



 **JPX-NIKKEI 400**



FY18/2 Corporate Presentation

April 18, 2018

Ichigo (2337)

Ichigo Preserves and Improves Real Estate



World-Class Excellence

Ichigo' s
Hiromi Miyake

ICHIGO



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ICHIGO

Contents

FY18/2 Earnings

- FY18/2 Summary
- Operating Profit -4%, Net Income -6% (YOY)
ROE 16.5%
- Segment Earnings Details
- Two Share Buybacks (JPY 324, JPY 394)
- Dividend +20%, 6th Consecutive Year of
Dividend Growth

Powerful Value-Add Business Model Underpins Growth

- Capital-Efficient Asset Turnover
- Business Model (1) Stock + Flow Earnings
- Business Model (2) Embedded Forward
Earnings
- Business Model (3) Value-Add Durable
Value Growth
- Financing Details

FY19/2 Full-Year Forecast

- FY19/2 Full-Year Forecast
- FY19/2 Full-Year Forecast Details

Building a Foundation for Sustainable Growth

- Power Up 2019 Key Initiatives
- Core Business Growth
 - ✓ Stock Earnings Growth
 - ✓ Value-Add Supporting Best Asset Use
 - ✓ Asset Management Growth
 - ✓ Stable, Long-Term Clean Energy
Earnings
- New Business Entry
 - ✓ Real Estate Owner Services
 - ✓ Self-Storage
 - ✓ Hotel AI System
 - ✓ Boutique Hotels

Appendices

- Financial & Real Estate Data
- Power Up 2019 Mid-Term Business Plan

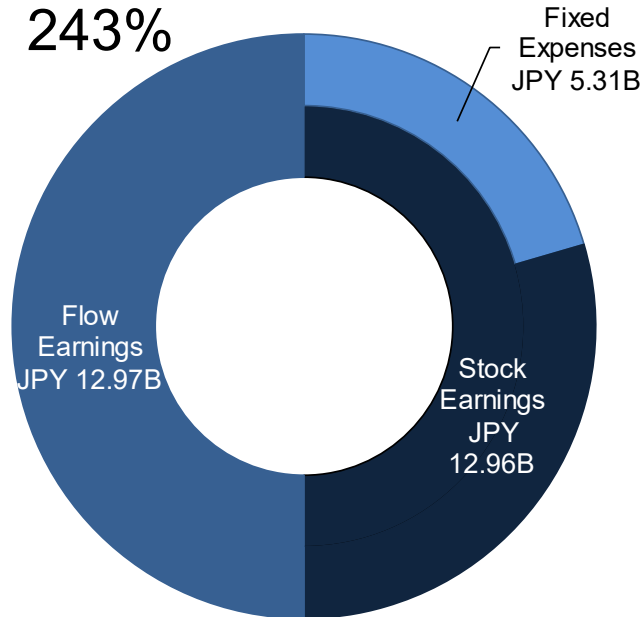
FY18/2 Earnings

FY18/2 Summary

Robust Earnings Model

Stock Earnings/Fixed Expenses

243%



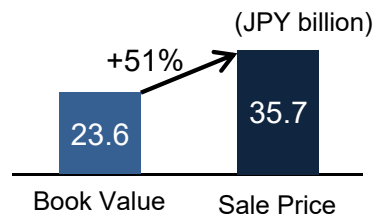
Share Buybacks & Dividend

- Two Share Buybacks (JPY 1.5B x 2)
Avg. Share Price: JPY 324 & JPY 394
(2018/4/17 Share Price: JPY 459)
- Dividend +20%, 6th Consecutive Year of Dividend Growth
FY19/2 Dividend Forecast +17%

Core Business Growth

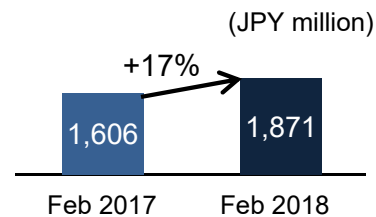
Value-Add

High Value-Add & GPM



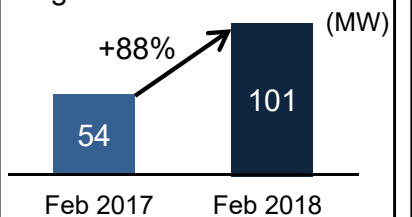
Asset Management

Growth in Ongoing AM Fees



Clean Energy

Launch of Tokyo Region's Largest Solar Power Plant



New Business Entry

Real Estate Owner Services Ichigo Owners

- Catering to needs of clients seeking to invest in real estate
- Quality assets for long-term ownership with Ichigo's expertise



Boutique Hotel THE KNOT YOKOHAMA

- Renovation of historical hotel
- ADR target: +50%
- A Japan first: Guests can buy furniture & items featured in hotel



Self-Storage

- Entering high-growth market with industry's leading security & air conditioning systems



IT x Real Estate (REtech)

- AI system development alliance with Fujitsu Kyushu Systems
- Development and deployment of AI system to increase guest satisfaction and earnings

Operating Profit -4%, Net Income -6% (YOY), ROE 16.5%

- Beat OP, RP, Net Income, EPS, & ROE forecasts
- 44.8% GPM & 36.1% OPM Underscore Ongoing High Profitability

(JPY million)

	FY17/2	FY18/2	YOY	Full-Year Forecast	vs. Full-Year Forecast
Revenue	109,253	57,846	-47.1%	75,500	76.6%
Gross Profit	26,806	25,925	-3.3%	25,994	99.7%
Operating Profit	21,781	20,858	-4.2%	20,600	101.3%
Recurring Profit	19,755	19,185	-2.9%	18,300	104.8%
Net Income	14,894	14,018	-5.9%	13,500	103.8%
EPS	JPY 29.66	JPY 28.12	-5.2%	JPY 26.98	104.2%
DPS	JPY 5	JPY 6	+20%	JPY 6	-
ROE	20.2%	16.5%	-	15.9%	-

Segment Earnings Details

- Asset Management: Ongoing AM Fees +17% YOY
- Value-Add: Rental Income +5%, Gains on Sales +14% YOY
- Clean Energy: +21% vs. Forecast on Ichigo Showamura Plant Launch Ahead of Schedule

(JPY million)

Segment	Revenue					Gross Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY17/2	FY18/2	YOY	Full-Year Forecast	vs. Full-Year Forecast	FY17/2	FY18/2	YOY	Full-Year Forecast	vs. Full-Year Forecast	
Asset Management	4,747	2,433	-48.7%	2,485	98%	2,910	2,427	-16.6%	2,457	98.8%	AM Fees 1,913 (+307) Acquisition/Disposition Fees 106 (-406) Performance Fees 364 (+203) PM/BM Fees 0 (-505) (Decrease in PM/BM Fees due to sale of Takara Building Maintenance subsidiary)
Value-Add	92,138	51,864	-43.7%	69,719	74.4%	20,229	22,159	+9.5%	22,336	99.2%	Rental Income 10,111 (+441) Gains on Value-Add Sales 12,047 (+1,488)
Clean Energy	12,352	3,426	-72.3%	3,216	106.5%	3,772	1,353	-64.1%	1,122	120.7%	Gains on Sales of Power Plants 467 (-2,341) FIT Solar Power Sales 886 (-77)
Other	14	122	+721.1%	78	156.4%	-105	-15	-	78	-	Overseas Private Fund Disposition Expenses -15 (+90)
Total	109,253	57,846	-47.1%	75,500	76.6%	26,806	25,925	-3.3%	25,994	99.7%	

Two Share Buybacks (JPY 324, JPY 394)

Purpose: Grow Value for Ichigo's Shareholders

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

April 2017 Share Buyback

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

October 2017 Share Buyback

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

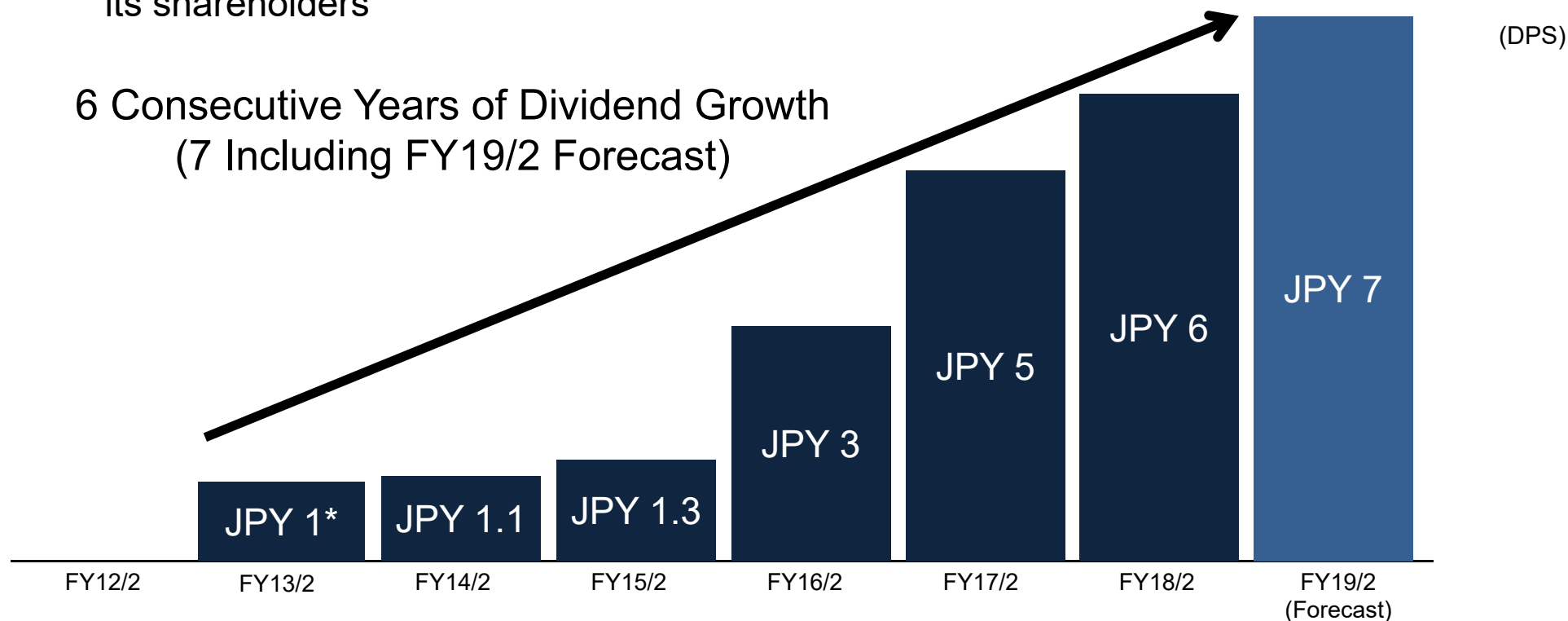
2018/4/17 Share Price: JPY 459

Dividend +20%, 6th Consecutive Year of 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

6 Consecutive Years of Dividend Growth (7 Including FY19/2 Forecast)

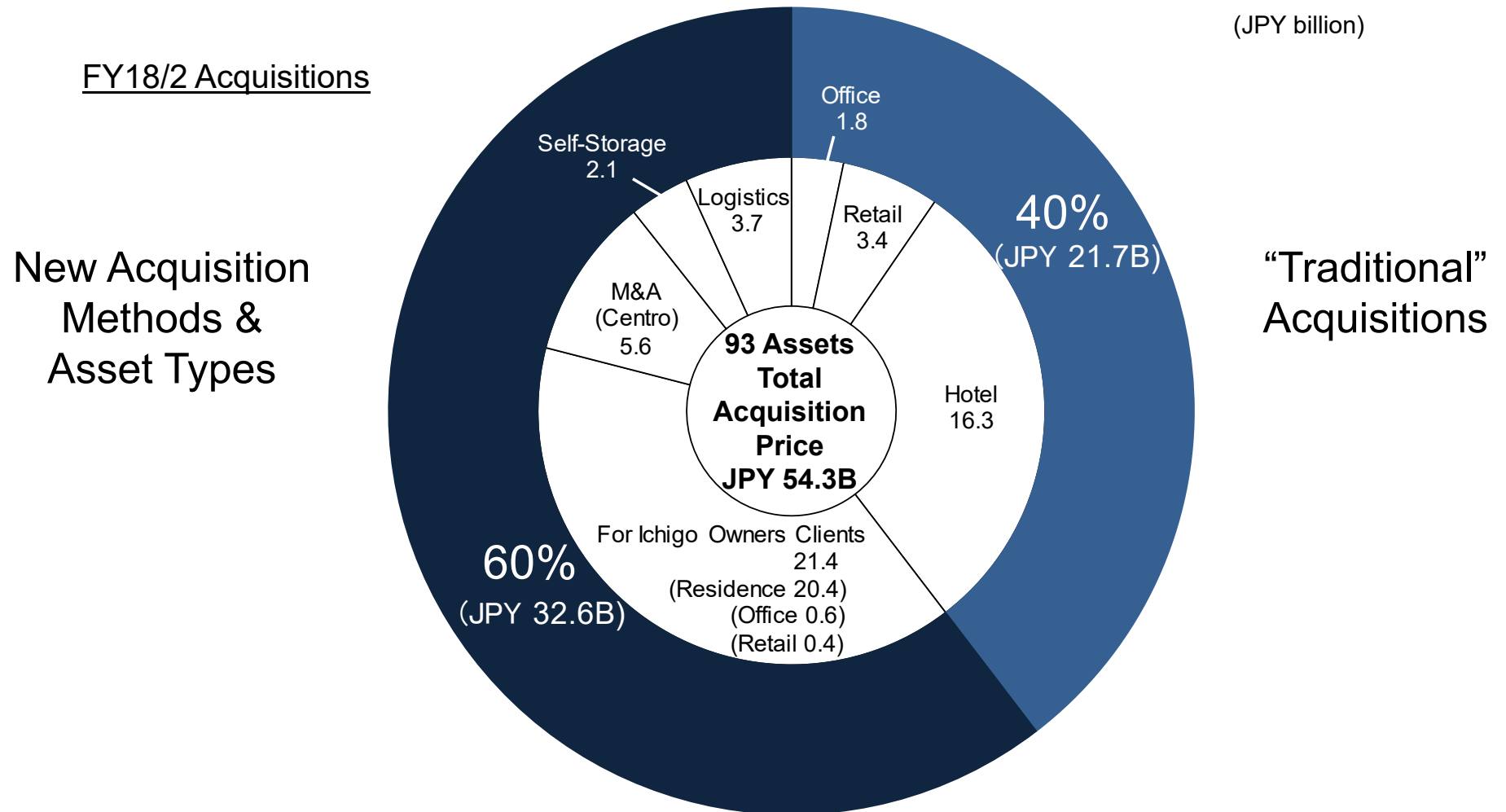


* Adjusted to reflect 200:1 stock split

Powerful Value-Add Business Model Underpins Growth

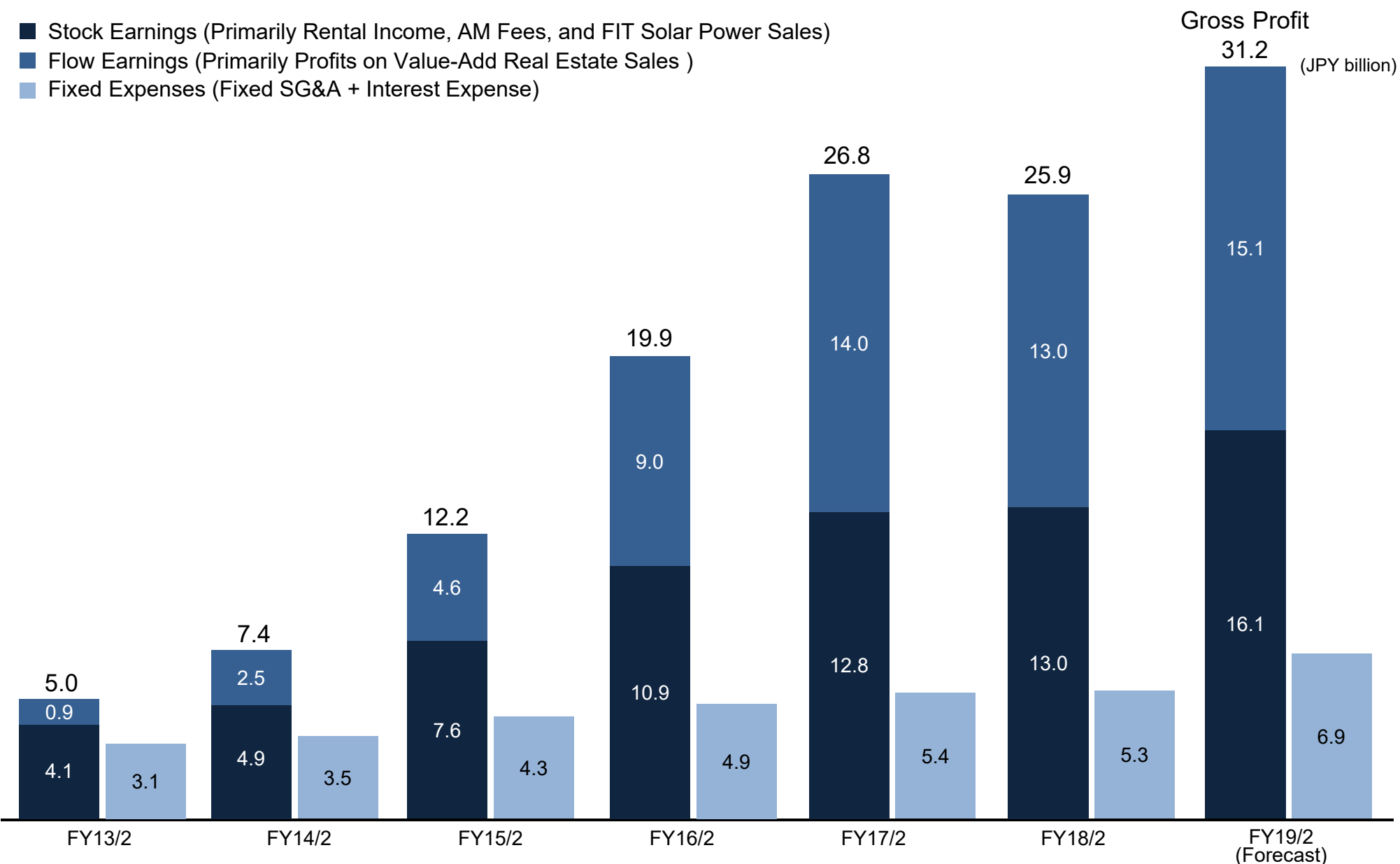
Capital-Efficient Asset Turnover

- 93 New Acquisitions (Book Value 54.3B) via Innovating in Acquisition Methods & Asset Types
- Sold 18 Assets (Book Value JPY 23.6B), GPM 34%



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)

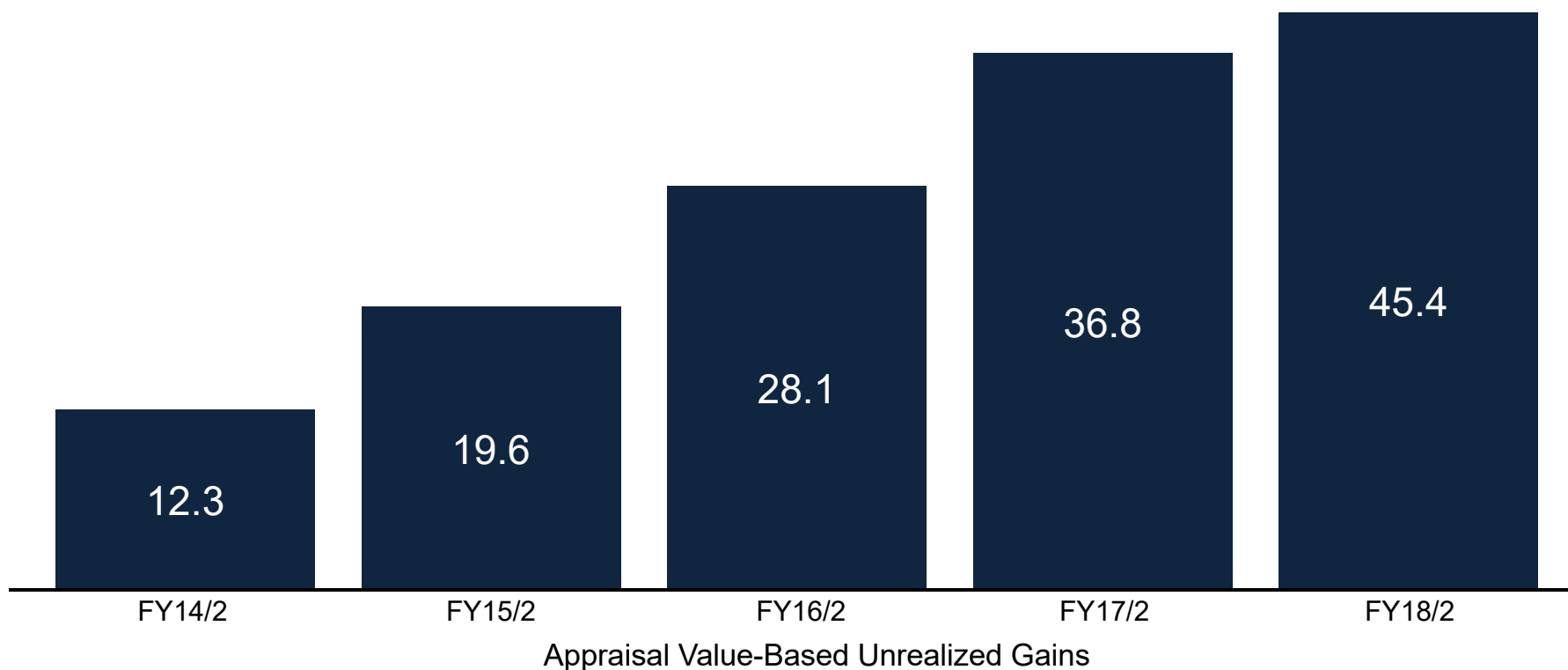


Note: From FY19/2, SPC-related non-recourse loan costs have been accounted for as Fixed Non-Operating Expenses, rather than COGS as previously. The change increases each of FY19/2 Stock Earnings and FY19/2 Fixed Expenses by c. JPY 700 million.

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

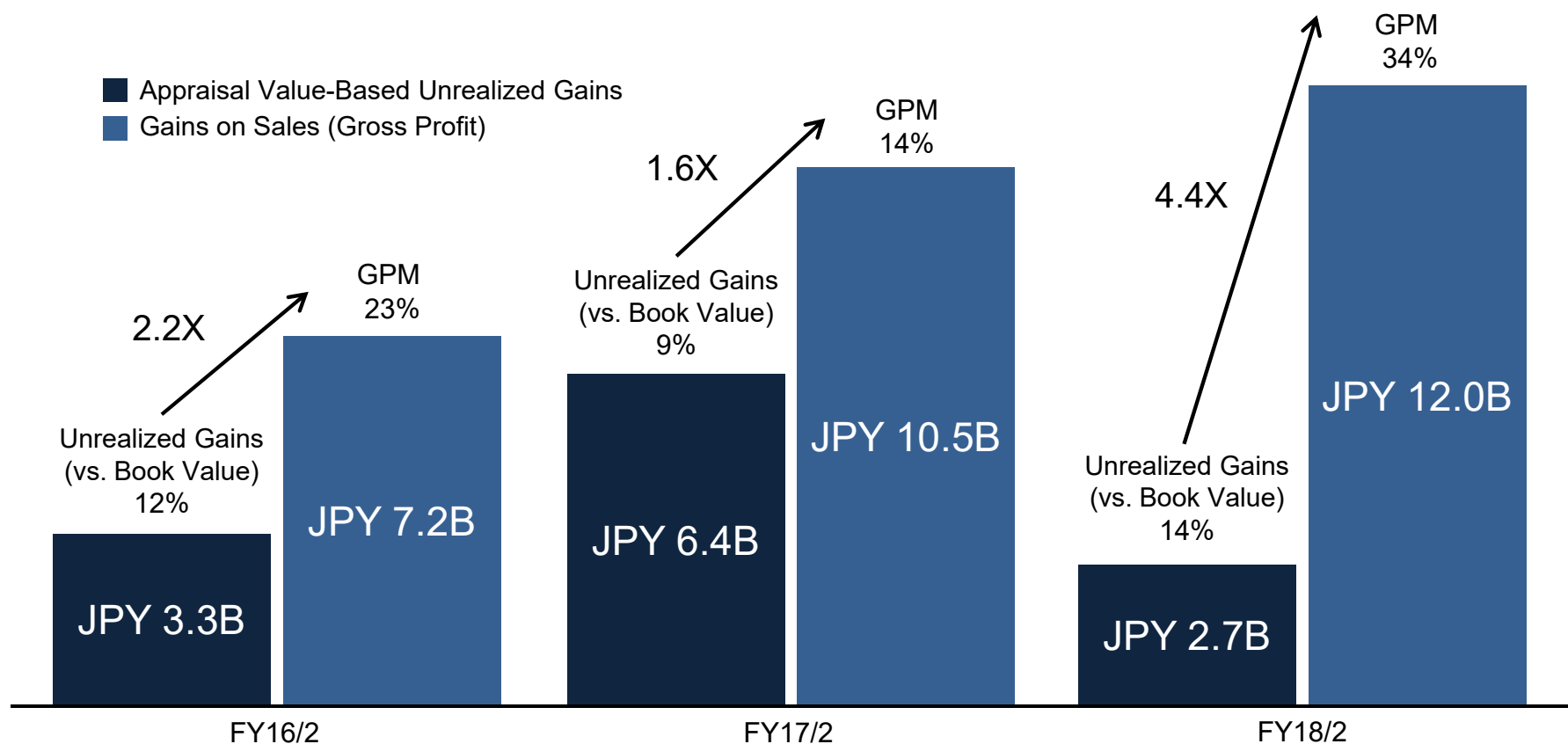
(JPY billion)



Business Model (3) Value-Add Durable Value Growth

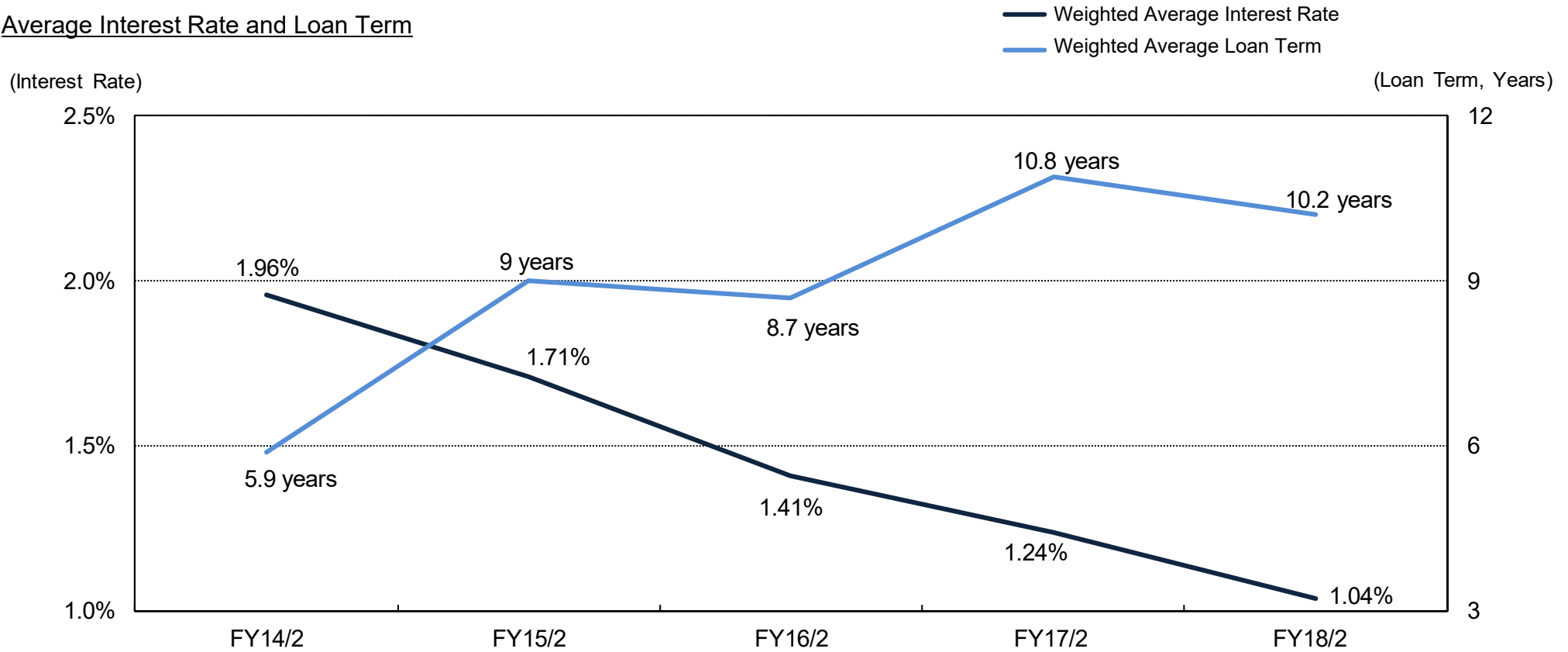
Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains

- 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

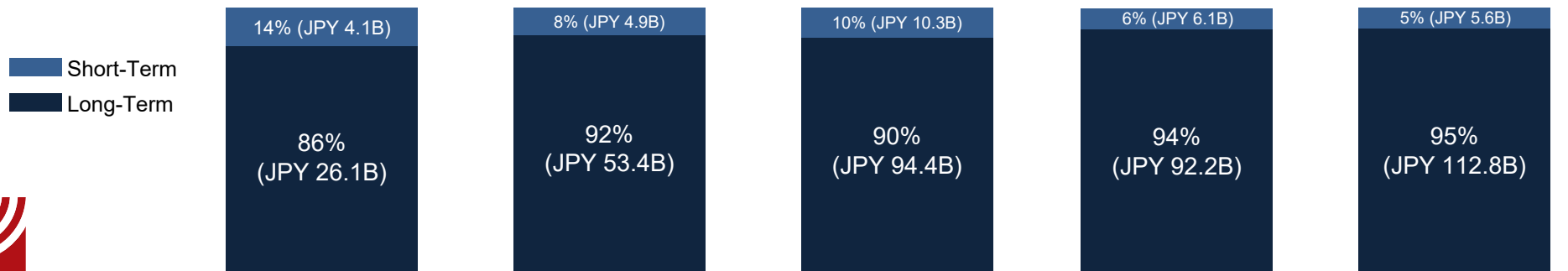


Financing Details

Average Interest Rate and Loan Term



Term Structure of Loans



FY19/2 Full-Year Forecast

FY19/2 Full-Year Forecast

- OP +20%, RP +15%, Net Income & EPS +7% YOY
- RP, Net Income, & EPS Forecast to Exceed MTP Targets
- Dividend +17%, 7th Consecutive Dividend Increase

(JPY million)

	FY19/2 (Forecast)	FY18/2 (Actual)	vs. FY18/2
Gross Profit	31,200	25,925	+20.3%
Operating Profit	25,000	20,858	+19.9%
Recurring Profit	22,000	19,185	+14.7%
Net Income	15,000	14,018	+7%
EPS	JPY 30.10	JPY 28.12	+7%
DPS	JPY 7	JPY 6	+16.7%
ROE	15.7%	16.5%	-

FY19/2 Full-Year Forecast Details

(JPY million)

	Segment Profit (Gross Profit)			Segment Profit (Operating Profit)		
	FY19/2 (Forecast)	FY18/2 (Actual)	vs. FY18/2	FY19/2 (Forecast)	FY18/2 (Actual)	vs. FY18/2
Asset Management	2,216	2,427	-8.7%	1,752	2,043	-14.2%
Value-Add	26,920	22,159	+21.5%	21,719	17,993	+20.7%
Clean Energy	2,064	1,353	+52.5%	1,529	847	+80.5%
Other	-	-15	-	-	-50	-
Total	31,200	25,925	+20.3%	25,000	20,833	+20%
Adjustment (including offsets of cross-segment transactions)	-	-	-	-	25	-
Total	31,200	25,925	+20.3%	25,000	20,858	+19.9%

Note: Forecast includes no Ichigo Office, Ichigo Hotel, or Ichigo Green public offerings

Building a Foundation for Sustainable Growth

Power Up 2019 Key Initiatives

Profitability	Core Business Growth	<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 (8975) and Ichigo Hotel (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 acquisitions and rental income 	<ul style="list-style-type: none"> Listing of Ichigo Green (9282) on Dec 1, 2016 Asset sales to Ichigo Office (8975) and Ichigo Hotel (3463) Expanded the architecture and structural engineering team Spun out a dedicated leasing team to drive tenant acquisitions and value-add
	New Business Creation	<ul style="list-style-type: none"> Extend Ichigo's REIT-focused asset management business into the much larger physical real estate market Grow Ichigo's hotel business synergistically with Ichigo Hotel REIT Launch one or more <u>REtech</u> businesses, fusing Ichigo's <u>Real Estate</u> and <u>IT</u> capabilities 	<ul style="list-style-type: none"> Launched Ichigo Owners: JPY 21.4B acquisitions, JPY 2.3B sales in first year Launched Ichigo's first boutique hotel, THE KNOT YOKOHAMA, on Dec 1, 2017 Allying with Fujitsu Kyushu Systems to develop AI hotel revenue management system
Sustainability	Finance as a Strategic Measure	<ul style="list-style-type: none"> Grow both financial stability and earnings De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile 	<ul style="list-style-type: none"> Average Loan Maturity: 10.2 years Average Interest Rate: 1.04% Long-Term Loan Ratio: 95%
	High Capital Efficiency and Organic Growth	<ul style="list-style-type: none"> ROE >15% 	<ul style="list-style-type: none"> FY17/2 20.2% FY18/2 16.5%
	Best Place to Work	<ul style="list-style-type: none"> Support employee health and wellness Goal: Japan's number one company in providing opportunities for employees 	<ul style="list-style-type: none"> 100% return rate for employees who take child leave Annual stock option grants (fully expensed) to all employees to align their interests with Ichigo shareholders
	Global Best Practice Governance and Compliance		<ul style="list-style-type: none"> 6 of 9 Board Members are Independent Directors 3 former CEOs of TSE 1st Section companies serve as Independent Directors

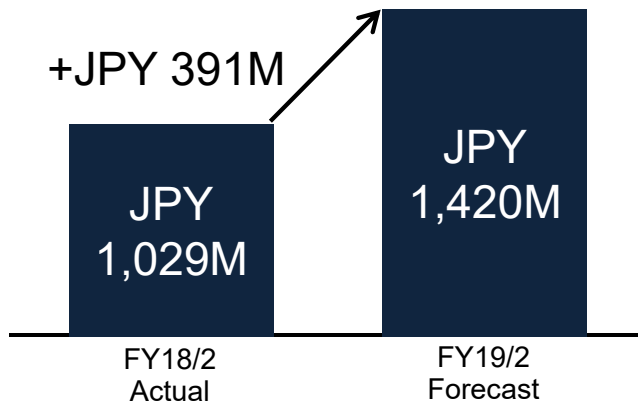
Stock Earnings Growth

Stock Earnings Growth via Value-Add NOI Growth & Launch of Tokyo Region's Largest Solar Power Plant

Tradepia Odaiba

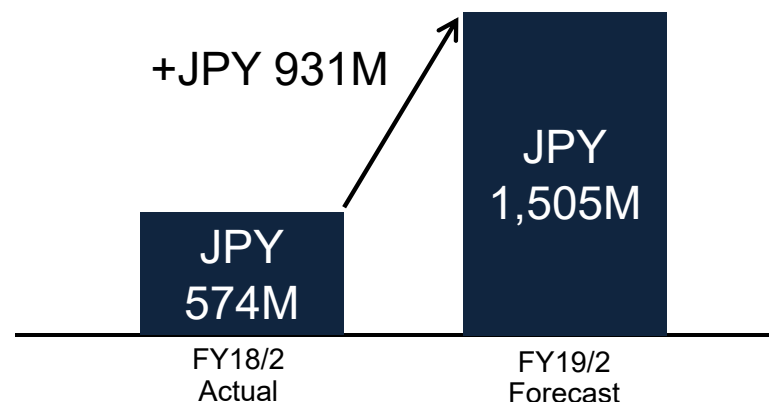
Value-Add Driven NOI Growth

(FY19/2 free rent incentives mean further embedded NOI growth post-FY19/2)



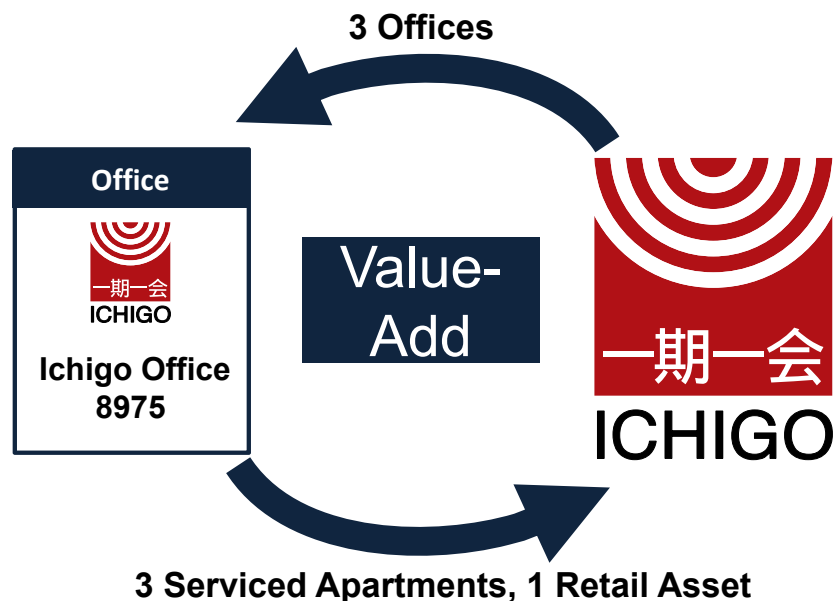
Ichigo Showamura Ogose ECO Power Plant

Ichigo Showamura NOI Growth on Transition to Full-Year Operation



Value-Add Supporting Best Asset Use

- Supporting Ichigo Office Transition to Pure Office REIT
- Prime Location Serviced Apartment to Hotel Conversion (3-minute walk from JR Hamamatsucho Station)
 - ✓ Ichigo's second hotel brand: MusBee
 - ✓ Termination of master lease & shift to Ichigo operation
 - ✓ Advanced features such as smart locks, "at-home" comfort like staying with a friend, targeted at families and groups of guests of three or more



Asset Management Growth

Office



Ichigo Office (8975)

83 Assets, JPY 193.1B

FY18/2 Achievements

- Strategic portfolio restructuring:
Acquired 3 prime office assets & sold 4 less attractive assets
- Launched Ichigo Lounge, a shared-use tenant space
- First bond issuance
- Received highest GRESB Ranking
- 15 consecutive periods of dividend growth – No. 1 vs. All-J-REITs



Sponsor Support

- Sold Ichigo Office 3 offices and bought 4 non-office assets

Hotel



Ichigo Hotel (3463)

21 Hotels, JPY 50.9B

FY18/2 Achievements

- Acquired 2 assets with cash-on-hand and loans
- 2nd J-REIT to execute share buyback
- Driving EPS growth via value-add capex



- Strengthened hotel pipeline
- Developing hotel AI system to increase guest satisfaction and earnings

Green Infrastructure



Ichigo Green (9282)

15 Solar Plants, JPY 11.4B

FY18/2 Achievements

- Acquired 2 solar power plants from Ichigo with cash-on-hand and loans
- Dividend exceeded forecast by 24.2%
- Two-for-one stock split to support liquidity and expand investor base on Jan 1, 2018. Post-split performance: +9.9% (Jan 31, 2018 share price)



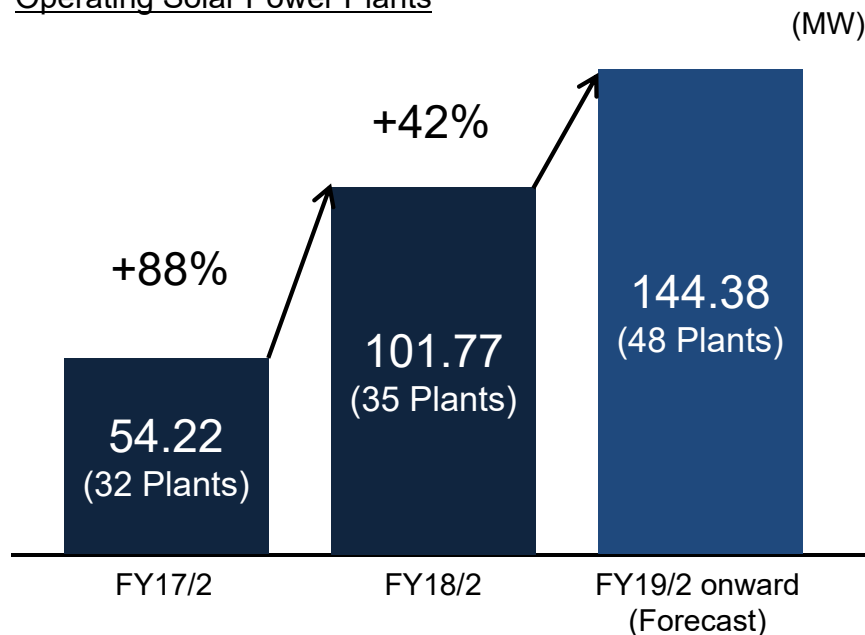
- Sold 2 solar power plants
- Optimized power plant operations



Stable, Long-Term Clean Energy Earnings

- Solar: 35 Plants (101MW) in operation
 - ✓ 48 Plants (144MW) in operation and development, with additional 50MW in pipeline
- Wind: All wind power plants in pipeline (33MW) on track for launch
 - ✓ First wind power plant start date: Dec 2019 (forecast)

Operating Solar Power Plants



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	Mie	7.5MW	In Progress	JPY 22	December 2020
5	Fukushima	7.0MW	In Progress	TBD	TBD

Ichigo Owners Accelerating Asset Acquisitions for Clients

FY18/2 Acquisitions 2X Plan

FY18/2 acquisitions: 45 Assets, JPY 21.4B

Asset sales to end-clients: 4 Assets, JPY 2.3B

FY19/2 Plan

- Both acquisitions and sales > JPY 20B
- Provide high-quality assets appropriate for long-term ownership and AM services
- Continue to build long-term, trusting relationships with Ichigo clients & business partners such as tax accountants with their own clients



Self-Storage Business Growth

Goal: Industry No.1, Backed by a Safe, Secure, & Clean Brand

- Dec 31, 2016: 14 facilities, c. 1,900 rooms →
Feb 28, 2018: 27 facilities, c. 3,600 rooms (including in-development)

Synergies with Ichigo Owners and Ichigo Land

- High levels of investor interest due to high earnings, supported by IoT, unmanned operations, & earnings stability
- Viable for use on existing assets held by clients

Synergies with Phil Company

- Convened discussions on land and buildings after tie-up
- First deal complete, leveraging Ichigo's real estate expertise & Phil Company's strength in planning & design
- On-plan to open self-storage at Phil Park elevated buildings



Storage Plus
Yokohama Kaminagaya
(Opened Nov 30, 2017)



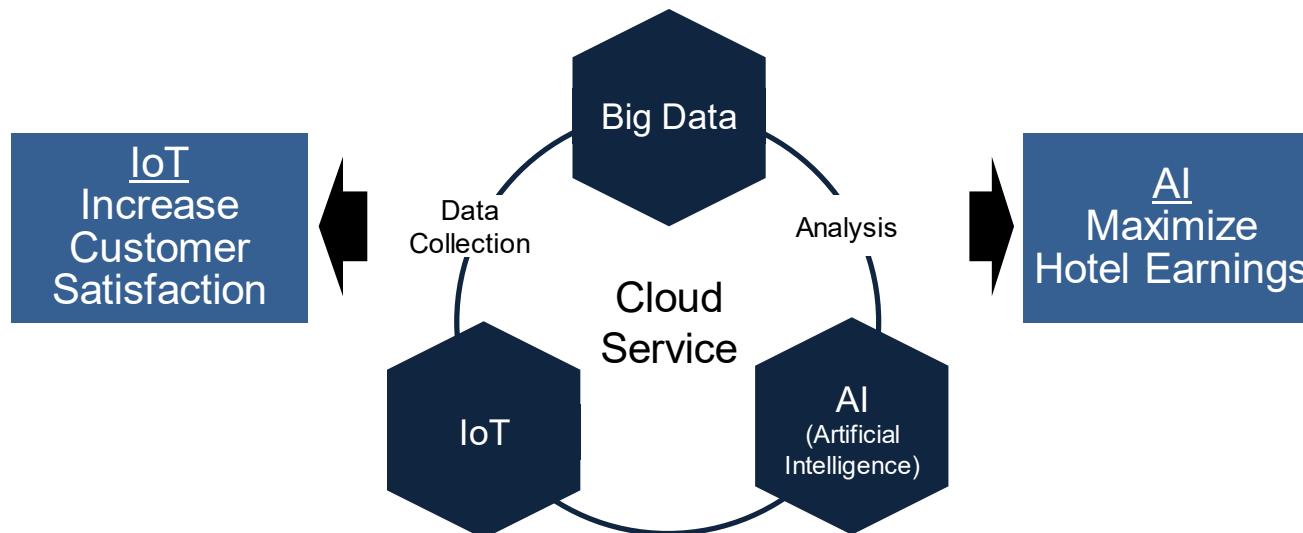
Phil Park Seijo Gakuenmae

AI Alliance with Fujitsu Kyushu Systems

Develop Hotel AI System to Increase Guest Satisfaction & Earnings

- Develop AI-based revenue management system using Ichigo's know how
- Conduct data analysis and optimize algorithms using Big Data gathered by Ichigo's revenue management system & Fujitsu Kyushu Systems' and Ichigo's AI capabilities
- Develop smart locks & automated check-in devices and deploy at Ichigo hotels

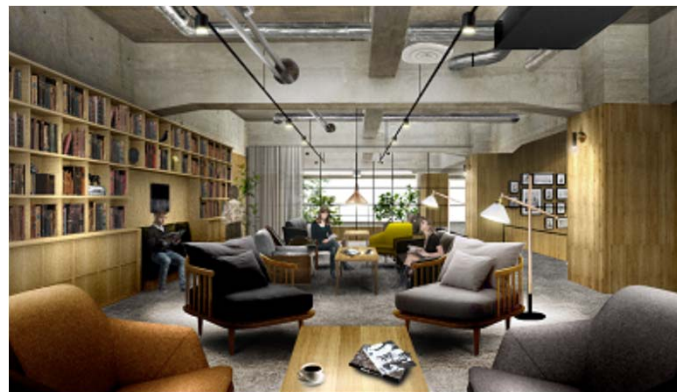
Leverage AI to Maximize Earnings of Ichigo-owned and Managed Hotels & Create a Non-Asset Earnings Stream



Second THE KNOT Hotel in Pipeline

Full Renovation via Ichigo Value-Add of the Historic Shinjuku New City Hotel to Create THE KNOT TOKYO (provisional)

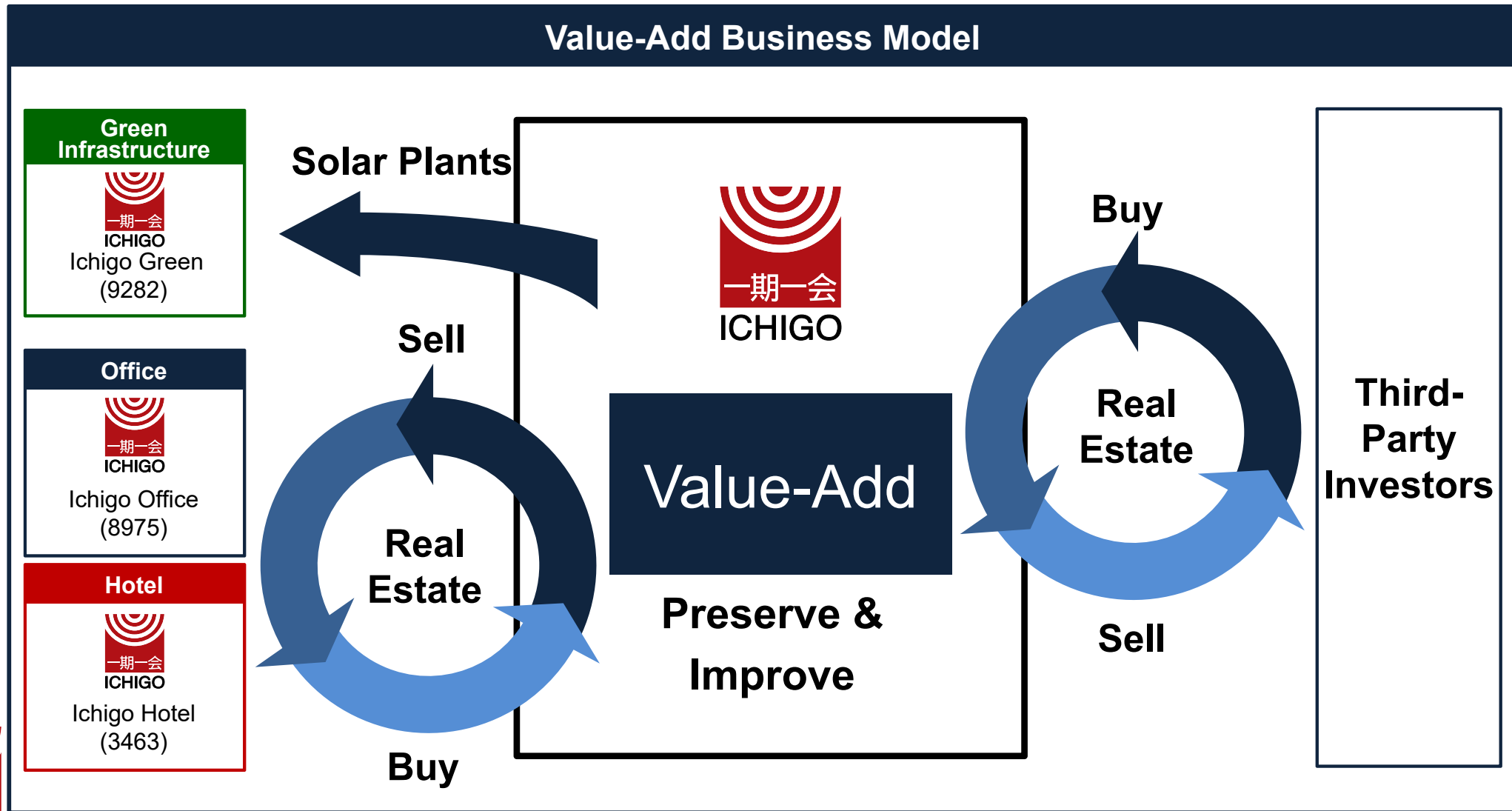
- Designed for close integration with Shinjuku Central Park facing hotel
- Features restaurant, bakery, lounges, conference rooms, along with Shinjuku Central Park events, bike rentals, etc.



Appendix: Financial & Real Estate Data

Powerful Value-Add Business Model

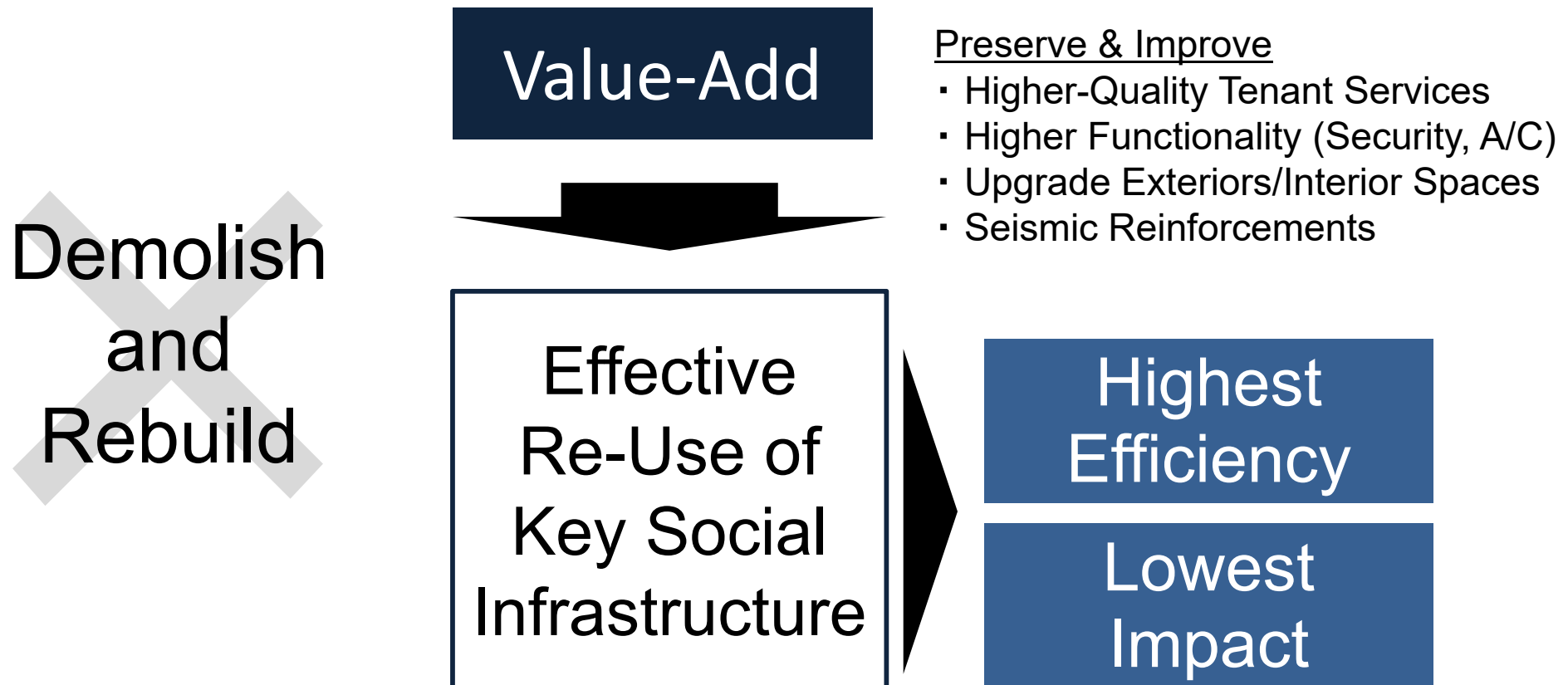
Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



Sustainable Real Estate Serving a Sustainable Society

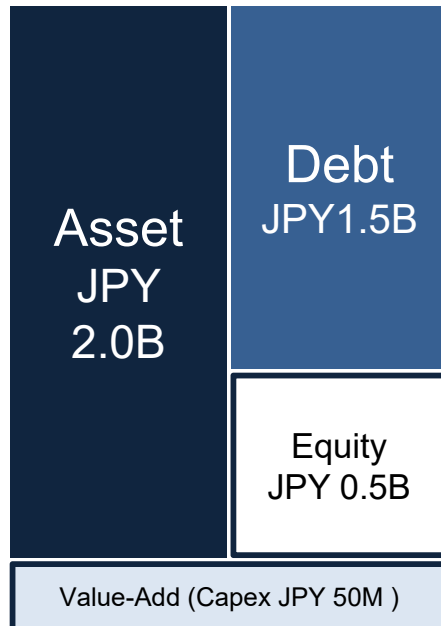
End Demolish and Rebuild and Embrace Value-Add

- 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

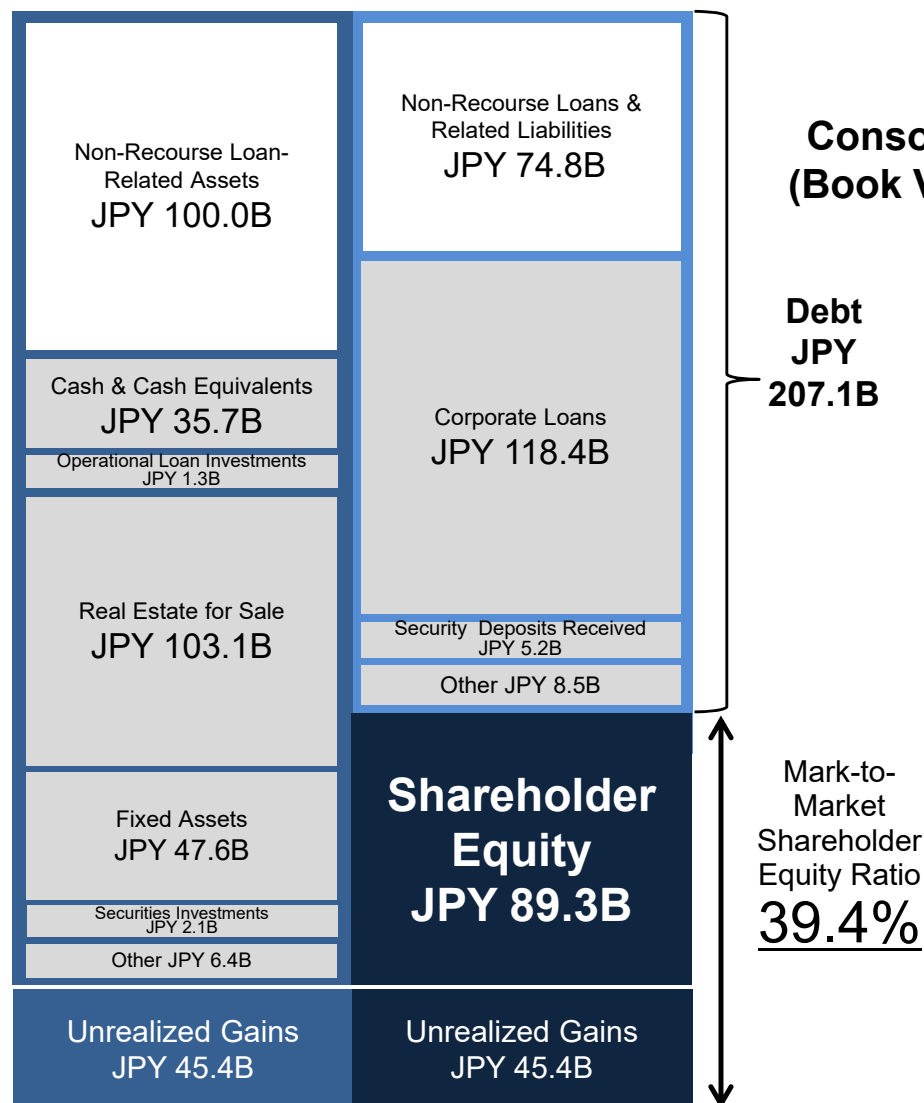
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: $\text{JPY } 2\text{B} * 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Result

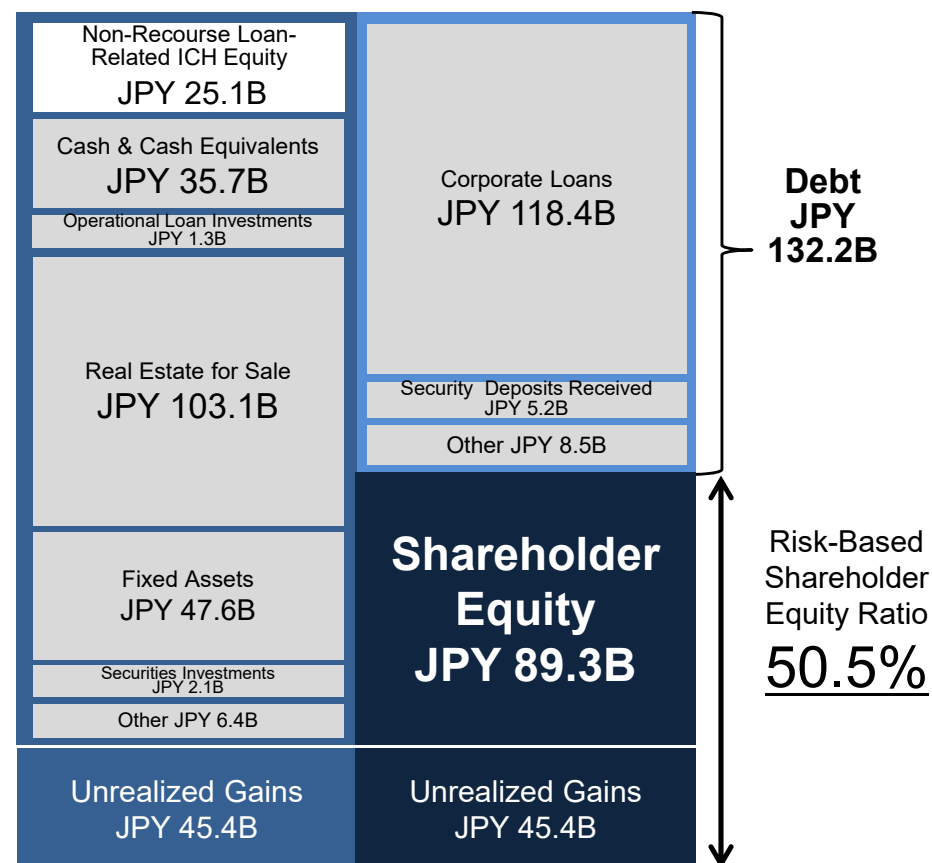
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 341.9B
(Book Value JPY 296.5B + Unrealized Gains JPY 45.4B)



Consolidated Risk-Based Balance Sheet: JPY 267.0B
(Book Value JPY 221.6B + Unrealized Gains JPY 45.4B)



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

Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 45.4B (Appraisal Value Basis), +24% YOY

Real estate directly held by Ichigo

(JPY million)

Location	Book Value as of Feb 28, 2018	Expected NOI	Cap Rate NOI/Book Value after Write-Down	Appraisal Value as of Feb 28, 2018	Unrealized Gains
Tokyo	109,919	6,423	6.1%	134,453	+24,534
Outside Tokyo	105,427	7,130	7%	126,026	+20,599
Total	215,347	13,553	6.6%	260,479	+45,132

* Cap rate is the simple average of the cap rates for each asset. Excludes development assets (c. JPY 244 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 Feb 28, 2018	Appraisal Value as of Feb 28, 2018	Unrealized Gains
Equity Investments (Non-consolidated)	–	–	–
Equity Investments (Consolidated)	1,116	1,423	+307
Total	1,116	1,423	+307

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		YOY	Market Value	Unrealized Gains	Unrealized Gains on Listed Securities ²
		B/S	Outside Investors' Interest				
Cash and Cash Equivalents	47,678	45,510	843	-2,168	45,510	-	-
Operational Loan Investments (Value-Add)	1,324	1,324	-	-	1,890	+565	-
Operational Securities Investments	1,433	2	-	-1,431	2	-	-
Value-Add	84	-	-	-84	-	-	-
Clean Energy	512	-	-	-512	-	-	-
Other	837	2	-	-835	2	-	-
Real Estate for Sale (Value-Add)	167,805	180,789	2,532	+12,984	214,769	+33,231	-
Power Plants for Sale (Clean Energy)	-	-	-	-	-	-	-
Fixed Assets	45,654	58,558	-	+12,904	70,111	+11,552	-
Asset Management	30	-	-	-30	-	-	-
Value-Add	25,920	37,047	-	+11,126	48,600	+11,552	-
Clean Energy	19,620	21,440	-	+1,819	21,440	-	-
Other ¹	82	70	-	-12	70	-	-
Intangible Assets	1,956	1,968	-	+12	1,968	-	-
Securities Investments	1,426	2,184	-	+758	2,184	-	+782
Other	6,178	6,174	4	-4	6,174	-	-
Total Assets	273,459	296,512	3,380	+23,053	342,700	+45,439	+782

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	–	–	–	–	–	–	912	–	752	1,664
Value-Add	17,695	1,324	–	180,789	–	37,047	595	–	2,482	239,935
Clean Energy	2,296	–	–	–	–	21,440	234	–	1,882	25,854
Other	1	–	2	–	–	–	–	2,184	-75	2,112
Company-Wide Assets	25,516	–	–	–	–	70	226	–	1,131	26,945
Total	45,510	1,324	2	180,789	–	58,558	1,968	2,184	6,174	296,512

Consolidated P&L: Gross Profit Segment Breakdown

(JPY million)

Segment	FY18/2 (12M)						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	2,433	97.9%	2,427	98.8%	2,043	123.4%	2,485	2,457	1,656
Asset Management Fees	2,068	89.3%	2,062	89.9%	—	—	2,315	2,293	—
Other	365	214.7%	365	222.6%	—	—	170	164	—
Value-Add	51,864	74.4%	22,159	99.2%	17,993	98.3%	69,719	22,336	18,304
Rental Income	16,134	98.5%	10,111	95.2%	—	—	16,379	10,625	—
Value-Add Asset Sales	35,731	67%	12,047	102.9%	—	—	53,340	11,711	—
Clean Energy	3,426	106.5%	1,353	120.6%	847	136.6%	3,216	1,122	620
Other	122	156.4%	-15	—	-50	—	78	78	-52
Total	57,846	76.6%	25,925	99.7%	20,833	101.5%	75,500	25,994	20,529
Adjustment (including offsets of inter-segment transactions)	—	—	—	—	25	—	—	—	70
Total	57,846	76.6%	25,925	99.7%	20,858	101.3%	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 (12M)
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%	0.7%
	AM Fee Gross Profit (Actual)	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 1,291M	JPY 1,373M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	–	–	–	JPY 20.4B	JPY 47.6B	JPY 50.9B
	AM Fee % (Average)	–	–	–	0.59% ¹	0.9%	0.9%
	AM Fee Gross Profit (Actual)	–	–	–	JPY 30M	JPY 287M	JPY 450M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	–	–	JPY 10.0B	JPY 11.4B
	AM Fee % (Average)	–	–	–	–	0.21% ^{1,2}	0.32%
	AM Fee Gross Profit (Actual)	–	–	–	–	JPY 5M	JPY 34M
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 12.3B
	AM Fee % (Average)	0.15%	0.26%	0.37%	0.32%	0.25%	0.19%
	AM Fee Gross Profit (Actual)	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 27M	JPY 12M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 258.6B	JPY 271.7B
	AM Fee % (Average)	0.33%	0.47%	0.59%	0.61%	0.68%	0.71%
	AM Fee Gross Profit (Actual)	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,611M	JPY 1,872M

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.

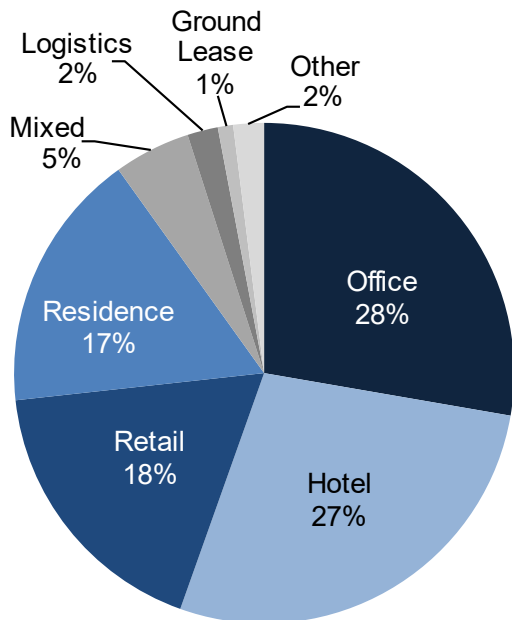
Asset Management – Ichigo REITs and YieldCo

REIT/YieldCo	Listing Date	Characteristics	Forecast Dividend Yield (Based on Closing Share Price on March 30, 2018)	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 	4.8%	<p>83 assets JPY 193.1B</p> 
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 	5.1%	<p>21 hotels JPY 50.9B</p> 
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 	5.3%	<p>15 power plants JPY 11.4B (29.43MW)</p> 

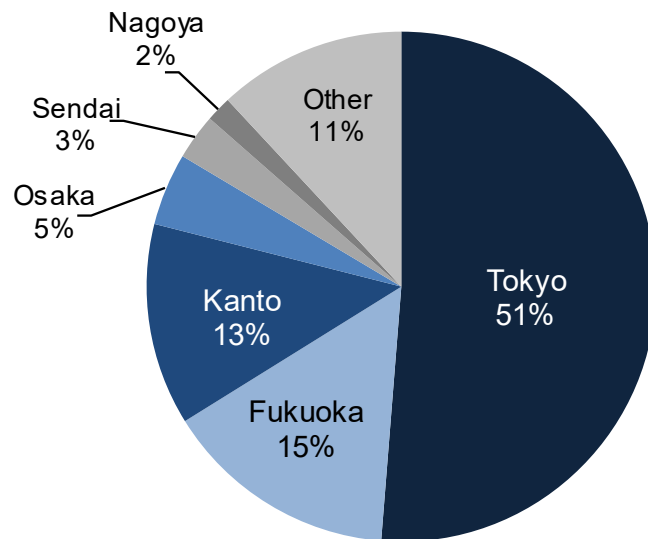
* Forecast dividend yield is based on the most recent dividend forecast. Ichigo Green includes Dividend in Excess of Earnings (DEE) generated from operating cashflow.

Ichigo-Owned Real Estate Portfolio

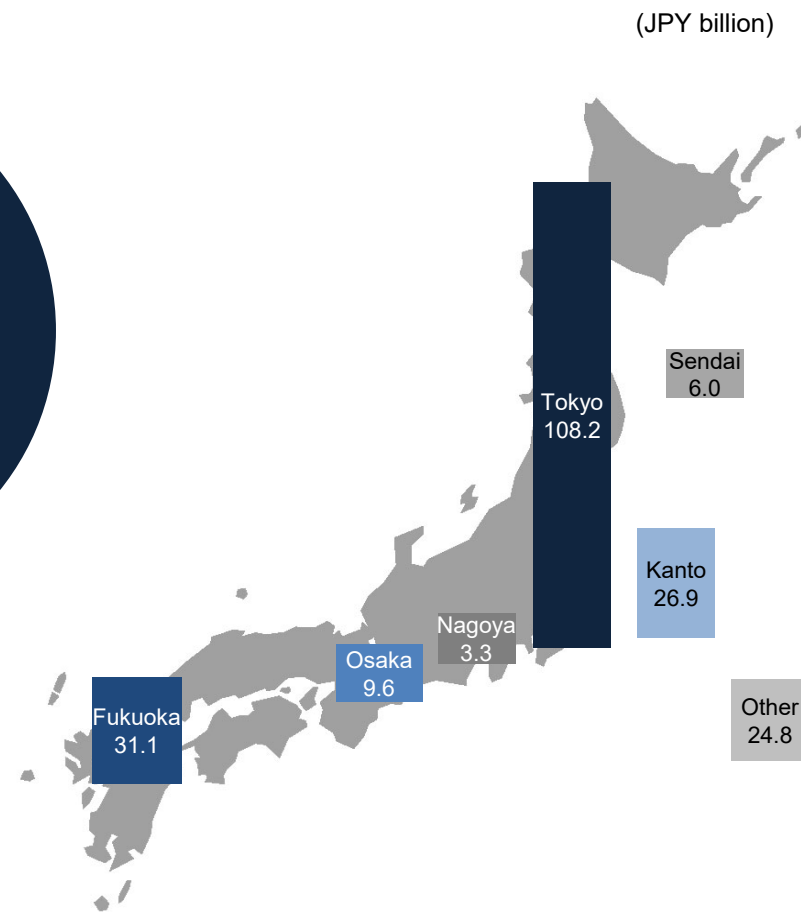
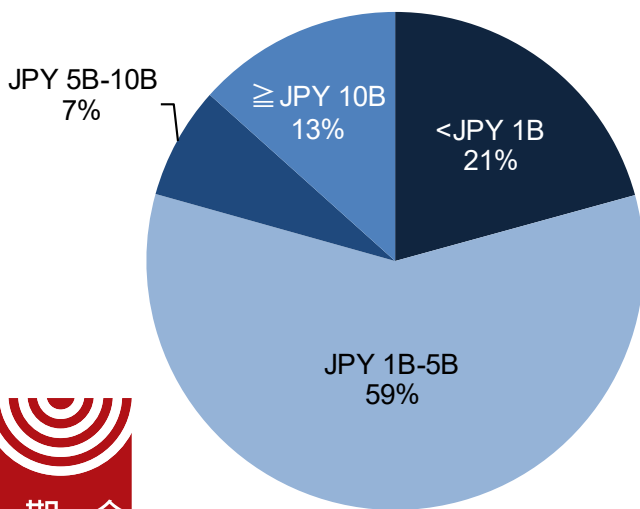
By Asset Type



By Location



By Asset Size



Total Ichigo-Owned Assets: JPY 210.2B
Including Ichigo-Managed AUM: JPY 486.6B

* Acquisition price basis.
 Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
 Total Ichigo-Owned Assets Book Value: JPY 214.0B



Value-Add Asset Breakdown (1)

165 Assets, JPY 210.2B, Forecast NOI JPY 13.3B (6.2% 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 148M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	32 years	≥JPY 3B	2006/03	JPY 192M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	13 years	JPY 1B-2B	2006/09	JPY 75M	JPY 1,157M	–	–
5	Office	Real Estate for Sale	Sendai	9 years	≥JPY 3B	2006/10	JPY 287M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	9 years	≥JPY 3B	2006/12	JPY 406M	JPY 1,339M	–	–
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	13 years	<JPY 1B	2007/04	JPY 57M	JPY 403M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	38 years	<JPY 1B	2007/06	JPY 84M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	36 years	<JPY 1B	2007/06	JPY 126M	JPY 233M	–	–
14	Ground Lease	Real Estate for Sale	Atsugi, Kanagawa	–	JPY 1B-2B	2011/06	JPY 175M	JPY 147M	–	–
15	Mixed (Office/Retail)	Fixed Asset	Hiratsuka, Kanagawa	22 years	<JPY 1B	2012/02	JPY 84M	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 236M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	31 years	<JPY 1B	2013/05	JPY 47M	JPY 154M	–	–
19	Mixed (Office/Retail)	Fixed Asset	Chofu, Tokyo	32 years	JPY 1B-2B	2013/06	JPY 125M	JPY 310M	–	–

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
21	Residence	Fixed Asset	Minato-ku, Tokyo	2 years	<JPY 1B	2013/06	JPY 49M	JPY 203M	–	–
24	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	27 years	JPY 1B-2B	2013/08	JPY 89M	JPY 520M	–	–
26	Retail	Real Estate for Sale	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	34 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 60M	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 137M	JPY 515M	2.27X	23.4%
35	Mixed (Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	9 years	JPY 2B-3B	2014/05	JPY 164M	JPY 434M	3.08X	15.2%
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	46 years	<JPY 1B	2014/07	JPY 41M	JPY 77M	10.47X	23.9%
38	Mixed (Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	42 years	≥JPY 3B	2014/07	JPY 168M	JPY 645M	3.32X	21.1%
39	Retail	Fixed Asset	Fukuoka	13 years	<JPY 1B	2014/07	JPY 48M	JPY 213M	–	–
40	Retail	Real Estate for Sale	Fukuoka	32 years	<JPY 1B	2014/09	JPY 51M	JPY 252M	–	–
41	Hotel	Real Estate for Sale	Utsunomiya, Tochigi	30 years	JPY 1B-2B	2014/09	JPY 181M	JPY 400M	1.97X	28.3%

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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
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 104M	JPY 301M	4.64X	24.3%
44	Retail	Real Estate for Sale	Machida, Tokyo	31 years	<JPY 1B	2014/10	JPY 55M	JPY 82M	11.34X	43.9%
45	Retail	Real Estate for Sale	Fukuoka	15 years	JPY 1B-2B	2014/11	JPY 74M	JPY 135M	10.70X	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	14 years	JPY 2B-3B	2014/12	JPY 119M	JPY 332M	2.18X	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 94M	JPY 270M	1.56X	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	14 years	JPY 1B-2B	2014/12	JPY 81M	JPY 238M	1.67X	16.6%
49	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 64M	JPY 185M	1.63X	15.7%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 63M	JPY 163M	1.55X	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	16 years	<JPY 1B	2014/12	JPY 57M	JPY 150M	2.21X	35.7%
52	Residence	Real Estate for Sale	Osaka	10 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	13 years	<JPY 1B	2014/12	JPY 28M	JPY 82M	2.05X	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 89M	JPY 270M	2.00X	23.2%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	14 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90X	21.0%

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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 (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
58	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	13 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89X	21.5%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	13 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 20M	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	14 years	<JPY 1B	2014/12	JPY 43M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 84M	JPY 129M	3.98X	23.8%
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	63 years	<JPY 1B	2015/01	JPY 40M	–	–	–
66	Retail	Real Estate for Sale	Sendai	14 years	<JPY 1B	2015/02	JPY 48M	JPY 8M	42.58X	198.9%
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	16 years	<JPY 1B	2015/04	JPY 47M	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 50M	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	29 years	≥JPY 3B	2015/07	JPY 130M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	10 years	JPY 1B-2B	2015/07	JPY 92M	JPY 353M	1.82X	17.7%
93	Office	Real Estate for Sale	Fukuoka	15 years	JPY 1B-2B	2015/07	JPY 91M	JPY 358M	1.92X	18.8%

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 (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
98	Hotel	Real Estate for Sale	Naha, Okinawa	29 years	JPY 2B-3B	2015/11	JPY 223M	JPY 640M	1.91X	25.9%
105	Hotel	Real Estate for Sale	Kumamoto	33 years	JPY 1B-2B	2015/12	JPY 154M	JPY 453M	1.61X	61.2%
109	Hotel	Real Estate for Sale	Nagoya	9 years	JPY 2B-3B	2016/03	JPY 141M	JPY 525M	1.84X	37.7%
110	Hotel	Real Estate for Sale	Fukuoka	32 years	≥ JPY 3B	2016/03	JPY 288M	JPY 905M	2.05X	104.5%
111	Hotel	Real Estate for Sale	Yokohama	34 years	JPY 2B-3B	2016/03	JPY 166M	JPY 228M	5.32X	23.3%
112	Hotel	Real Estate for Sale	Yokohama	30 years	≥ JPY 3B	2016/03	JPY 261M	JPY 354M	10.64X	36.2%
113	Hotel	Real Estate for Sale	Yokohama	30 years	≥ JPY 3B	2016/03	JPY 231M	JPY 344M	5.84X	25.5%
114	Hotel	Real Estate for Sale	Fukuoka	28 years	≥ JPY 3B	2016/04	JPY 210M	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	Fixed Asset	Sendai	29 years	< JPY 1B	2016/04	JPY 47M	JPY 86M	7.50X	28.4%
118	Retail	Real Estate for Sale	Nagoya	20 years	JPY 1B-2B	2016/06	JPY 87M	JPY 102M	7.71X	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30 years	< JPY 1B	2016/06	JPY 33M	JPY 136M	3.91X	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	38 years	≥ JPY 3B	2016/09	JPY 548M	JPY 349M	2.70X	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	17 years	≥ JPY 3B	2016/10	JPY 1,526M	JPY 3,450M	2.87X	43.5%
122	Hotel	Real Estate for Sale	Shima, Mie	20 years	< JPY 1B	2017/01	JPY 48M	JPY 73M	5.49X	43.1%

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
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	23 years	≥JPY 3B	2016/12	JPY 170M	JPY 1,123M	1.25X	25.4%
124	Hotel	Real Estate for Sale	Asahikawa, Hokkaido	28 years	<JPY 1B	2016/12	JPY 73M	JPY 593M	1.48X	48.5%
125	Hotel	Real Estate for Sale	Kurashiki, Okayama	24 years	JPY 1B-2B	2016/12	JPY 117M	JPY 484M	1.53X	53.0%
126	Hotel	Real Estate for Sale	Fukuoka	27 years	JPY 1B-2B	2016/12	JPY 71M	JPY 505M	1.25X	25.4%
127	Hotel	Real Estate for Sale	Ishigaki, Okinawa	15 years	JPY 2B-3B	2017/02	JPY 173M	JPY 544M	1.80X	80.2%
128	Hotel	Real Estate for Sale	Mito, Ibaraki	24 years	JPY 1B-2B	2017/02	JPY 103M	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	1 year	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	Hotel	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	1 year	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%
144	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	29 years	JPY 1B-2B	2018/02	JPY 129M	JPY 268M	8.00X	34.7%
Sub-Total				96 Assets	JPY 188,209M JPY 191,393M (Book Value)		JPY 11,855M	JPY 37,777M	2.82X	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)	36 Assets	JPY 15,250M	FY18/2	JPY 902M	–	–	–
B	Centro (Primarily Office & Residence)	11 Assets	JPY 4,942M	FY18/2	JPY 378M	–	–	–
C	Self-Storage	23 Assets	JPY 1,876M	FY18/2	JPY 227M	–	–	–
Total		165 Assets	JPY 210,279M JPY 214,016M (Book Value)		JPY 13,364M	JPY 37,777M	2.82X	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 Q4 (3M)		Total 8 Assets	JPY 4,852M		JPY 173M	JPY 863M	8.00X	34.7%
Assets acquired in FY18/2 (12M)		Total 92 Assets	JPY 47,470M		JPY 2,953M	JPY 5,516M	2.81X	30.7%
Assets acquired and sold in FY18/2		Total 8 Assets	JPY 3,228M		JPY 199M	JPY 658M	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.
- ³ Includes 2 Ichigo Owners Assets, 2 Centro Assets (Forecast Equity Multiple and Forecast IRR are actuals)

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

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	0.8	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	0.6	JPY 40	Oct 2014
Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.8	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
Ichigo Memuro Nishishikari	Hokkaido	1.32	JPY 40	Feb 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.9	JPY 36	Mar 2018
Ichigo Tsu	Chubu	2.94	JPY 24	Mar 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.64	JPY 24	Mar 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.31	JPY 24	Apr 2018
Total (Operating)		24 Plants	82.14MW	

Ichigo (In-Development)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Itoshima Ihara	Kyushu	1.48	JPY 36	Jul 2018
Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	Mar 2019
Ichigo Sakahogi Fukagaya	Chubu	2.9	JPY 21	May 2019
Ichigo Toki Tsurusatocho Kakino Higashi	Chubu	1.77	JPY 21	Jul 2019
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 Kasaoka Osakaikae	Chugoku	2.39	JPY 21	Dec 2019
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.64	JPY 32	Nov 2021
Total (In-Development)		9 Plants	32.8MW	
Total (Operating & In-Development)		33 Plants	114.94MW	

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	1.4	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	1.8	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	

Total
144.38MW



Ichigo Power Plant Portfolio

Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants

48 Plants (144MW)

Currently Operating

39 Plants (112MW)

Okinawa

Ichigo Nago Futami	8.44MW
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Kyushu

Ichigo Kijo Takajo	0.89MW
Ichigo Miyakonojo Yasuhisacho	1.44MW
Ichigo Itoshima Ihara	1.48MW
Ichigo Miyakonojo Takazakicho Tsumagirishima	2.64MW
Total	6.47MW

Chugoku

Ichigo Yonago Izumi	2.61MW
Ichigo Kasaoka Takumicho	1.11MW
Ichigo Fuchu Jogecho Yano	0.99MW
Ichigo Sera Tsukuchi	2.54MW
Ichigo Sera Aomizu	2.87MW
Ichigo Higashi-Hiroshima Saijocho Taguchi	2.72MW
Ichigo Kasaoka Iwanoike	2.64MW
Ichigo Kure Yasuuracho Nakahata	2.9MW
Ichigo Yamaguchi Aionishi	1.24MW
Ichigo Yamaguchi Sayama	2.35MW
Ichigo Kasaoka Osakaike	2.39MW
Total	24.41MW

Kansai

Ichigo Sennan Kitsuneike	2.86MW
Ichigo Takashima Kutsuki	3.75MW
Total	6.61MW

Hokkaido

Ichigo Yubetsu Barou	0.8MW
Ichigo Betsukai Kawakamicho	0.88MW
Ichigo Akkeshi Shirahama	0.8MW
Ichigo Toyokoro Sasadamachi	0.6MW
Ichigo Memuro Nishishikari	1.32MW
Ichigo Motomombetsu	1.4MW
Ichigo Engaru Higashimachi	1.24MW
Ichigo Engaru Kiyokawa	1.12MW
Ichigo Abira Toasa	1.16MW
Ichigo Muroran Hatchodaira	1.24MW
Ichigo Toyokoro	1.02MW
Ichigo Nakashibetsu Midorigaoka	1.93MW
Total	13.57MW

Tohoku

Ichigo Hamanaka Bokujo Tsurunokotai	2.31MW
Ichigo Hamanaka Bokujo Kajibayashi	2.31MW
Total	4.62MW
(Wind) Yamagata	7.5MW
(Wind) Iwate	7.5MW
(Wind) Fukushima	7MW

Chubu

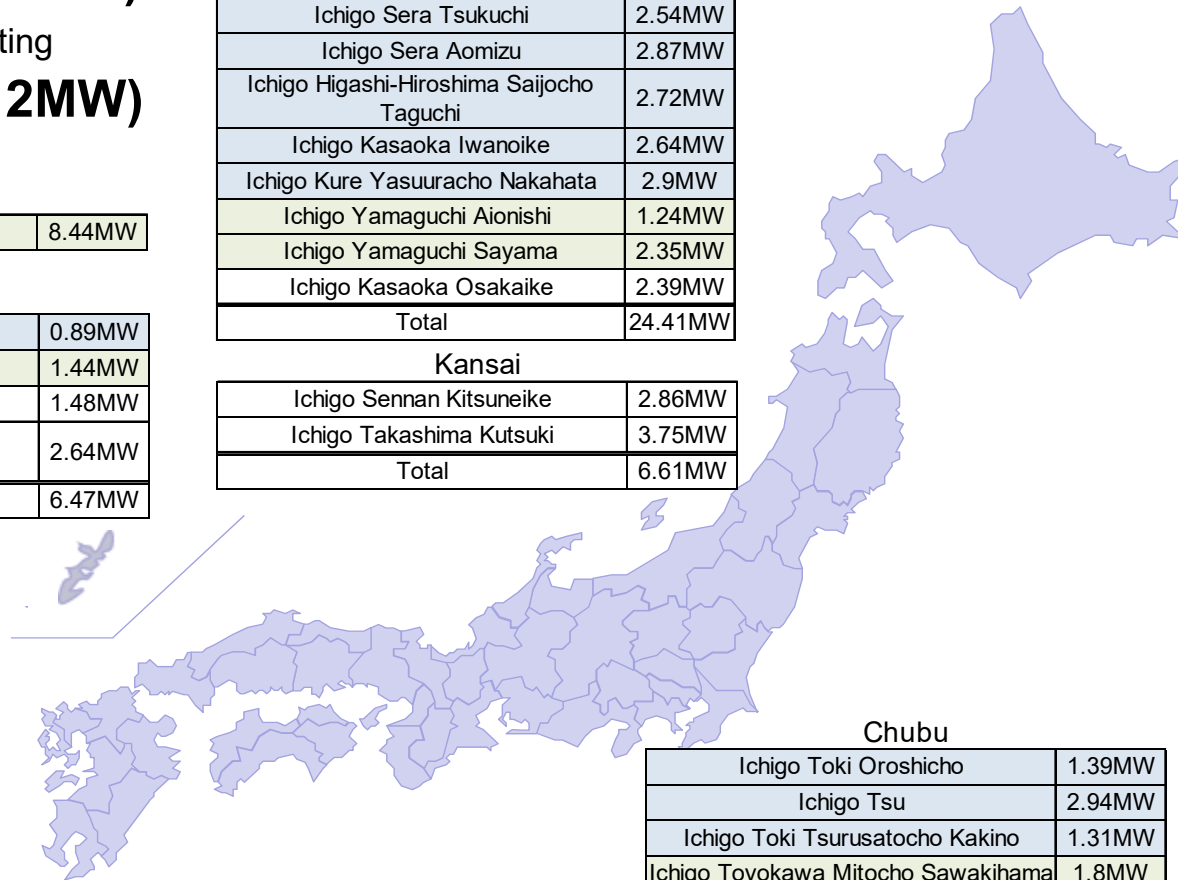
Ichigo Toki Oroshicho	1.39MW
Ichigo Tsu	2.94MW
Ichigo Toki Tsurusatocho Kakino	1.31MW
Ichigo Toyokawa Mitocho Sawakihama	1.8MW
Ichigo Sakahogi Fukagaya	2.9MW
Ichigo Toki Tsurusatocho Kakino Higashi	1.77MW
Total	12.13MW
(Wind) Mie	7.5MW

Kanto

Ichigo Maebashi Naegashima	0.67MW
Ichigo Showamura Ogose	43.34MW
Ichigo Toride Shimotakai Kita	1.03MW
Ichigo Toride Shimotakai Minami	0.54MW
Ichigo Kiryu Okuzawa	1.33MW
Ichigo Minakami Aramaki	12.02MW
Ichigo Hitachi Omiya	2.96MW
Total	61.92MW
(Wind) Chiba	4MW

Shikoku

Ichigo Tokushima Higashi-Okinosu	2.52MW
Ichigo Takamatsu Kokubunjicho Nii	2.43MW
Ichigo Iyo Nakayamacho Izubuchi	1.23MW
Total	6.19MW



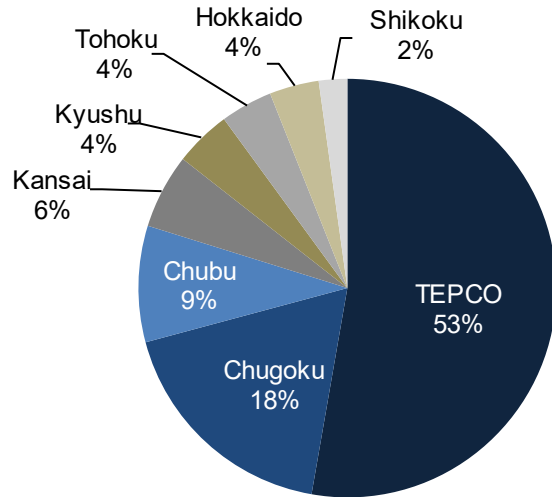
Ichigo
 Ichigo Green (9282)
 In Development



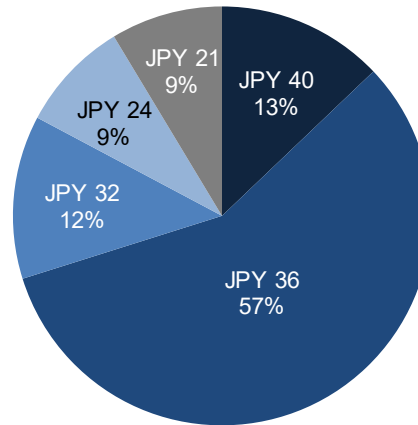
Ichigo-Owned Solar Power Plant Details

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

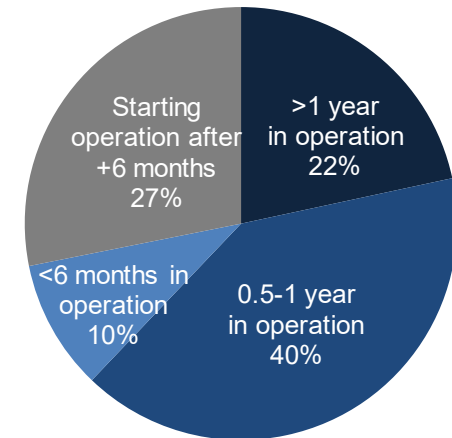
■ By Customer
(Electric Power Utility Co)



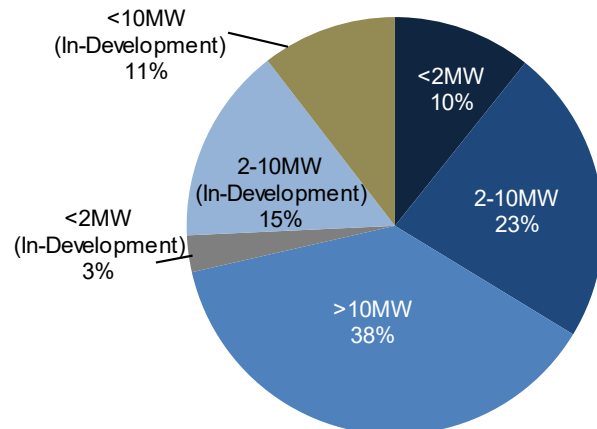
■ By Feed-In-Tariff



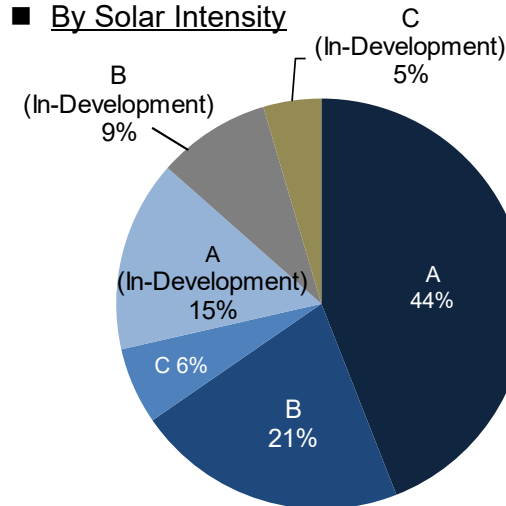
■ By Operating Timeline



■ 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	vs. FY17/2
Assets						
Current Assets						
Cash and cash equivalents	24,991	19,383	28,779	47,678	45,510	-2,168
Trade notes and accounts receivable	451	519	691	913	1,097	+184
Operational loan investments	1,100	2,330	1,324	1,324	1,324	-
Operational securities investments	3,583	1,965	1,784	1,433	2	-1,431
Real estate for sale	54,084	109,769	172,833	167,805	180,789	+12,984
Power plants for sale	-	-	-	-	-	-
Deferred tax assets	576	1,200	1,766	516	342	-174
Other	1,384	2,657	3,966	3,125	2,643	-482
Less: allowance for doubtful accounts	-410	-484	-458	-453	-28	+425
Total Current Assets	85,761	137,342	210,687	222,344	231,681	+9,337
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	4,901	4,021	3,830	7,375	10,600	+3,225
Solar power plant equipment (net)	2,044	9,168	12,256	7,246	19,773	+12,527
Land	12,433	12,142	12,192	18,627	26,993	+8,366
Other (net)	1,922	989	3,264	12,402	1,190	-11,212
Total Property, Plant, and Equipment	21,300	26,321	31,546	45,654	58,558	+12,904
Intangible Assets						
Goodwill	2,221	2,082	1,942	1,864	1,600	-264
Leasehold rights	392	392	392	62	135	+73
Other	71	27	38	29	233	+204
Total Intangible Assets	2,686	2,502	2,373	1,956	1,968	+12
Investments and Other Assets						
Securities investments	4,278	5,266	5,486	1,426	2,184	+758
Long-term loans receivable	13	12	12	10	10	-
Deferred tax assets	222	2	39	339	68	-271
Other	780	1,392	1,736	1,820	2,132	+312
Less: allowance for doubtful accounts	-97	-95	-124	-92	-91	+1
Total Investments and Other Assets	5,196	6,578	7,149	3,504	4,303	+799
Total Fixed Assets	29,183	35,402	41,069	51,115	64,831	+13,716
Total Assets	114,944	172,744	251,757	273,459	296,512	+23,053

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY14/2	FY15/2	FY16/2	FY17/2	FY18/2	vs. FY17/2
Liabilities						
Current Liabilities						
Trade notes and accounts payable	132	124	80	110	–	-110
Short-term loans	950	1,416	2,188	805	1,042	+237
Short-term non-recourse loans	–	48	79	611	–	-611
Bonds (due within one year)	–	–	–	112	112	–
Long-term loans (due within one year)	3,123	3,488	8,161	5,209	4,449	-760
Long-term non-recourse loans (due within one year)	428	786	2,975	6,825	3,921	-2,904
Income taxes payable	96	284	631	1,655	1,609	-46
Deferred tax liabilities	24	30	53	62	494	+432
Accrued bonuses	14	16	13	36	34	-2
Other current liabilities	2,817	3,677	3,979	4,119	4,652	+533
Total Current Liabilities	7,588	9,872	18,161	19,548	16,316	-3,232
Long-Term Liabilities						
Bonds	–	–	–	632	520	-112
Non-recourse bonds	–	100	100	100	–	-100
Long-term loans	26,126	53,409	94,409	91,604	112,366	+20,762
Long-term non-recourse loans	24,178	43,004	56,193	68,319	63,588	-4,731
Deferred tax liabilities	1,213	1,402	1,543	1,147	1,744	+597
Long-term security deposits received	4,770	6,391	8,707	8,038	8,492	+454
Negative goodwill	180	90	–	–	–	–
Other long-term liabilities	44	96	475	624	758	+134
Total Long-Term Liabilities	56,513	104,494	161,430	170,467	187,470	+17,003
Total Liabilities	64,102	114,367	179,591	190,015	203,787	+13,772
Net Assets						
Shareholders' Equity						
Capital	26,443	26,499	26,575	26,650	26,723	+73
Capital reserve	10,808	10,873	10,968	11,056	11,113	+57
Retained earnings	10,891	17,201	29,454	42,840	54,324	+11,484
Treasury shares	-92	-78	-41	-15	-2,995	-2,980
Total Shareholders' Equity	48,050	54,496	66,956	80,532	89,165	+8,633
Accumulated Other Comprehensive Income						
Valuation gain (loss) on other securities	400	1,208	761	117	543	+426
Deferred gain (loss) on long-term interest rate hedges	–	-36	-251	-365	-372	-7
Foreign currency translation adjustment	9	6	23	55	–	-55
Total Accumulated Other Comprehensive Income	409	1,177	533	-192	171	+363
Stock Options	121	198	319	491	666	+175
Minority Interests	2,261	2,505	4,357	2,612	2,722	+110
Total Net Assets	50,842	58,377	72,166	83,443	92,725	+9,282
Total Liabilities and Net Assets	114,944	172,744	251,757	273,459	296,512	+23,053

Consolidated P&L

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	Change (YOY)	FY18/2 Forecast	vs. Forecast
Revenue	35,101	42,705	49,699	109,253	57,846	-51,407	75,500	76.6%
Cost of Goods Sold	27,666	30,539	29,835	82,446	31,920	-50,526	-	-
Gross Profit	7,435	12,166	19,863	26,806	25,925	-881	25,994	99.7%
SG&A	3,522	3,977	4,446	5,025	5,067	+42	-	-
Operating Profit	3,912	8,189	15,417	21,781	20,858	-923	20,600	101.3%
Non-Operating Income								
Interest income	4	5	2	-	3	+3	-	-
Dividend income	112	78	79	85	57	-28	-	-
Negative goodwill amortization	90	90	90	-	-	-	-	-
Other	31	39	43	32	100	-32	-	-
Total Non-Operating Income	238	213	215	118	161	+43	-	-
Non-Operating Expenses								
Interest expense	370	943	1,277	1,303	1,266	-37	-	-
Stock issuance cost	89	-	-	-	-	-	-	-
Mark-to-market loss on long-term interest rate hedges	-	-	-	38	244	+206	-	-
Debt financing-related fees	-	-	86	585	159	-426	-	-
Other	93	202	379	216	165	-51	-	-
Total Non-Operating Expenses	553	1,146	1,743	2,144	1,835	-309	-	-
Recurring Profit	3,597	7,255	13,889	19,755	19,185	-570	18,300	104.8%
Extraordinary Gains								
Gain on sale of fixed assets	7	-	-	-	-	-	-	-
Gain on sale of securities investments	204	-	223	2,466	-	-2,466	-	-
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	-1,203	-	-
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	-	-31	-	-
Impairment loss	307	-	-	1,090	327	-763	-	-
Earthquake-related damages	-	-	-	244	-	-244	-	-
Other	13	91	31	224	-	-224	-	-
Total Extraordinary Losses	344	93	89	1,590	339	-1,251	-	-
Pre-Tax Net Income	3,933	7,220	14,022	20,630	20,109	-521	-	-
Income Taxes	-573	343	960	5,436	5,923	+487	-	-
Pre-Minority Interest Net Income	4,506	6,876	13,062	15,194	14,185	-1,009	-	-
Net Income Attributable to Minority Interests	-19	115	136	299	167	-132	-	-
Net Income	4,526	6,761	12,925	14,894	14,018	-876	13,500	103.8%

Consolidated Cash Flow from Operations

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)
Cash Flow from Operations					
Pre-tax net income	3,933	7,220	14,022	20,630	20,109
Depreciation	304	565	792	778	1,015
Share-based compensation expenses	69	112	174	223	215
Amortization of goodwill	139	139	139	141	111
Amortization of negative goodwill	-90	-90	-90	-	-
Increase (decrease) in accrued bonuses	-11	1	-3	23	32
Increase (decrease) in allowance for doubtful accounts	33	65	3	-3	-355
Interest and dividend income	-116	-83	-81	-85	-61
Interest expense	370	943	1,277	1,303	1,266
Loss (gain) on sale of shares in affiliates	-	-	-	-	-1,221
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	-	-
Decrease (increase) in trading notes and receivables	97	-68	-172	-367	-468
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	1,663
Valuation loss on operational securities investments	114	-	19	-	-
Decrease (increase) in real estate for sale	-6,729	-42,991	-63,070	-6,303	-8,112
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	871
Decrease (increase) in accounts receivable	-255	-1,079	-1,140	-193	-10
Increase (decrease) in accounts payable	-139	388	535	204	573
Increase (decrease) in accrued expenses	137	16	42	92	-285
Increase (decrease) in advances received	38	211	317	-49	30
Increase (decrease) in security deposits received	1,230	1,391	2,380	-667	125
Other	522	-407	435	1,304	709
Sub-total	1,611	-33,693	-43,324	25,460	17,532
Interest and dividend income received	116	83	81	85	61
Interest expense paid	-378	-843	-1,226	-1,146	-1,135
Income taxes paid and refunded	-94	161	-186	-2,852	-5,854
Net Cash from (Used for) Operations	1,254	-34,292	-44,654	21,547	10,603

Consolidated Cash Flow from Investments & Financing

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)
Cash Flow from Investments					
Payments into time deposits	–	-325	–	-6,100	-6
Redemptions of time deposits	–	325	–	201	–
Acquisition of securities investments	–	-210	-671	-300	-140
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	-4,796
Proceeds from sale of property, plant, and equipment	72	–	–	–	–
Acquisition of intangible assets	-389	-23	-21	-1	-83
Payments of SPC capital contributions	-5	-10	-9	-63	-28
Redemptions 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	-2,619
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	-32
Net Cash from (Used for) Investments	-8,610	-12,485	-7,052	-11,933	-5,645
Cash Flow from Financing					
Net increase (decrease) in short-term loans	465	466	771	-1,383	-306
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	-112
Repayment of maturing non-recourse bond principal to bondholders	–	–	–	–	-100
Proceeds from long-term loans	26,777	47,203	64,866	55,674	32,660
Repayment of long-term loans	-5,388	-19,557	-19,192	-61,221	-13,402
Proceeds from long-term non-recourse loans	5,675	19,900	18,150	30,850	3,518
Repayment of long-term non-recourse loans	-19,030	-5,958	-2,772	-15,400	-22,366
Proceeds from issuance of common shares	16,387	–	–	–	–
Proceeds from employee exercise of stock options	242	99	153	137	110
Payments received from minority interests	–	–	2,000	–	–
Payments to minority interests	–	–	–	-2,000	–
Share buyback	–	–	–	–	-2,999
Dividends paid	-445	-543	-646	-1,501	-2,513
Dividends paid to minority interests	–	–	-43	-39	–
Net Cash from (Used for) Financing	24,682	41,658	63,318	6,377	-6,124

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 (Actual)	FY19/2 (Plan)	FY19/2 (Forecast)	vs. FY16/2
Operating Profit	15,417	21,781	20,858	25,000	25,000	+62.2%
Recurring Profit	13,889	19,755	19,185	21,400	22,000	+58.4%
Tax Rate	6.9%	26.4%	30%	30%	30%	—
Net Income	12,925	14,894	14,018	14,800	15,000	+16.1%
EPS	JPY 25.86	JPY 29.66	JPY 28.12	JPY 29	JPY 30.10	+16.4%
DPS	JPY 3	JPY 5	JPY 6	JPY 7	JPY 7	133%
ROE	21%	20.2%	16.5%	15.6%	15.7%	—

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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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.