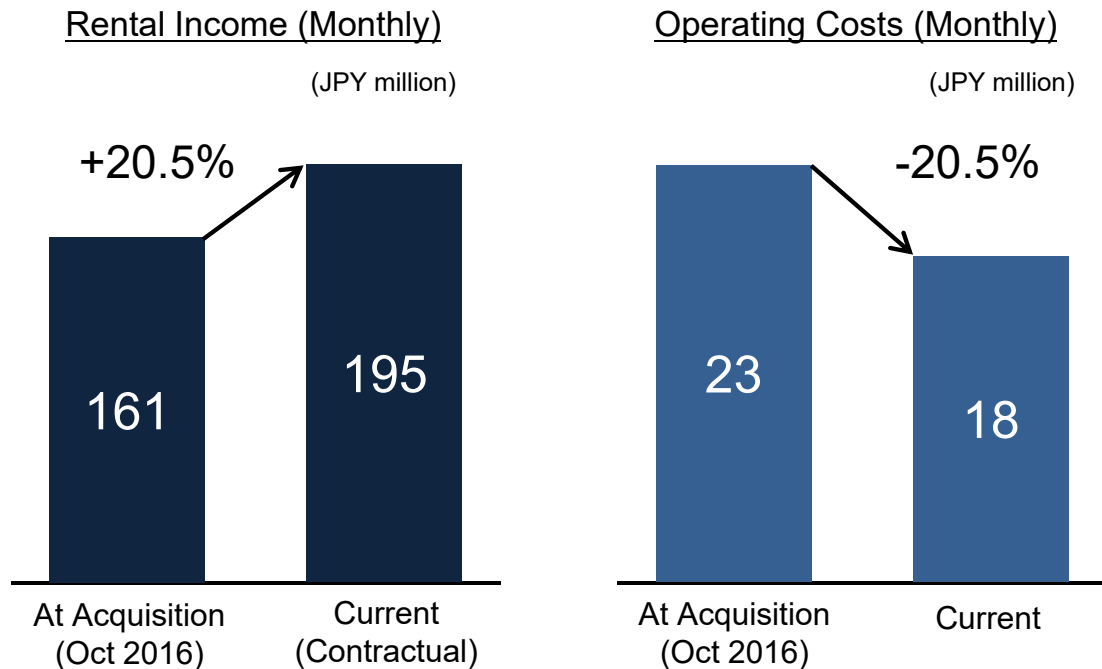


(Acquisition Book Value)		
Q3 Acquisitions	Total 84 Assets,	JPY 43.5B
Retail	2 Assets	JPY 3.4B
Hotel	5 Assets	JPY 10.4B
Ichigo Owners-Oriented Assets (JPY 500M – 1B)		
Residence	39 Assets	JPY 17.9B
Office	1 Asset	JPY 600M
Real Estate Acquisition via M&A		
Centro	14 Assets	JPY 5.6B
New Asset Types		
Logistics	2 Assets	JPY 3.7B
Self-Storage	21 Assets	JPY 1.7B

(Book Value)		
Q3 Sales	Total 12 Assets,	JPY 19.1B
Residence	5 Assets	JPY 2.7B
Office	4 Assets	JPY 13.2B
Hotel	1 Asset	JPY 300M
Ground Lease	1 Asset	JPY 2.3B
Land	1 Asset	JPY 400M
Gross Profits on Sales JPY 9.0B		
(Gross Profit Margin 32.1%, Total Sales Price JPY 28.1B)		

Value-Add Case: Tradepia Odaiba (Large-Scale Office)

Approx. One Year from Acquisition:
Occupancy: 91.0% → 98.4%
Average Rent per Tsubo (3.3m²) +11.4%



NOI Yield 4.1% → 6.0%



Tradepia Odaiba

Major Value-Add Actions

- ✓ Improvements based on survey of all tenant employees
 - Increased cleaning service quality and renovated common areas
 - Increased lunch options and improved security
- ✓ Reduced maintenance costs while increasing service standards
- ✓ Strengthened leasing activities



20-Year Earnings Stream from Tokyo's Largest Solar Power Plant

Ichigo Showamura Ogose ECO Power Plant Q3 Operation Launch Ahead of Schedule

- Forecast Gross profits: JPY15.2B (JPY 760M p.a.)
Forecast Net income: JPY10.6B (JPY 530M p.a.)
- Largest solar power plant in Tokyo region (43.3MW)
- 20-year FIT: JPY 36



Ichigo Showamura Ogose ECO Power Plant

Total 44 (134MW) Operating and In-Development Solar Power Plants;
Additional 50MW in Solar Pipeline (+15MW vs. H1)

41MW Wind Power Plants in Simulation & Design

No.	Location	Expected Output	Wind Data Survey	FIT	Expected Operation Start Date
1	Chiba	4.0MW	Completed	JPY 22	November 2022
2	Yamagata	7.5MW	In Progress	JPY 22	December 2019
3	Iwate	7.5MW	In Progress	TBD	TBD
4	Iwate	7.5MW	In Progress	TBD	TBD
5	Mie	7.5MW	In Progress	JPY 22	December 2020
6	Fukushima	7.0MW	In Progress	TBD	TBD

Asset Management Growth

Office



Ichigo Office (8975)

Asset Size

85 Offices JPY 196.9B

FY18/2 Achievements

- Strategic portfolio restructuring – Acquired 3 prime office assets & sold 4 less attractive assets
- Launched Ichigo Lounge, a shared-use space for tenants
- 15 consecutive periods of dividend growth – No. 1 vs. All-J-REITs



Hotel



Ichigo Hotel (3463)

Asset Size

21 Hotels JPY 50.9B

FY18/2 Achievements

- Acquired 2 assets via cash-on-hand and loans
- Share buyback, second J-REIT among all J-REITs to execute buyback
- Driving EPS growth via value-add capex



Green Infrastructure



Ichigo Green (9282)

Asset Size

15 Plants JPY 11.4B

FY18/2 Achievements

- Acquired 2 solar power plants from Ichigo via cash-on-hand and loans
- Dividend exceeded forecast by 24.2%
- Two-for-one stock split to support liquidity and expand investor base



Ichigo's First Boutique Hotel: HOTEL THE KNOT YOKOHAMA

Value-Add that Transformed Old Hotel to Boutique Hotel with High Design Aesthetics – Guests Can Buy Designer Goods Used in Hotel



Launch Coverage

TV

- “World Business Satellite” (TV Tokyo)
- “King’s Brunch” (TBS)

Magazines and Online Media

- CLUTCH Magazine
- Casa BRUTUS
- VOGUE JAPAN
- WWD Japan
- and others



Accelerating Asset Acquisitions for Ichigo Owners Clients

Actively Acquiring Assets for Ichigo Clients in Strong Market

- Acquired multiple residential, office, and retail assets in areas with strong client demand: Central Tokyo; the four southern Tokyo wards; the six western Tokyo wards; and major regional cities*
- FY18/2 Q3 (9M) acquisitions: 40 Assets, JPY18.5B (Generally JPY 0.5B-1B per asset)
- Asset sales to end-clients:
 - ✓ FY18/2 Q3 (9M) sales: JPY 2.3B
 - ✓ Ongoing AM service provision: 2 assets, JPY 2.2B



* Four southern Tokyo wards: Minato Ward, Shinagawa Ward, Meguro Ward, and Ota Ward
Six western Tokyo wards: Shinjuku Ward, Setagaya Ward, Shibuya Ward, Nakano Ward, Suginami Ward, and Nerima Ward

Accelerating Openings, Synergies with Phil Park

New Openings of Ichigo Self-Storage Facilities Massively Outpacing Industry Growth of 4%-8% p.a.

- c. 1,900 storage rooms, 14 facilities (Dec 31, 2016)
→ +64% YOY, c. 3,200 rooms, 25 facilities (Dec 31, 2017)
- New facility examples:
 - ✓ Second-floor facility with major postal courier on first floor
 - ✓ Opening soon in a popular residential area based on request from a local land owner
 - ✓ Scheduled opening examples:
 - Storage Plus Musashi-Kosugi Tokyo (March 2018)
 - Storage Plus Yokohama Kaminagaya (May 2018)



Storage Plus Kokubunji Nishi
(Opened on Nov 30, 2017)

Synergies with Phil Park Supporting New Openings

- Tie-up with Phil Company for elevated buildings in parking lots
 - ✓ Preferential rights to build self-storage facilities on Phil Company assets
 - ✓ Synergies with Ichigo Owners' client service offerings



Phil Park Kichijoji

Value-Add Business Growth via New Subsidiary

Established Ichigo Land Shinchiku (“Ichigo Land”) in October 2017 to further contribute to a sustainable society via Ichigo Value-Add

- Will support further growth of Ichigo Value-Add business
- Ichigo Land Value-Add model case: Central Tokyo Value-Add office building sale in Q3 (Gain on Sale JPY 7.36B)

Initial Seed Asset: Mid-Size Value-Add Retail Building

- Retail building (6 floors plus 2 basement floors) to be transferred to Ichigo Land via a corporate divestiture
- No impact on Ichigo’s consolidated financials, as the transaction is between Ichigo and a 100% subsidiary

Contract Date: January 12, 2018

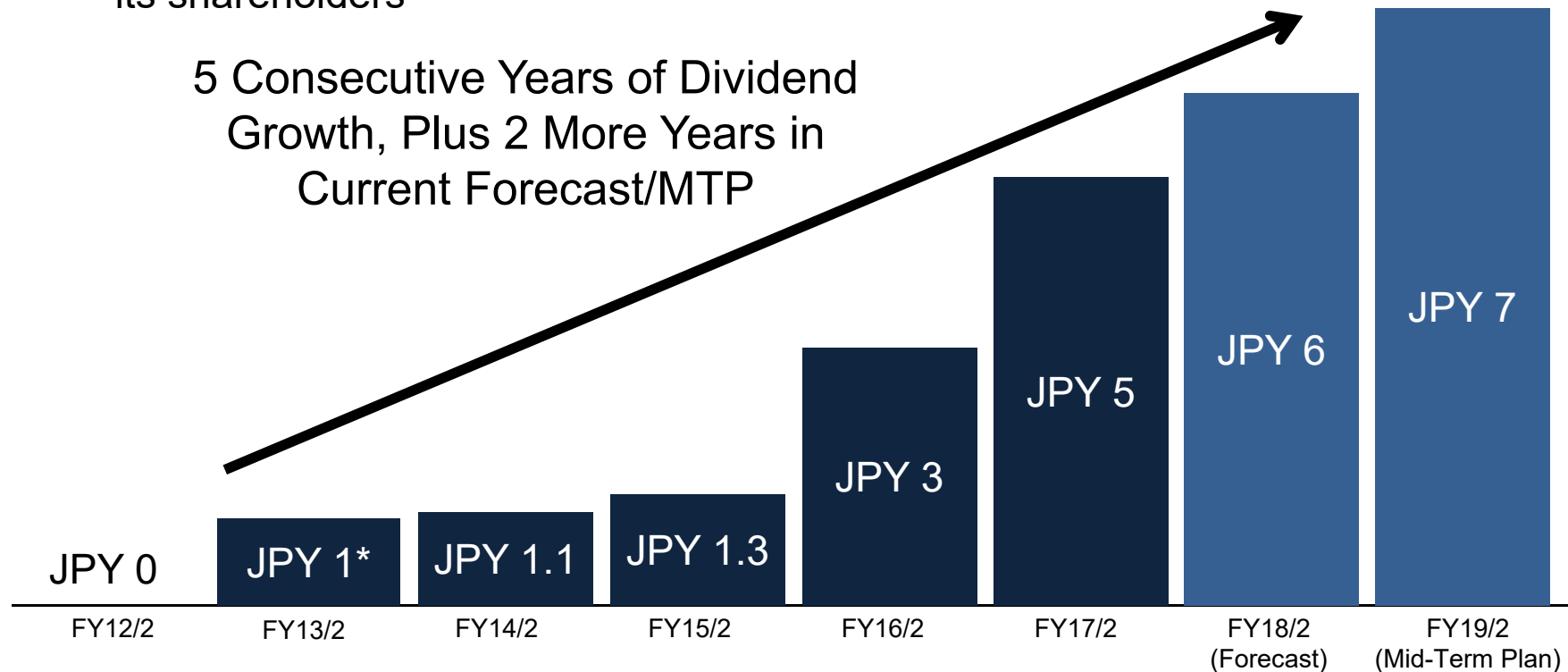
Completion Date: February 20, 2018 (expected)

- Ichigo Land will focus on collaboration and cooperation with tenants and the local community in optimizing Value-Add for local needs

Ongoing Dividend Growth

Ichigo Dividend Policy: Growth, Certainty, and Stability

- DOE (Dividend on Equity) payout ratio of >3%
 - ✓ Stable and growing dividend unaffected by short-term earnings volatility
- Progressive Dividend Policy
 - ✓ Previous year's dividend is floor for the current year's dividend. Dividend will be raised (or kept flat) but not cut, providing shareholders with downside dividend protection. The policy underscores Ichigo's commitment to driving continued earnings growth for its shareholders



* Adjusted to reflect 200:1 stock split

FY18/2 Share Buybacks

Purpose: Grow Value for Ichigo's Shareholders

Share Type	Common shares
Buyback Method	In-market purchases via trust bank

April Share Buyback

Number of Shares	4,627,400
Average Share Price	JPY 324
Amount	JPY 1.5B

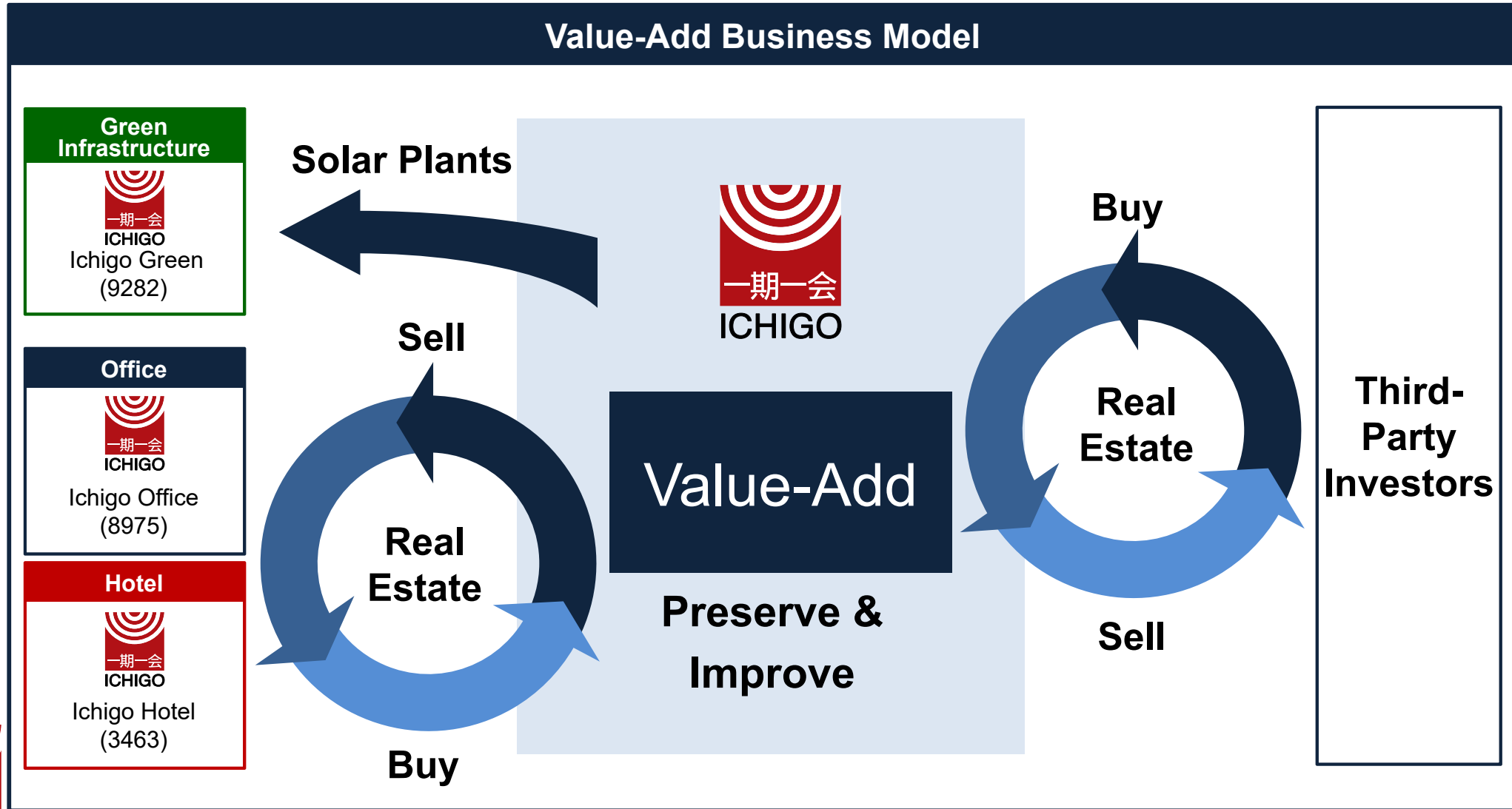
October Share Buyback

Number of Shares	3,809,100
Average Share Price	JPY 394
Amount	JPY 1.5B

Appendix: Financial & Real Estate Data

Powerful Value-Add Business Model

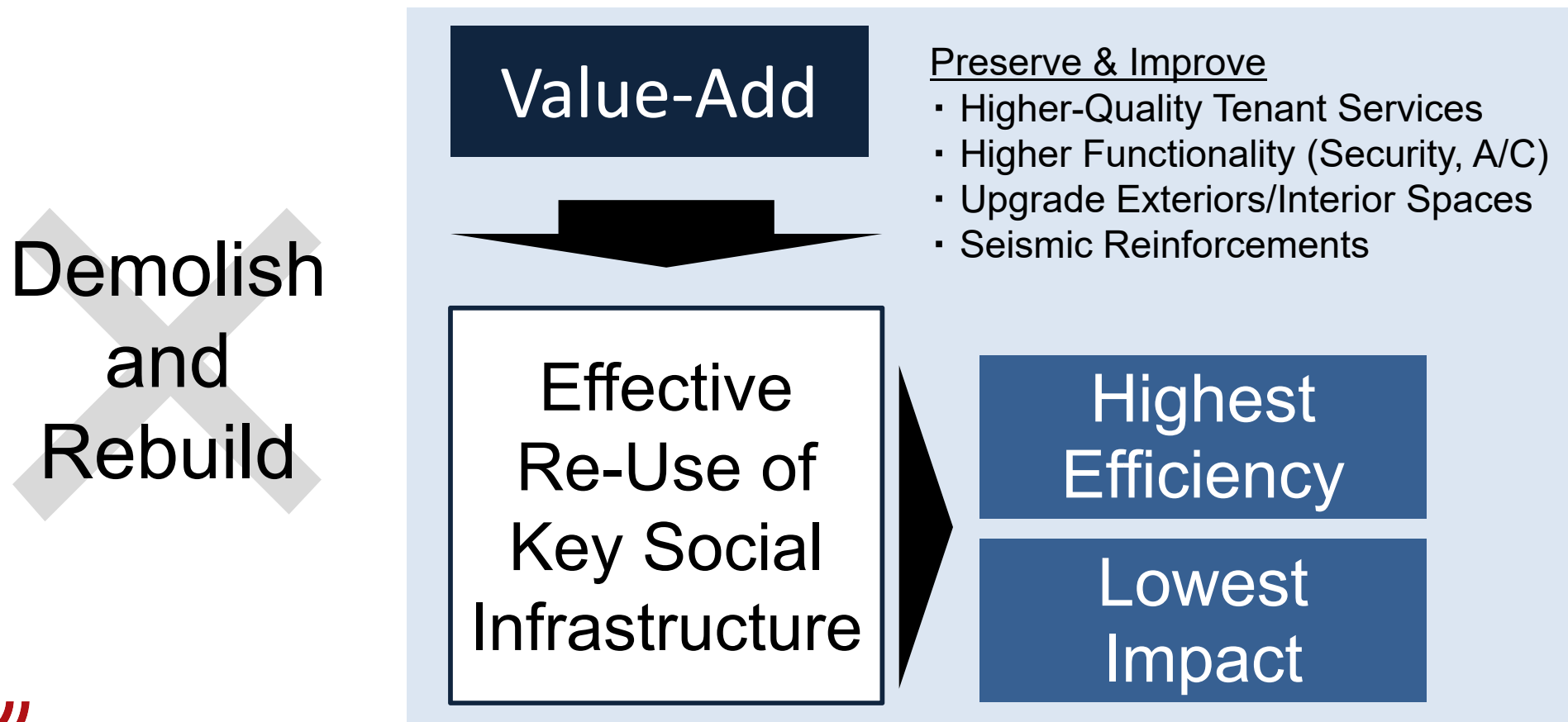
Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



Sustainable Real Estate Serving a Sustainable Society

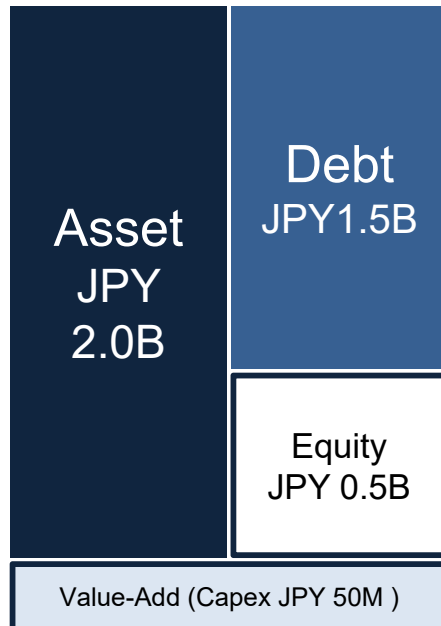
End Demolish and Rebuild and Embrace Value-Add

- 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 yield, 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

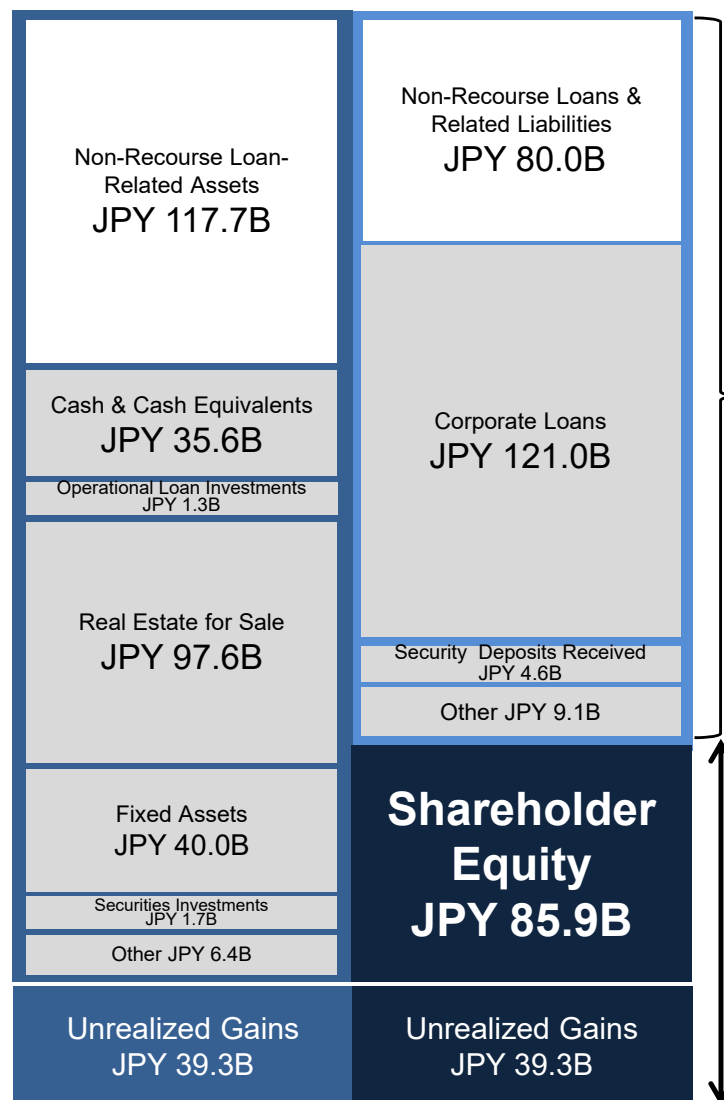
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: $\text{JPY } 2\text{B} * 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Result

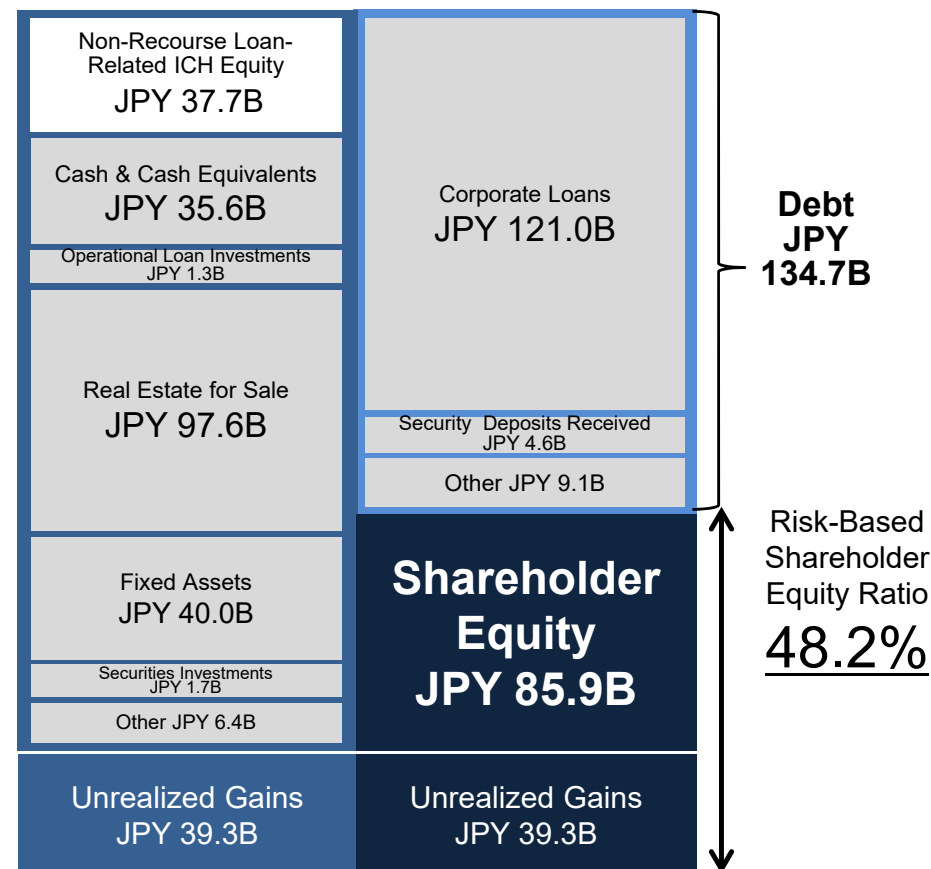
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 340.0B
(Book Value JPY 300.7B + Unrealized Gains JPY 39.3B)



Consolidated Risk-Based Balance Sheet: JPY 260.0B
(Book Value JPY 220.6B + Unrealized Gains JPY 39.3B)



**Debt
JPY
214.8B**

**Mark-to-Market
Shareholder
Equity Ratio
36.8%**

**Debt
JPY
134.7B**

**Risk-Based
Shareholder
Equity Ratio
48.2%**

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

Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 39.3B (Appraisal Value Basis)

Real estate directly held by Ichigo

(JPY million)

Location	Book Value as of Nov 30, 2017	Expected NOI	Cap Rate NOI/Book Value after Write-Down	Appraisal Value as of Nov 30, 2017	Unrealized Gains
Tokyo	107,890	6,027	6.0%	129,541	+21,652
Outside Tokyo	103,400	6,802	6.9%	120,795	+17,395
Total	211,290	12,829	6.5%	250,336	+39,046

* Cap rate is the simple average of the cap rates for each asset. Excludes development assets (c. JPY 543 million) which are not currently generating NOI and includes intangible fixed assets subject to appraisal (c. JPY 135 million).

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

(JPY million)

	Book Value as of Nov 30, 2017	Appraisal Value as of Nov 30, 2017	Unrealized Gains
Equity Investments (Non-consolidated)	—	—	—
Equity Investments (Consolidated)	1,071	1,400	+328
Total	1,071	1,400	+328

Business Segments

Asset Management	<p><u>Asset Management</u> generates fee income via management of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282), and providing real estate services related to real estate acquisition, operations, 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 earning 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

(JPY million)

	FY17/2	FY18/2 Q1	FY18/2 H1	FY18/2 Q3		Quarter-on-Quarter	Market Value	Unrealized Gains	Unrealized Gains on Listed Securities ²
		B/S	B/S	B/S	Outside Investors' Interest				
Cash and Cash Equivalents	47,678	45,542	55,491	52,210	592	-3,281	52,210	—	—
Operational Loan Investments (Value-Add)	1,324	1,324	1,324	1,324	—	—	1,830	+505	—
Operational Securities Investments	1,433	1,960	30	72	—	+41	72	—	—
Value-Add	84	658	—	—	—	—	—	—	—
Clean Energy	512	511	—	45	—	+45	45	—	—
Other	837	789	30	26	—	-4	26	—	—
Real Estate for Sale (Value-Add)	167,805	170,799	170,243	184,351	3,014	+14,108	218,756	+33,605	—
Power Plants for Sale (Clean Energy)	—	996	—	—	—	—	—	—	—
Fixed Assets	45,654	45,299	52,087	52,746	—	+658	58,001	+5,255	—
Asset Management	30	—	—	—	—	—	—	—	—
Value-Add	25,920	25,858	32,292	31,996	—	-296	37,252	+5,255	—
Clean Energy	19,620	19,356	19,716	20,675	—	+958	20,675	—	—
Other ¹	82	84	78	74	—	-4	74	—	—
Intangible Assets	1,956	1,391	1,509	1,884	—	+375	1,884	—	—
Securities Investments	1,426	1,416	1,407	1,769	—	+362	1,769	—	+368
Other	6,178	6,423	4,637	6,342	16	+1,705	6,342	—	—
Total Assets	273,459	275,154	286,732	300,703	3,623	+13,971	340,869	+39,365	+368

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

² Unrealized Gains on Listed Securities shows gains versus acquisition cost

Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loan Investments	Operational Securities Investments	Real Estate for Sale	Power Plants for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management	—	—	—	—	—	—	929	—	974	1,904
Value-Add	24,312	1,324	—	184,351	—	31,996	626	—	2,233	244,845
Clean Energy	1,792	—	45	—	—	20,675	238	—	1,770	24,523
Other	21	—	26	—	—	—	—	1,769	-72	1,744
Company-Wide Assets	26,084	—	—	—	—	74	90	—	1,435	27,685
Total	52,210	1,324	72	184,351	—	52,746	1,884	1,769	6,342	300,703

Consolidated P&L: Gross Profit Segment Breakdown

(JPY million)

Segment	Revenue			Gross Profit			YOY (Gross Profit)
	FY17/2 Q3 Cumulative (9M)	FY18/2 Q3 Cumulative (9M)	Change	FY17/2 Q3 Cumulative (9M)	FY18/2 Q3 Cumulative (9M)	Change	
Asset Management	3,556	1,911	-1,645	2,178	1,906	-272	-12.5%
Asset Management Fees	1,596	1,545	-50	1,589	1,543	-45	-2.9%
Other	1,959	365	-1,595	588	362	-226	-38.4%
Value-Add	88,481	39,894	-48,587	17,797	16,310	-1,486	-8.4%
Rental Income	10,990	11,752	+762	7,239	7,283	+44	+0.6%
Value-Add Asset Sales	77,491	28,142	-49,349	10,557	9,026	-1,530	-14.5%
Clean Energy	1,783	2,843	+1,060	908	1,128	+220	+24.3%
Other	14	106	+91	-93	-13	+80	—
Total	93,835	44,755	-49,080	20,790	19,332	-1,457	-7.0%

Consolidated P&L: Results vs. Forecast

(JPY million)

Segment	FY18/2 Q3 (9M)						FY18/2 Full-Year Forecast (12M)		
	Revenue	vs. Full-Year Forecast	Gross Profit	vs. Full-Year Forecast	Operating Profit	vs. Full-Year Forecast	Revenue	Gross Profit	Operating Profit
Asset Management	1,911	76.9%	1,906	77.6%	1,592	96.1%	2,485	2,457	1,656
Asset Management Fees	1,545	66.8%	1,543	67.3%	—	—	2,315	2,293	—
Other	365	215.0%	362	221.2%	—	—	170	164	—
Value-Add	39,894	57.2%	16,310	73.0%	13,448	73.5%	69,719	22,336	18,304
Rental Income	11,752	71.8%	7,283	68.5%	—	—	16,379	10,625	—
Value-Add Asset Sales	28,142	52.8%	9,026	77.1%	—	—	53,340	11,711	—
Clean Energy	2,843	88.4%	1,128	100.6%	748	120.6%	3,216	1,122	620
Other	106	135.9%	-13	—	-60	—	78	78	-52
Total	44,755	59.3%	19,332	74.4%	15,730	76.6%	75,500	25,994	20,529
Adjustment (including offsets of inter-segment transactions)	—	—	—	—	-14	—	—	—	70
Total	44,755	59.3%	19,332	74.4%	15,715	76.3%	75,500	25,994	20,600




Asset Management AUM Detail

		FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q3 (9M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 104.3B	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 194.5B	JPY 196.9B
	AM Fee % (Average)	0.63%	0.65%	0.65%	0.64%	0.69%	0.69% ¹
	AM Fee Gross Profit (Actual)	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 1,291M	JPY 1,026M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	–	–	–	JPY 20.4B	JPY 47.6B	JPY 50.9B
	AM Fee % (Average)	–	–	–	0.59% ¹	0.90%	0.89% ¹
	AM Fee Gross Profit (Actual)	–	–	–	JPY 30M	JPY 287M	JPY 338M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	–	–	JPY 10.0B	JPY 11.4B
	AM Fee % (Average)	–	–	–	–	0.21% ^{1,2}	0.33% ^{1,2}
	AM Fee Gross Profit (Actual)	–	–	–	–	JPY 5M	JPY 29M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 169.7B	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 6.4B	JPY 6.4B
	AM Fee % (Average)	0.15%	0.26%	0.37%	0.32%	0.25%	0.16% ¹
	AM Fee Gross Profit (Actual)	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 27M	JPY 7M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 258.6B	JPY 265.8B
	AM Fee % (Average)	0.33%	0.47%	0.59%	0.61%	0.68%	0.70% ¹
	AM Fee Gross Profit (Actual)	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,611M	JPY 1,401M

¹ Annualized

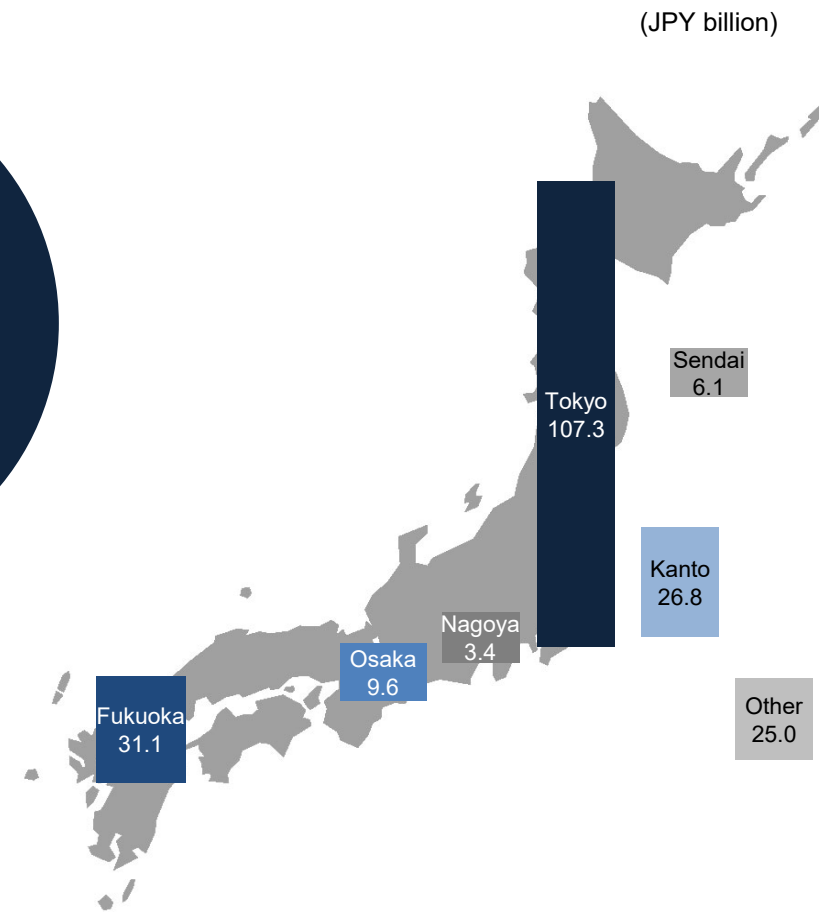
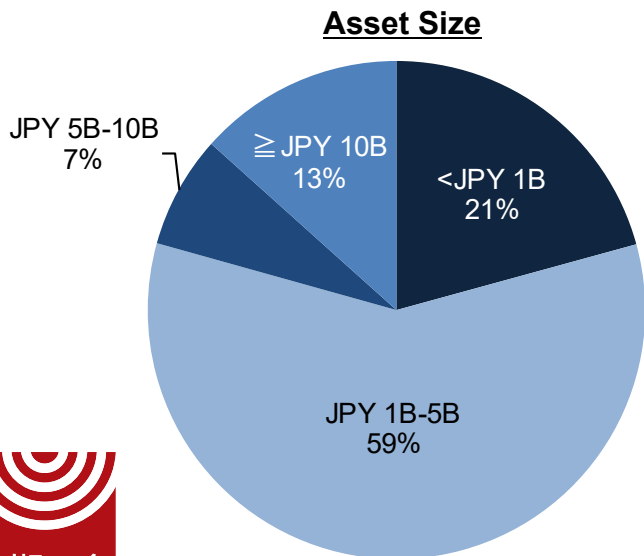
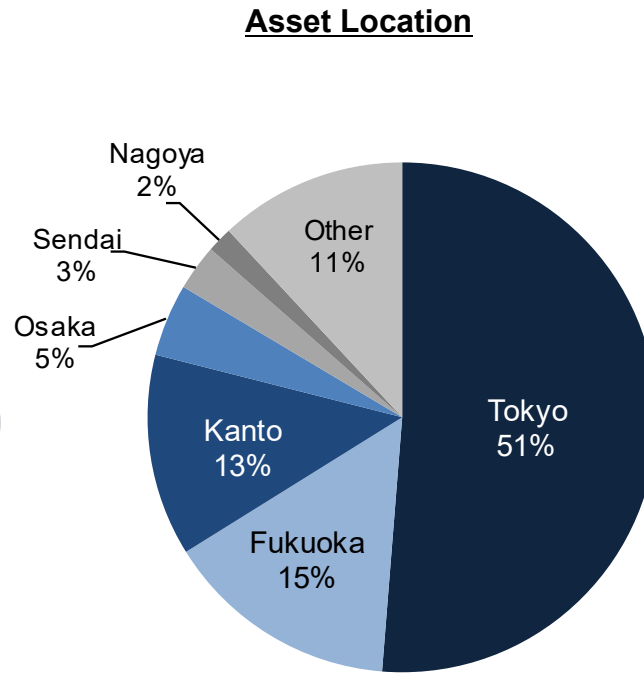
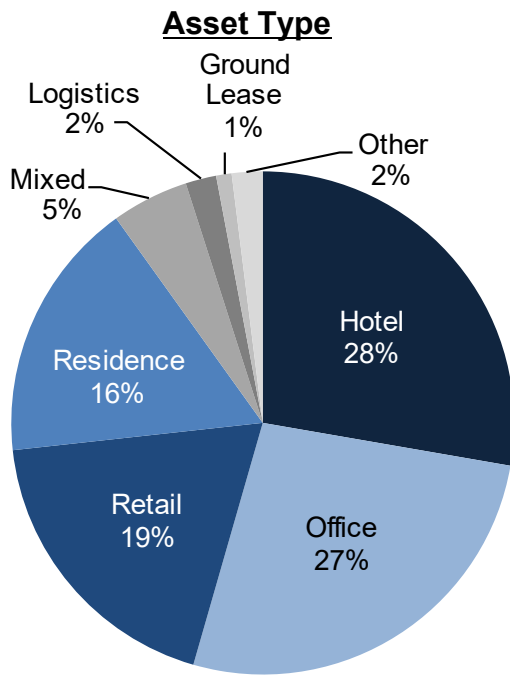
² In addition to the above AM fee, operator fees received from Ichigo Green (0.4% p.a. of AUM) are recorded separately in the Clean Energy segment.

Asset Management – Ichigo REITs and YieldCo

REIT/YieldCo	Listing Date	Characteristics	Forecast Dividend Yield (Based on Closing Share Price on December 29, 2017)	Portfolio
Ichigo Office (8975)	October 12, 2005	<ul style="list-style-type: none"> Specialized Office REIT focused on mid-size offices with return stability and upside potential 15 Consecutive periods of dividend growth, No.1 among all J-REITs 	5.0%	85 assets JPY 196.9B 
Ichigo Hotel (3463)	November 30, 2015	<ul style="list-style-type: none"> Specialized Hotel REIT focused on driving shareholder value via income stability and earnings growth Portfolio growth via Ichigo's sponsor support 	5.3%	21 hotels JPY 50.9B 
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 Solar YieldCo focused on driving shareholder value via income stability and earnings growth The second TSE-listed YieldCo 	5.7%	15 power plants JPY 11.4B (29.43MW) 

* Forecast dividend yield is based on the most recent dividend forecast. Ichigo Green includes Dividend in Excess of Earnings (DEE) generated from operating cashflow.

Ichigo-Owned Real Estate Portfolio



Total Ichigo-Owned Assets: JPY 209.3B
Including Ichigo-Managed AUM: JPY 480.8B

* Acquisition price basis.
 Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
 Total Ichigo-Owned Assets Book Value: JPY 211.8B

Value-Add Asset Breakdown (1)

162 Assets, JPY 209.3B, Forecast NOI JPY 12.8B (6.1% Yield)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
1	Wholesale Market	Fixed Asset	Matsudo, Chiba	45 years	JPY 2B-3B	2005/06	JPY 74M	JPY 1,900M	–	–
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	48 years	JPY 2B-3B	2005/10	JPY 147M	JPY 1,033M	–	–
3	Retail	Real Estate for Sale	Minato-ku, Tokyo	32 years	≥JPY 3B	2006/03	JPY 191M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	12 years	JPY 1B-2B	2006/09	JPY 73M	JPY 1,157M	–	–
5	Office	Real Estate for Sale	Sendai	9 years	≥JPY 3B	2006/10	JPY 275M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	9 years	≥JPY 3B	2006/12	JPY 391M	JPY 1,339M	–	–
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	12 years	<JPY 1B	2007/04	JPY 56M	JPY 403M	–	–
10	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	37 years	<JPY 1B	2007/06	JPY 85M	JPY 240M	–	–
11	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	36 years	<JPY 1B	2007/06	JPY 123M	JPY 233M	–	–
12	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	54 years	JPY 2B-3B	2007/06	JPY 252M	JPY 554M	–	–
14	Ground Lease	Real Estate for Sale	Atsugi, Kanagawa	–	JPY 1B-2B	2011/06	JPY 176M	JPY 147M	–	–
15	Mixed (Office/Retail)	Fixed Asset	Hiratsuka, Kanagawa	22 years	<JPY 1B	2012/02	JPY 86M	JPY 172M	–	–
16	Retail	Real Estate for Sale	Yokohama	4 years	<JPY 1B	2012/10	JPY 33M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	6 years	≥JPY 3B	2013/03	JPY 230M	JPY 340M	–	–
18	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	31 years	<JPY 1B	2013/05	JPY 46M	JPY 154M	–	–

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
19	Mixed (Office/Retail)	Fixed Asset	Chofu, Tokyo	32 years	JPY 1B-2B	2013/06	JPY 122M	JPY 310M	–	–
21	Residence	Real Estate for Sale	Minato-ku, Tokyo	2 years	<JPY 1B	2013/06	JPY 45M	JPY 203M	–	–
24	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	26 years	JPY 1B-2B	2013/08	JPY 86M	JPY 520M	–	–
26	Retail	Fixed Asset	Kobe	17 years	JPY 1B-2B	2013/09	JPY 149M	JPY 616M	–	–
27	Retail	Fixed Asset	Tokorozawa, Saitama	10 years	JPY 1B-2B	2013/11	JPY 62M	JPY 92M	–	–
29	Ground Lease	Real Estate for Sale	Fujisawa, Kanagawa	–	JPY 1B-2B	2014/03	JPY 115M	JPY 273M	7.52X	44.5%
30	Mixed (Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	33 years	<JPY 1B	2014/03	JPY 39M	JPY 108M	6.95X	26.0%
31	Office	Real Estate for Sale	Shibuya-ku, Tokyo	7 years	JPY 1B-2B	2014/04	JPY 61M	JPY 1,090M	1.25X	12.0%
32	Retail	Fixed Asset	Fukuoka	11 years	JPY 1B-2B	2014/04	JPY 60M	JPY 279M	–	–
34	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	24 years	JPY 1B-2B	2014/05	JPY 133M	JPY 515M	2.27X	23.4%
35	Mixed (Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	8 years	JPY 2B-3B	2014/05	JPY 162M	JPY 434M	3.08X	15.2%
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	45 years	<JPY 1B	2014/07	JPY 39M	JPY 77M	10.47X	23.9%
38	Mixed (Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	42 years	≥JPY 3B	2014/07	JPY 188M	JPY 645M	3.32X	21.1%
39	Retail	Fixed Asset	Fukuoka	13 years	<JPY 1B	2014/07	JPY 47M	JPY 213M	–	–
40	Retail	Fixed Asset	Fukuoka	32 years	<JPY 1B	2014/09	JPY 52M	JPY 252M	–	–

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
41	Hotel	Real Estate for Sale	Utsunomiya, Tochigi	30 years	JPY 1B-2B	2014/09	JPY 144M	JPY 400M	1.97X	28.3%
42	Retail	Real Estate for Sale	Fukuoka	17 years	<JPY 1B	2014/09	JPY 54M	JPY 177M	5.54X	26.2%
43	Retail	Real Estate for Sale	Osaka	15 years	JPY 1B-2B	2014/09	JPY 102M	JPY 301M	4.64X	24.3%
44	Retail	Real Estate for Sale	Machida, Tokyo	31 years	<JPY 1B	2014/10	JPY 51M	JPY 82M	11.34X	43.9%
45	Retail	Real Estate for Sale	Fukuoka	14 years	JPY 1B-2B	2014/11	JPY 76M	JPY 135M	10.70X	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	14 years	JPY 2B-3B	2014/12	JPY 116M	JPY 332M	2.18X	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 90M	JPY 270M	1.56X	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 79M	JPY 238M	1.67X	16.6%
49	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 64M	JPY 185M	1.63X	15.7%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 60M	JPY 163M	1.55X	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	15 years	<JPY 1B	2014/12	JPY 57M	JPY 150M	2.21X	35.7%
52	Residence	Real Estate for Sale	Osaka	9 years	<JPY 1B	2014/12	JPY 58M	JPY 148M	1.86X	24.8%
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	14 years	<JPY 1B	2014/12	JPY 40M	JPY 99M	2.96X	44.4%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 28M	JPY 82M	2.05X	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 85M	JPY 270M	2.00X	23.2%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90X	21.0%
58	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89X	21.5%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 42M	JPY 117M	2.11X	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	11 years	<JPY 1B	2014/12	JPY 19M	JPY 55M	1.80X	21.1%
61	Mixed (Office/Retail)	Operational Loan	Shinjuku-ku, Tokyo	54 years	JPY 1B-2B	2014/12	JPY 118M	JPY 57M	15.26X	51.7%
62	Retail	Real Estate for Sale	Fukuoka	13 years	<JPY 1B	2014/12	JPY 43M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 83M	JPY 129M	3.98X	23.8%
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	63 years	<JPY 1B	2015/01	JPY 17M	–	–	–
66	Retail	Real Estate for Sale	Sendai	13 years	<JPY 1B	2015/02	JPY 49M	JPY 8M	42.58X	198.9%
68	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	16 years	<JPY 1B	2015/04	JPY 39M	JPY 79M	5.65X	27.9%
69	Hotel	Real Estate for Sale	Osaka	15 years	JPY 2B-3B	2015/05	JPY 194M	JPY 633M	1.56X	58.3%
70	Hotel	Real Estate for Sale	Aomori	10 years	<JPY 1B	2015/06	JPY 51M	JPY 113M	2.10X	20.2%
71	Retail	Real Estate for Sale	Fujisawa, Kanagawa	2 years	JPY 1B-2B	2015/07	JPY 97M	JPY 126M	6.80X	37.3%
89	Office	Real Estate for Sale	Musashino, Tokyo	28 years	≥JPY 3B	2015/07	JPY 128M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	10 years	JPY 1B-2B	2015/07	JPY 91M	JPY 353M	1.82X	17.7%

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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 Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
93	Office	Real Estate for Sale	Fukuoka	15 years	JPY 1B-2B	2015/07	JPY 90M	JPY 358M	1.92X	18.8%
98	Hotel	Real Estate for Sale	Naha, Okinawa	29 years	JPY 2B-3B	2015/11	JPY 232M	JPY 640M	1.91X	25.9%
105	Hotel	Real Estate for Sale	Kumamoto	33 years	JPY 1B-2B	2015/12	JPY 142M	JPY 453M	1.61X	61.2%
109	Hotel	Real Estate for Sale	Nagoya, Aichi	9 years	JPY 2B-3B	2016/03	JPY 124M	JPY 525M	1.84X	37.7%
110	Hotel	Real Estate for Sale	Fukuoka	32 years	≥JPY 3B	2016/03	JPY 273M	JPY 905M	2.05X	104.5%
111	Hotel	Real Estate for Sale	Yokohama	33 years	JPY 2B-3B	2016/03	JPY 192M	JPY 228M	5.32X	23.3%
112	Hotel	Real Estate for Sale	Yokohama	30 years	≥JPY 3B	2016/03	JPY 249M	JPY 354M	10.64X	36.2%
113	Hotel	Real Estate for Sale	Yokohama	30 years	≥JPY 3B	2016/03	JPY 223M	JPY 344M	5.84X	25.5%
114	Hotel	Real Estate for Sale	Fukuoka	27 years	≥JPY 3B	2016/04	JPY 177M	JPY 550M	1.73X	72.6%
115	Hotel	Real Estate for Sale	Osaka	10 years	JPY 2B-3B	2016/04	JPY 117M	JPY 274M	2.96X	30.7%
116	Retail	Real Estate for Sale	Sendai	29 years	<JPY 1B	2016/04	JPY 48M	JPY 86M	7.50X	28.4%
118	Retail	Real Estate for Sale	Nagoya	20 years	JPY 1B-2B	2016/06	JPY 84M	JPY 102M	7.71X	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30 years	<JPY 1B	2016/06	JPY 31M	JPY 136M	3.91X	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	38 years	≥JPY 3B	2016/09	JPY 288M	JPY 349M	2.70X	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	16 years	≥JPY 3B	2016/10	JPY 1,352M	JPY 3,450M	2.87X	43.5%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
122	Hotel	Real Estate for Sale	Shima, Mie	19 years	<JPY 1B	2017/01	JPY 47M	JPY 73M	5.49X	43.1%
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	22 years	≥JPY 3B	2016/12	JPY 152M	JPY 1,123M	1.25X	25.4%
124	Hotel	Real Estate for Sale	Asahikawa, Hokkaido	28 years	<JPY 1B	2016/12	JPY 74M	JPY 593M	1.48X	48.5%
125	Hotel	Real Estate for Sale	Kurashiki, Okayama	24 years	JPY 1B-2B	2016/12	JPY 93M	JPY 484M	1.53X	53.0%
126	Hotel	Real Estate for Sale	Fukuoka	27 years	JPY 1B-2B	2016/12	JPY 67M	JPY 505M	1.25X	25.4%
127	Hotel	Real Estate for Sale	Ishigaki, Okinawa	14 years	JPY 2B-3B	2017/02	JPY 162M	JPY 544M	1.80X	80.2%
128	Hotel	Real Estate for Sale	Mito, Ibaraki	24 years	JPY 1B-2B	2017/02	JPY 97M	JPY 602M	1.47X	47.0%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 (7)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
130	Retail	Real Estate for Sale	Taito-ku, Tokyo	24 years	JPY 1B-2B	2017/04	JPY 99M	JPY 297M	4.42X	21.1%
131	Hotel	Real Estate for Sale	Fukuoka	New	JPY 1B-2B	2017/04	JPY 101M	JPY 236M	2.07X	49.9%
132	Residence	Real Estate for Sale	Minato-ku, Tokyo	14 years	<JPY 1B	2017/04	JPY 51M	JPY 190M	2.66X	38.3%
133	Residence	Real Estate for Sale	Minato-ku, Tokyo	15 years	<JPY 1B	2017/04	JPY 46M	JPY 152M	3.85X	32.7%
134	Residence	Real Estate for Sale	Chuo-ku, Tokyo	15 years	JPY 1B-2B	2017/04	JPY 58M	JPY 197M	2.88X	26.2%
135	Logistics	Real Estate for Sale	Narashino, Chiba	26 years	JPY 1B-2B	2017/04	JPY 114M	JPY 188M	6.18X	25.8%
136	Logistics	Real Estate for Sale	Narashino, Chiba	26 years	JPY 1B-2B	2017/04	JPY 153M	JPY 203M	8.75X	32.8%
138	Hotel	Real Estate for Sale	Ogaki, Gifu	28 years	JPY 1B-2B	2017/05	JPY 137M	–	–	–
139	Office	Real Estate for Sale	Shibuya-ku, Tokyo	1 year	<JPY 1B	2017/05	JPY 28M	JPY 600M	1.15X	15.1%
140	Hotel	Real Estate for Sale	Minato-ku, Tokyo	New	≥JPY 3B	2017/06	JPY 228M	JPY 597M	2.27X	54.7%
141	Hotel	Real Estate for Sale	Osaka	New	JPY 1B-2B	2017/11	JPY 83M	JPY 334M	1.27X	27.4%
142	Hotel	Real Estate for Sale	Kanazawa	New	JPY 1B-2B	2017/11	JPY 117M	JPY 372M	2.12X	54.2%
143	Retail	Real Estate for Sale	Fukuoka	33 years	JPY 1B-2B	2017/09	JPY 105M	JPY 223M	3.78X	19.9%
Sub-Total				95 Assets	JPY 188,534M JPY 190,640M (Book Value)		JPY 11,417M	JPY 38,063M	2.76X	35.2%

* Assets acquired in the current FY18/2 period

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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 (8)

No.	Asset Type	No. of Assets	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
A	Ichigo Owners (Office & Residence)	34 Assets	JPY 13,950M	FY18/2	JPY 843M	–	–	–
B	Centro (Primarily Office & Residence)	12 Assets	JPY 5,124M	FY18/2	JPY 388M	–	–	–
C	Self-Storage	21 Assets	JPY 1,730M	FY18/2	JPY 179M	–	–	–
Total		162 Assets	JPY 209,340M JPY 211,833M (Book Value)		JPY 12,829M	JPY 38,063M	2.76X	35.2%
Assets acquired in FY18/2 Q1 (3M) Total 11 Assets			JPY 12,392M		JPY 833M	JPY 3,126M	2.65X	26.9%
Assets acquired in FY18/2 Q2 (3M) Total 38 Assets			JPY 12,159M		JPY 836M	JPY 597M	2.27X	54.7%
Assets acquired in FY18/2 Q3 (3M) Total 35 Assets			JPY 18,065M		JPY 1,109M	JPY 929M	2.21X	33.9%
Assets acquired in FY18/2 Q3 (9M) Total 84 Assets			JPY 42,617M		JPY 2,779M	JPY 4,653M	2.52X	30.4%
Assets acquired and sold in FY18/2 Total 4 Assets			JPY 1,510M		JPY 46M	–	1.13X	13.5%

* Assets acquired in the current FY18/2 period

¹ Forecast Equity Multiple is based on the business plan of each asset and is the forecast 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.

Solar Power FIT

Contract Date	FIT	Guarantee Period	Contract Date	FIT	Guarantee Period
FY2012	JPY 40	20 years	FY2015 (7/1~3/31)	JPY 27	20 years
FY2013	JPY 36	20 years	FY2016	JPY 24	20 years
FY2014	JPY 32	20 years	FY2017	JPY 21*	20 years
FY2015 (4/1~6/30)	JPY 29	20 years			

Pre-consumption tax FIT for power plants with output of >10kW
Source: METI, Agency for Natural Resources and Energy

* FIT for >2MW non-residential solar power production determined via auction process

Solar Power Plant Portfolio (1)

Ichigo (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	Oct 2014
Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	Mar 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	Mar 2016
Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	May 2016
Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	Feb 2017
Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	Aug 2017
Ichigo Showamura Ogose	Kanto	43.34	JPY 36	Sep 2017
Total (Operating)		19 Plants	71.01MW	

Total
134.18MW

Ichigo (In-Development)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Memuro Nishishikari	Hokkaido	1.32	JPY 40	Dec 2017
Ichigo Tsu	Kinki	2.94	JPY 24	Feb 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.61	JPY 24	Mar 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	JPY 36	Mar 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.26	JPY 24	Mar 2018
Ichigo Itoshima Ihara	Kyushu	1.29	JPY 36	Jul 2018
Ichigo Minakami Aramaki	Kanto	12.02	JPY 36	Oct 2019
Ichigo Hitachi Omiya	Kanto	2.96	JPY 24	Nov 2019
Ichigo Takashima Kutsuki	Kansai	3.75	JPY 32	Nov 2019
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.64	JPY 32	Nov 2021
Total (In-Development)		10 Plants	33.69MW	
Total (Operating & In-Development)		29 Plants	104.75MW	

Ichigo Green (9282)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	Feb 2014
Ichigo Muroran Hatchodaira	Hokkaido	1.24	JPY 40	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	Mar 2014
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	Dec 2014
Ichigo Toyokoro	Hokkaido	1.02	JPY 40	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	JPY 40	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	Jun 2015
Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 36	Jul 2015
Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	Sep 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	Dec 2015
Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	Apr 2016
Total		15 Plants	29.43MW	

Solar Power Plant Portfolio (2)

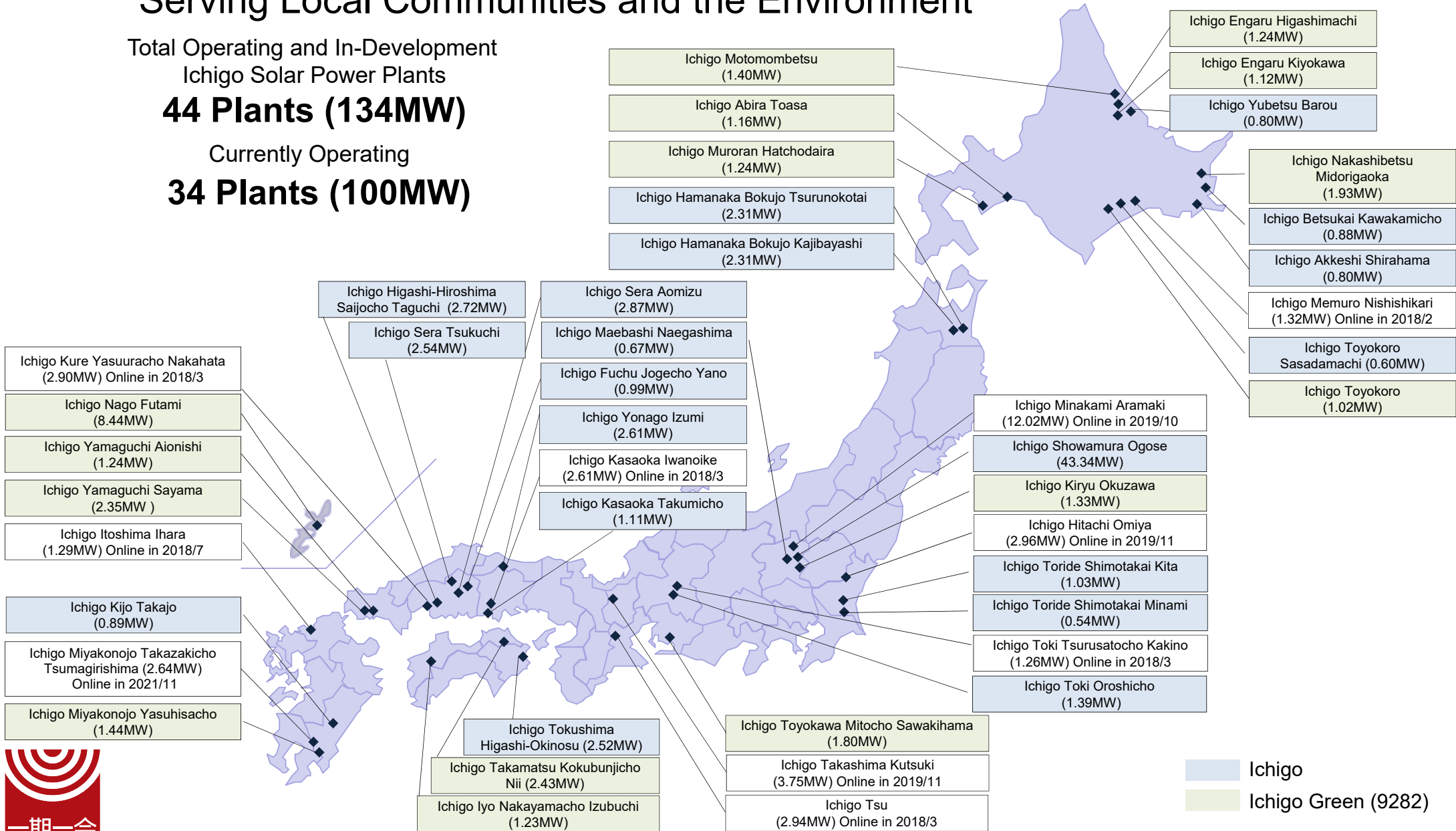
Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants

44 Plants (134MW)

Currently Operating

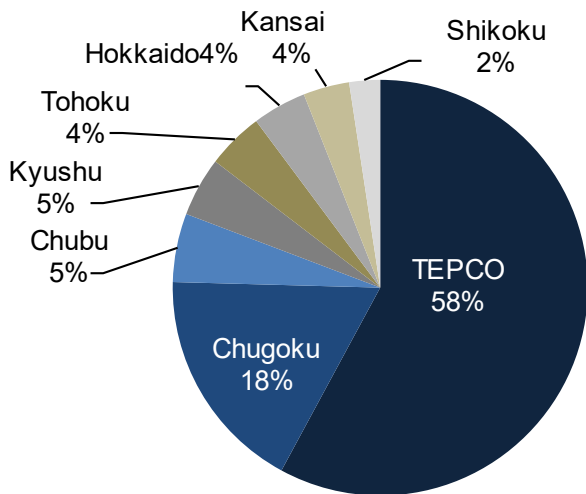
34 Plants (100MW)



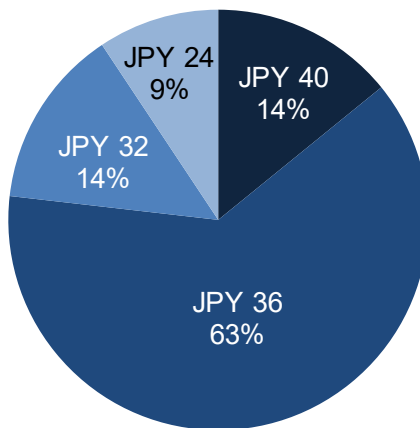
Ichigo-Owned Solar Power Plant Details

Total Operating and In-Development
Ichigo-Owned Solar Power Plants: 29 Plants (104.75MW)

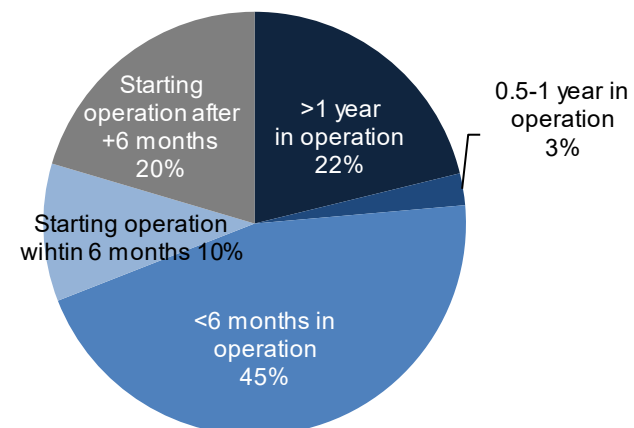
■ By Customer
(Electric Power Utility Co)



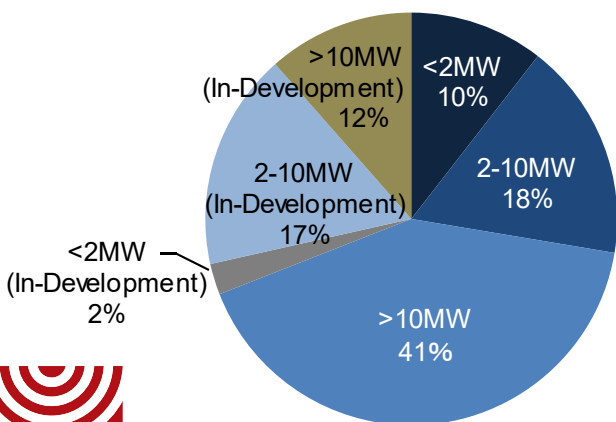
■ By Feed-In-Tariff



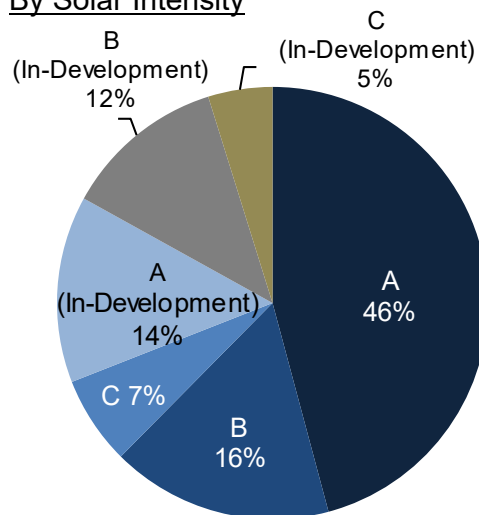
■ By Operating Timeline



■ 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

(JPY million)

	FY14/2	FY15/2	FY16/2	FY17/2	FY18/2 H1	FY18/2 Q3	vs. FY18/2 H1
Assets							
Current Assets							
Cash and cash equivalents	24,991	19,383	28,779	47,678	55,491	52,210	-3,281
Trade notes and accounts receivable	451	519	691	913	790	1,396	+606
Operational loan investments	1,100	2,330	1,324	1,324	1,324	1,324	—
Operational securities investments	3,583	1,965	1,784	1,433	30	72	+42
Real estate for sale	54,084	109,769	172,833	167,805	170,243	184,351	+14,108
Power plants for sale	—	—	—	—	—	—	—
Deferred tax assets	576	1,200	1,766	516	491	491	—
Other	1,384	2,657	3,966	3,125	1,365	2,405	+1,040
Less: allowance for doubtful accounts	-410	-484	-458	-453	-30	-30	—
Total Current Assets	85,761	137,342	210,687	222,344	229,707	242,223	+12,516
Fixed Assets							
Property, Plant, and Equipment							
Buildings and structures (net)	4,901	4,021	3,830	7,375	9,614	9,637	+23
Solar power plant equipment (net)	2,044	9,168	12,256	7,246	6,753	17,677	+10,924
Land	12,433	12,142	12,192	18,627	22,808	22,482	-326
Other (net)	1,922	989	3,264	12,402	12,909	2,946	-9,963
Total Property, Plant, and Equipment	21,300	26,321	31,546	45,654	52,087	52,746	+659
Intangible Assets							
Goodwill	2,221	2,082	1,942	1,864	1,276	1,652	+376
Leasehold rights	392	392	392	62	135	135	—
Other	71	27	38	29	98	97	-1
Total Intangible Assets	2,686	2,502	2,373	1,956	1,509	1,884	+375
Investments and Other Assets							
Securities investments	4,278	5,266	5,486	1,426	1,407	1,769	+362
Long-term loans receivable	13	12	12	10	10	10	—
Deferred tax assets	222	2	39	339	355	278	-77
Other	780	1,392	1,736	1,820	1,747	1,882	+135
Less: allowance for doubtful accounts	-97	-95	-124	-92	-91	-91	—
Total Investments and Other Assets	5,196	6,578	7,149	3,504	3,428	3,848	+420
Total Fixed Assets	29,183	35,402	41,069	51,115	57,024	58,479	+1,455
Total Assets	114,944	172,744	251,757	273,459	286,732	300,703	+13,971

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY14/2	FY15/2	FY16/2	FY17/2	FY18/2 H1	FY18/2 Q3	vs. FY18/2 H1
Liabilities							
Current Liabilities							
Trade notes and accounts payable	132	124	80	110	—	—	—
Short-term loans	950	1,416	2,188	805	2,436	2,843	+407
Short-term non-recourse loans	—	48	79	611	—	—	—
Bonds (due within one year)	—	—	—	112	112	112	—
Long-term loans (due within one year)	3,123	3,488	8,161	5,209	4,726	4,514	-212
Long-term non-recourse loans (due within one year)	428	786	2,975	6,825	7,160	8,845	+1,685
Income taxes payable	96	284	631	1,655	3,082	2,536	-546
Deferred tax liabilities	24	30	53	62	107	474	+367
Accrued bonuses	14	16	13	36	150	293	+143
Other current liabilities	2,817	3,677	3,979	4,119	3,799	4,690	+891
Total Current Liabilities	7,588	9,872	18,161	19,548	21,575	24,309	+2,734
Long-Term Liabilities							
Bonds	—	—	—	632	576	576	—
Non-recourse bonds	—	100	100	100	100	—	-100
Long-term loans	26,126	53,409	94,409	91,604	110,865	112,962	+2,097
Long-term non-recourse loans	24,178	43,004	56,193	68,319	54,548	62,968	+8,420
Deferred tax liabilities	1,213	1,402	1,543	1,147	1,752	1,753	+1
Long-term security deposits received	4,770	6,391	8,707	8,038	8,182	8,199	+17
Negative goodwill	180	90	—	—	—	—	—
Other long-term liabilities	44	96	475	624	849	779	-70
Total Long-Term Liabilities	56,513	104,494	161,430	170,467	176,874	187,240	+10,366
Total Liabilities	64,102	114,367	179,591	190,015	198,450	211,549	+13,099
Net Assets							
Shareholders' Equity							
Capital	26,443	26,499	26,575	26,650	26,655	26,686	+31
Capital reserve	10,808	10,873	10,968	11,056	11,058	11,080	+22
Retained earnings	10,891	17,201	29,454	42,840	49,189	51,260	+2,071
Treasury shares	-92	-78	-41	-15	-1,511	-2,999	-1,488
Total Shareholders' Equity	48,050	54,496	66,956	80,532	85,392	86,027	+635
Accumulated Other Comprehensive Income							
Valuation gain (loss) on other securities	400	1,208	761	117	81	262	+181
Deferred gain (loss) on long-term interest rate hedges	—	-36	-251	-365	-382	-387	-5
Foreign currency translation adjustment	9	6	23	55	—	—	—
Total Accumulated Other Comprehensive Income	409	1,177	533	-192	-300	-125	+175
Stock Options	121	198	319	491	598	638	+40
Minority Interests	2,261	2,505	4,357	2,612	2,591	2,612	+21
Total Net Assets	50,842	58,377	72,166	83,443	88,281	89,153	+872
Total Liabilities and Net Assets	114,944	172,744	251,757	273,459	286,732	300,703	+13,971

Consolidated P&L

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q3 Cumulative (9M)	FY17/2 Q3 Cumulative (9M)	Change (YOY)	FY18/2 Full-Year Forecast	vs. Forecast
Revenue	35,101	42,705	49,699	109,253	44,755	93,835	-49,080	75,500	59.3%
Cost of Goods Sold	27,666	30,539	29,835	82,446	25,422	73,045	-47,623	—	—
Gross Profit	7,435	12,166	19,863	26,806	19,332	20,790	-1,458	25,994	74.4%
SG&A	3,522	3,977	4,446	5,025	3,617	3,748	-131	—	—
Operating Profit	3,912	8,189	15,417	21,781	15,715	17,042	-1,327	20,600	76.3%
Non-Operating Income									
Interest income	4	5	2	—	3	—	+3	—	—
Dividend income	112	78	79	85	52	80	-28	—	—
Negative goodwill amortization	90	90	90	—	—	—	—	—	—
Other	31	39	43	32	104	35	+69	—	—
Total Non-Operating Income	238	213	215	118	159	115	+44	—	—
Non-Operating Expenses									
Interest expense	370	943	1,277	1,303	925	1,034	-109	—	—
Stock issuance cost	89	—	—	—	—	—	—	—	—
Mark-to-market loss on long-term interest rate hedges	—	—	—	38	233	—	+233	—	—
Debt financing-related fees	—	—	86	585	158	580	-422	—	—
Other	93	202	379	216	95	167	-72	—	—
Total Non-Operating Expenses	553	1,146	1,743	2,144	1,413	1,782	-369	—	—
Recurring Profit	3,597	7,255	13,889	19,755	14,461	15,375	-914	18,300	79.0%
Extraordinary Gains									
Gain on sale of fixed assets	7	—	—	—	—	—	—	—	—
Gain on sale of securities investments	204	—	223	2,466	—	2,427	-2,427	—	—
Gain on sale of shares in affiliates	—	—	—	—	1,221	—	+1,221	—	—
Receipt of share trading proceeds	434	—	—	—	—	—	—	—	—
Other	33	57	—	—	41	—	+41	—	—
Total Extraordinary Gains	680	57	223	2,466	1,263	2,427	-1,164	—	—
Extraordinary Losses									
Loss on sale/disposal of fixed assets	1	—	—	—	11	—	+11	—	—
Valuation loss on securities investments	—	—	49	—	—	—	—	—	—
Office move expenses	21	1	9	31	—	—	—	—	—
Impairment loss	307	—	—	1,090	327	—	+327	—	—
Earthquake-related damages	—	—	—	244	—	269	-269	—	—
Other	13	91	31	224	—	—	—	—	—
Total Extraordinary Losses	344	93	89	1,590	338	269	+69	—	—
Pre-Tax Net Income	3,933	7,220	14,022	20,630	15,385	17,533	-2,148	—	—
Income Taxes	-573	343	960	5,436	4,381	4,398	-17	—	—
Pre-Minority Interest Net Income	4,506	6,876	13,062	15,194	11,003	13,135	-2,132	—	—
Net Income Attributable to Minority Interests	-19	115	136	299	57	297	-240	—	—
Net Income	4,526	6,761	12,925	14,894	10,945	12,837	-1,892	13,500	81.1%

Consolidated Cash Flows from Operations

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q3 (9M)
Cash Flows from Operations					
Pre-tax net income	3,933	7,220	14,022	20,630	15,385
Depreciation	304	565	792	778	668
Share-based compensation expenses	69	112	174	223	168
Amortization of goodwill	139	139	139	141	76
Amortization of negative goodwill	-90	-90	-90	-	-
Increase (decrease) in accrued bonuses	-11	1	-3	23	290
Increase (decrease) in allowance for doubtful accounts	33	65	3	-3	-353
Interest and dividend income	-116	-83	-81	-85	-55
Interest expense	370	943	1,277	1,303	925
Loss (gain) on sale of securities investments	-204	-	-223	-2,466	-
Loss (gain) on sale/disposal of fixed assets	-6	-	-	-	-
Impairment loss	307	-	-	1,090	327
Valuation loss on securities investments	-	-	49	-	-
Loss (gain) on sale of shares in affiliates	-	-	-	-	-1,221
Decrease (increase) in trading notes and receivables	97	-68	-172	-367	-768
Decrease (increase) in operational loans receivable	218	-1,230	1,006	-	-
Decrease (increase) in operational securities investments	1,635	1,110	1,239	2,727	1,598
Valuation loss on operational securities investments	114	-	19	-	-
Decrease (increase) in real estate for sale	-6,729	-42,991	-63,070	-6,303	-6,834
Decrease (increase) in solar power plants for sale	-	-	-	7,251	996
Valuation loss on SPC capital contributions	12	91	11	16	-
Decrease (increase) in advances paid	-	-	-990	-190	831
Decrease (increase) in accounts receivable	-255	-1,079	-1,140	-193	18
Increase (decrease) in accounts payable	-139	388	535	204	-385
Increase (decrease) in accrued expenses	137	16	42	92	-226
Increase (decrease) in advances received	38	211	317	-49	-
Increase (decrease) in security deposits received	1,230	1,391	2,380	-667	-167
Other	522	-407	435	1,304	1,052
Sub-total	1,611	-33,693	-43,324	25,460	12,327
Interest and dividend income received	116	83	81	85	55
Interest expense paid	-378	-843	-1,226	-1,146	-800
Income taxes paid and refunded	-94	161	-186	-2,852	-3,567
Net Cash from (Used for) Operations	1,254	-34,292	-44,654	21,547	8,015

Consolidated Cash Flows from Investments & Financing

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q3 (9M)
Cash Flows from Investments					
Payments into time deposits	–	-325	–	-6,100	-3
Redemptions of time deposits	–	325	–	201	–
Payments for securities investments	–	-210	-671	-300	-139
Proceeds from sale of securities investments	282	–	296	6,136	–
Proceeds from redemptions of investments	2	–	3	–	–
Acquisition of property, plant, and equipment	-7,150	-10,769	-6,628	-11,719	-2,503
Proceeds from sale of property, plant, and equipment	72	–	–	–	–
Acquisition of intangible assets	-389	-23	-21	-1	-75
Payments of SPC capital contributions	-5	-10	-9	-63	-28
Redemption of SPC capital contributions	7	–	6	–	–
Payments of security deposits	-5	-127	-37	-5	-36
Acquisition of subsidiary shares resulting in change of consolidation scope	-1,389	–	–	-93	-2,635
Sale of subsidiary shares resulting in change of consolidation scope	–	–	–	–	2,096
Payments for acquisitions of newly consolidated subsidiaries	–	-1,349	–	–	–
Other	-35	4	9	11	-16
Net Cash from (Used for) Investments	-8,610	-12,485	-7,052	-11,933	-3,342
Cash Flows from Financing					
Net increase (decrease) in short-term loans	465	466	771	-1,383	1,494
Net increase (decrease) in short-term non-recourse loans	–	48	31	532	-611
Proceeds from bond issuance	–	–	–	785	–
Repayment of maturing bond principal to bondholders	–	–	–	-56	-56
Repayment of maturing non-recourse bond principal to bondholders	–	–	–	–	-100
Proceeds from long-term loans	26,777	47,203	64,866	55,674	31,418
Repayment of long-term loans	-5,388	-19,557	-19,192	-61,221	-11,499
Proceeds from long-term non-recourse loans	5,675	19,900	18,150	30,850	2,200
Repayment of long-term non-recourse loans	-19,030	-5,958	-2,772	-15,400	16,744
Proceeds from issuance of common shares	16,387	–	–	–	–
Proceeds from employee exercise of stock options	242	99	153	137	54
Payments received from minority interests	–	–	2,000	–	–
Payments to minority interests	–	–	–	-2,000	–
Share buyback	–	–	–	–	-2,999
Dividends paid	-445	-543	-646	-1,501	-2,508
Dividends paid to minority interests	–	–	-43	-39	–
Net Cash from (Used for) Financing	24,682	41,658	63,318	6,377	647

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)

(JPY million)

	FY16/2 (Actual)	FY17/2 (Actual)	FY18/2 (Forecast)	FY19/2 (Plan)	vs. FY16/2
Operating Profit	15,417	21,781	20,600	25,000	+62.2%
Recurring Profit	13,889	19,755	18,300	21,400	+54.1%
Tax Rate	6.9%	26.4%	30.0%	30.0%	—
Net Income	12,925	14,894	13,500	14,800	+14.5%
EPS	JPY 25.86	JPY 29.66	JPY 26.98	JPY 29.00	+12.1%
DPS	JPY 3.00	JPY 5.00	JPY 6.00	JPY 7.00	+133.0%
ROE	21.0%	20.2%	15.9%	15.6%	—

Target: Top 200 Ranking within the JPX-Nikkei 400 Index

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

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



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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.