



 **JPX-NIKKEI 400**



FY19/2 H1 Corporate Presentation

October 11, 2018

Ichigo (2337)

We express our deepest condolences to all those affected by Japan's recent natural disasters, and our wishes for the earliest possible recovery.



World-Class Excellence

Ichigo's
Hiromi Miyake

ICHIGO



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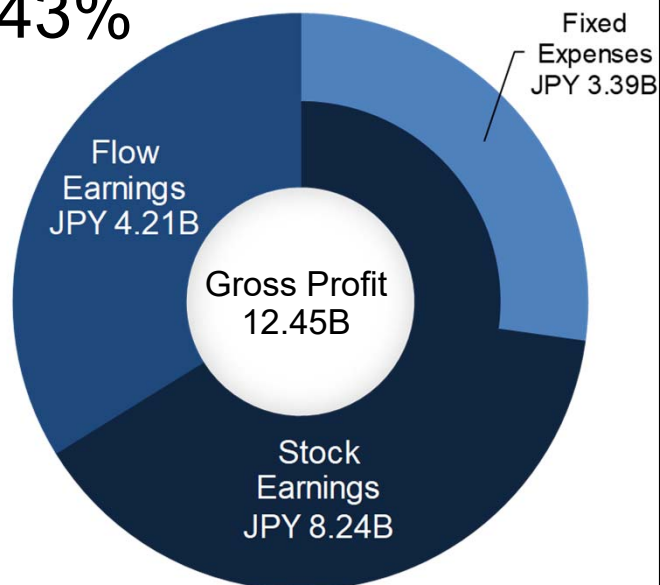
FY19/2 H1 Earnings

FY19/2 H1 Summary

Durable Earnings Model

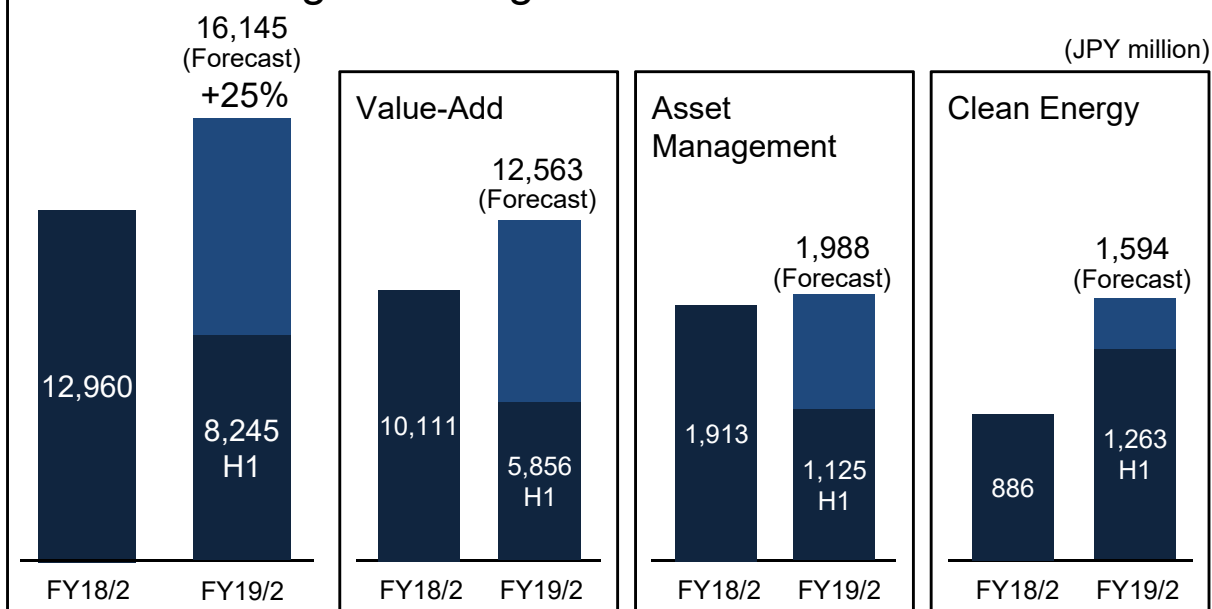
Stock Earnings/Fixed Expenses

243%



Stock Earnings Growth

Stock Earnings Growing Across the Board



Disaster Response & Recovery

- No injuries or damages at any Ichigo assets or power plants from H1 natural disasters
- Robust assets, BCP, & Realtime Response
 - Continuous improvements to safety & functionality via value-add capex
 - Power plant site selection & construction customized to local geography
 - Preventative measures and on-site checks prioritizing tenant safety

Continued Strengthening in Financial Position

- New Uncollateralized Long-Term Mizuho Bank Commitment Line
 - Lender: Mizuho Bank
 - Commitment Line: JPY 10B
 - Use of Proceeds: Real estate acquisition
 - Drawdown Period: 3 years
 - Loan Period: 11 years (2029/9/30)

JPX 400 Inclusion

- Third year in a row (2016, 2017, 2018)
 - Power Up 2019 Mid-Term Business Plan targets Ichigo ranking within top 200 by Aug 2019 index rebalance

Operating Profit -28%, Net Income -37%, EPS -36% (YOY)

H1 Down YOY, but Strong H2 Visibility – Full-Year On-Track

(JPY million)

	FY18/2 H1	FY19/2 H1	YOY	Full-Year Forecast
Operating Profit	13,236	9,581	-27.6%	25,000
Recurring Profit	11,562	8,293	-28.3%	22,000
Net Income	8,873	5,608	-36.8%	15,000
EPS	JPY 17.74	JPY 11.31	-36.2%	JPY 30.10

Note: From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. FY18/2 data has been adjusted to use this new accounting treatment to facilitate comparison.

Segment Earnings Details

- Asset Management: Base AM Fees +15% YOY
- Value-Add: Rental Income +11% YOY
Gains on Sale -50% YOY
- Clean Energy: 7 New Plants = Power Generation Revenues +237% YOY

(JPY million)

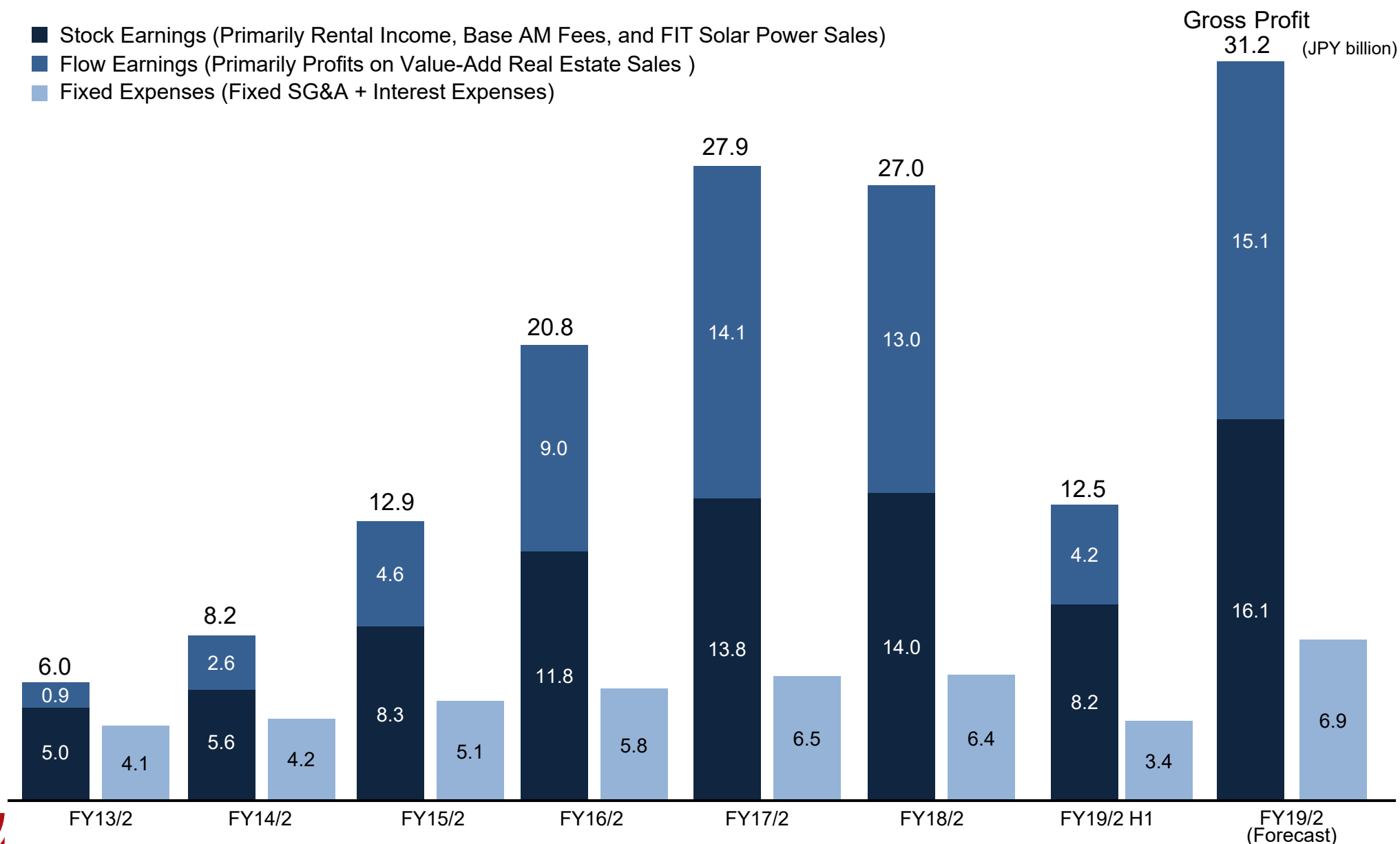
Segment	Operating Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY18/2 H1	FY19/2 H1	YOY	Full-Year Forecast	vs. Full-Year Forecast	
Asset Management	999	1,012	+1.3%	1,752	57.8%	Base AM Fees 1,105 (+147) Acquisition/Disposition Fees 74 (-2) Ichigo Office Cash Flow Performance Fees -(-170)
Value-Add	11,679	7,620	-34.7%	21,719	35.1%	Rental Income 5,856 (+601) Gains on Value-Add Sales 4,133 (-4,155)
Clean Energy	596	968	+62.4%	1,529	63.3%	FIT Power Sales 1,263 (+888) Gains on Power Plant Sales -(-467)
Adjustment (including offsets of cross- segment transactions)	-39	-20	-	-	-	
Total	13,236	9,581	-27.6%	25,000	38.3%	

Note: From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. FY18/2 data has been adjusted to use this new accounting treatment to facilitate comparison.

Powerful Value-Add Business Model Underpins Growth

Business Model (1) Stock + Flow Earnings

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

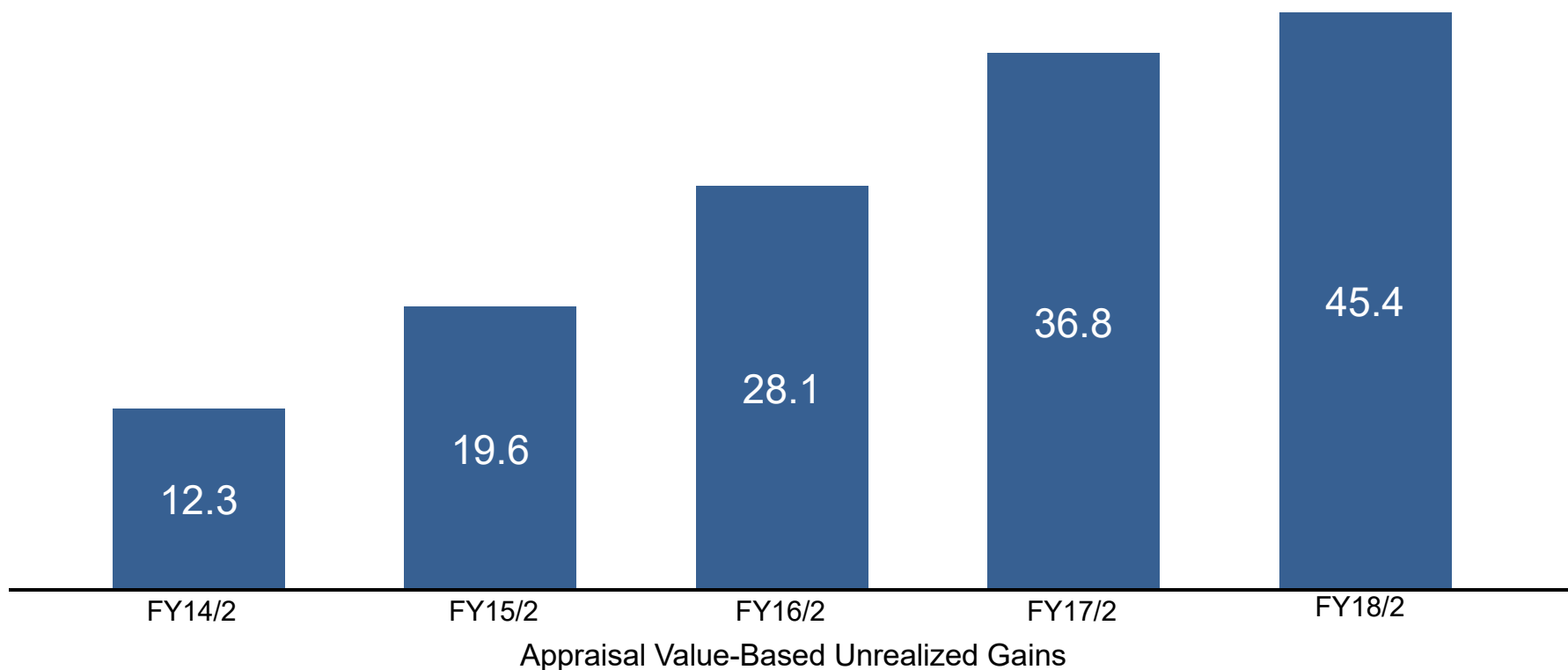


Note: From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. Data for FY13/2 and onwards has been adjusted to use this new accounting treatment to facilitate comparison.

Business Model (2) Embedded Forward Earnings

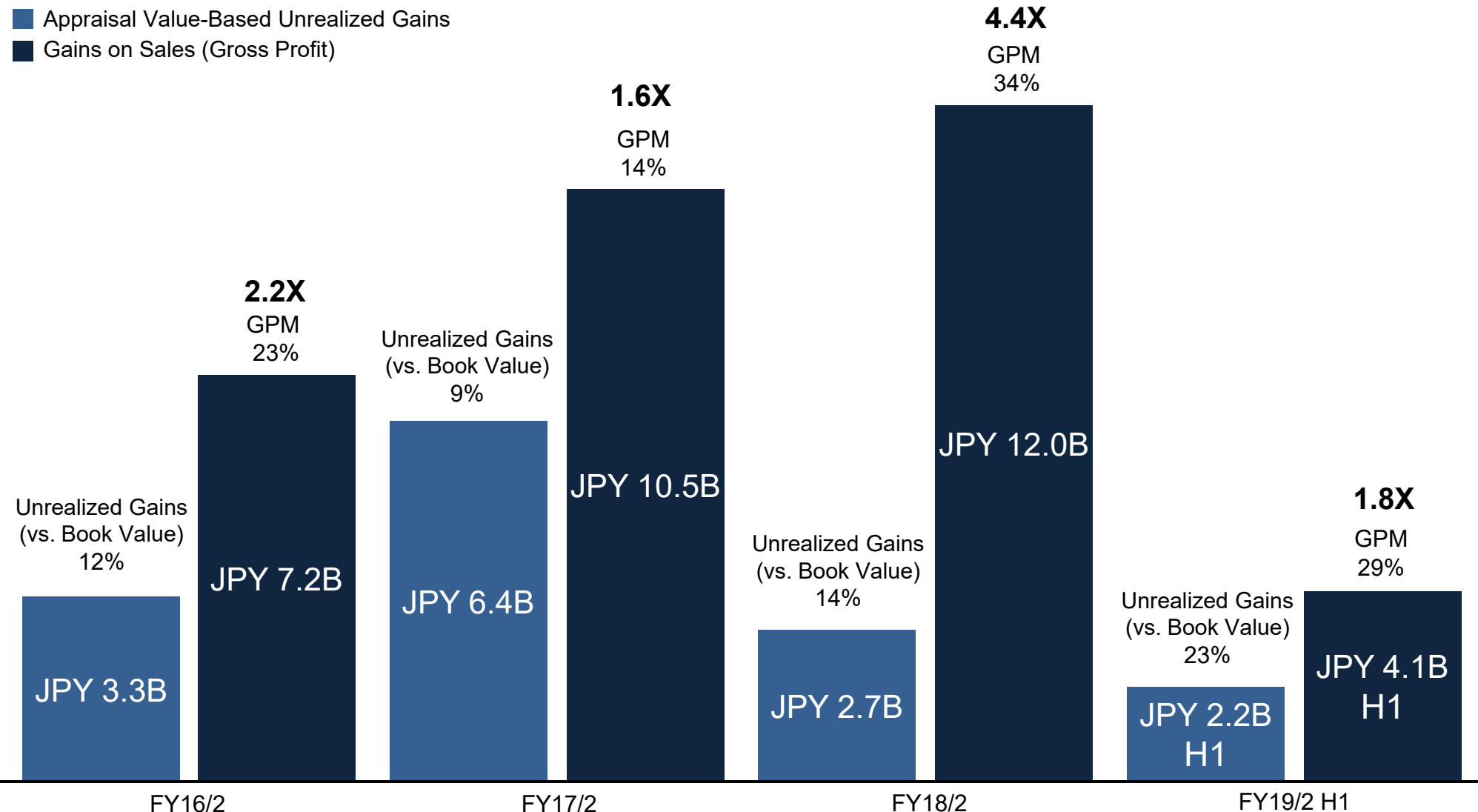
Full Economic Earnings from Value-Add are Generally Not Recognized during the Current Accounting Period – Value-Add Thus Generates Significant Unrealized Gains that are an “Earnings Bank” for Future Periods

(JPY billion)



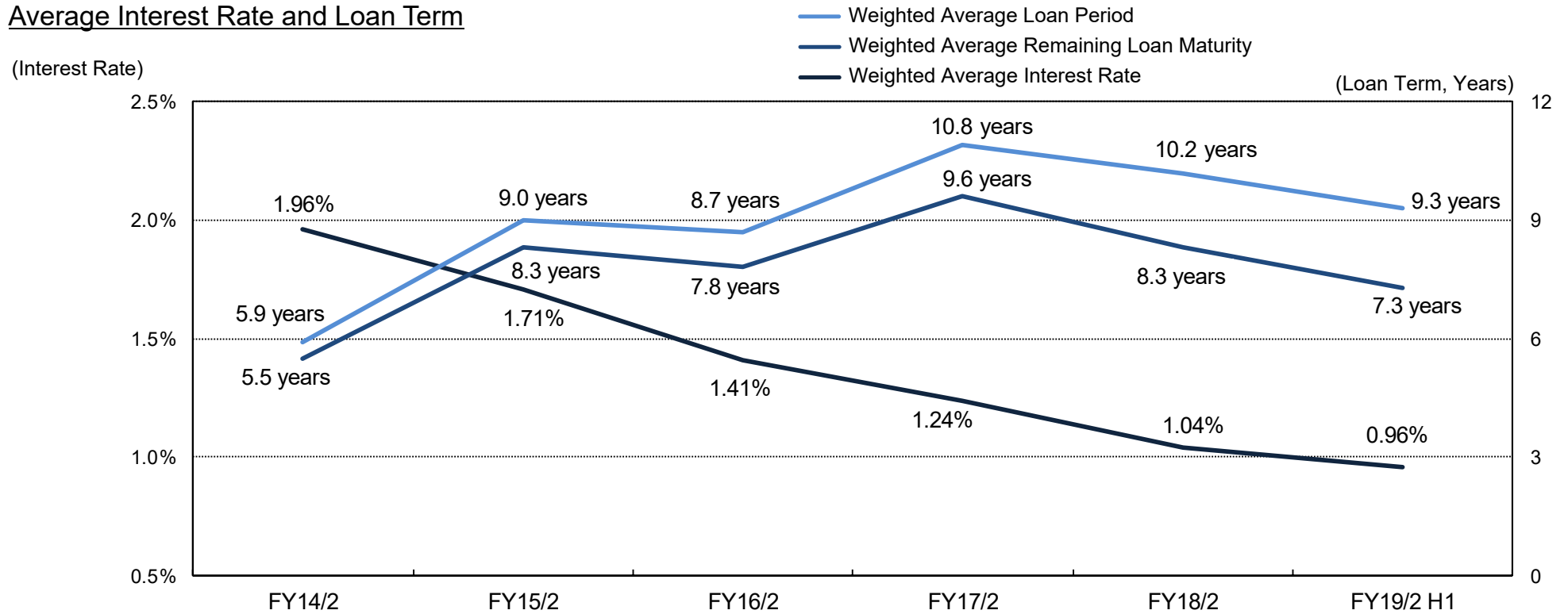
Business Model (3) Value-Add Drives Durable Value Growth

Gains on Sales Consistently Exceed Appraisal Value-Based Unrealized Gains



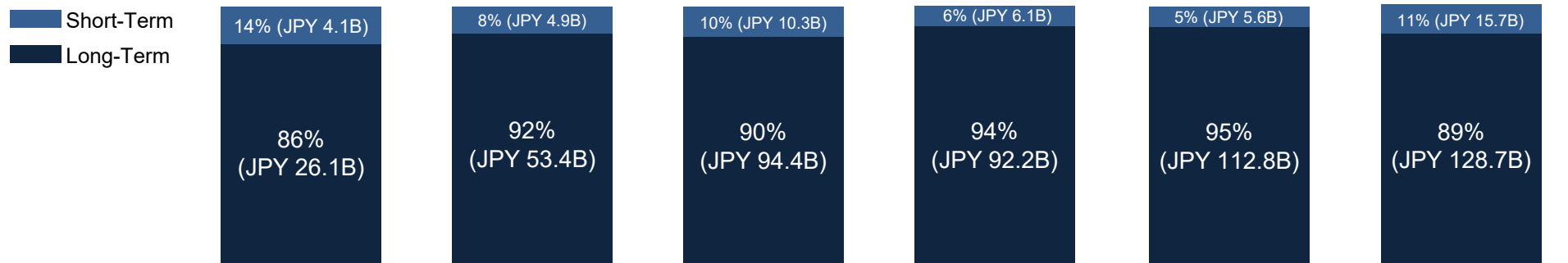
Robust Financial Base

Average Interest Rate and Loan Term



Note: Shorter-term Ichigo Owners' borrowings decreased average loan term.

Term Structure of Loans



Continued Strengthening in Financial Position

New Uncollateralized Long-Term Mizuho Bank Commitment Line

- Ongoing, revolving credit line
- Enables Ichigo to flexibly and repeatedly borrow within the commitment line amount

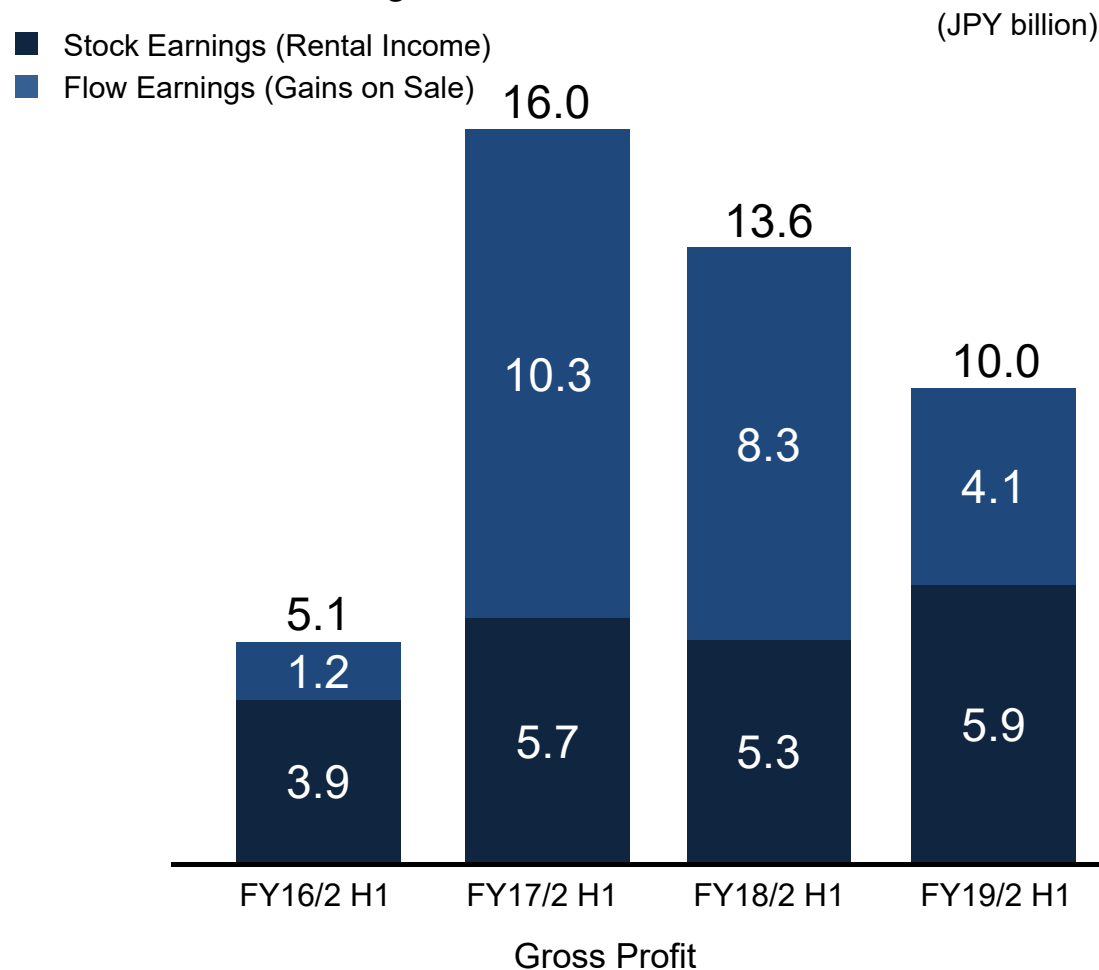
Lender:	Mizuho Bank
Commitment Line Amount:	JPY 10 billion
Use of Proceeds:	Real estate acquisition
Drawdown Period:	3 years
Loan Period:	11 years (September 30, 2029)

Building a Foundation for Sustainable Growth

Value-Add: Stock Earnings +11% YOY

- Acquisitions & Organic Growth Driving Growth in Rental Income
- Continuing to be Selective on Acquisitions

H1 Value-Add Earnings



Value-Add Sales and Acquisitions

H1 Sales

Total	12 Assets	JPY 14.0B
Office	2 Assets	JPY 5.5B
Hotel	1 Asset	JPY 1.7B
Retail	1 Asset	JPY 1.8B
Residence	7 Assets	JPY 4.9B
Other	1 Asset	JPY 52M

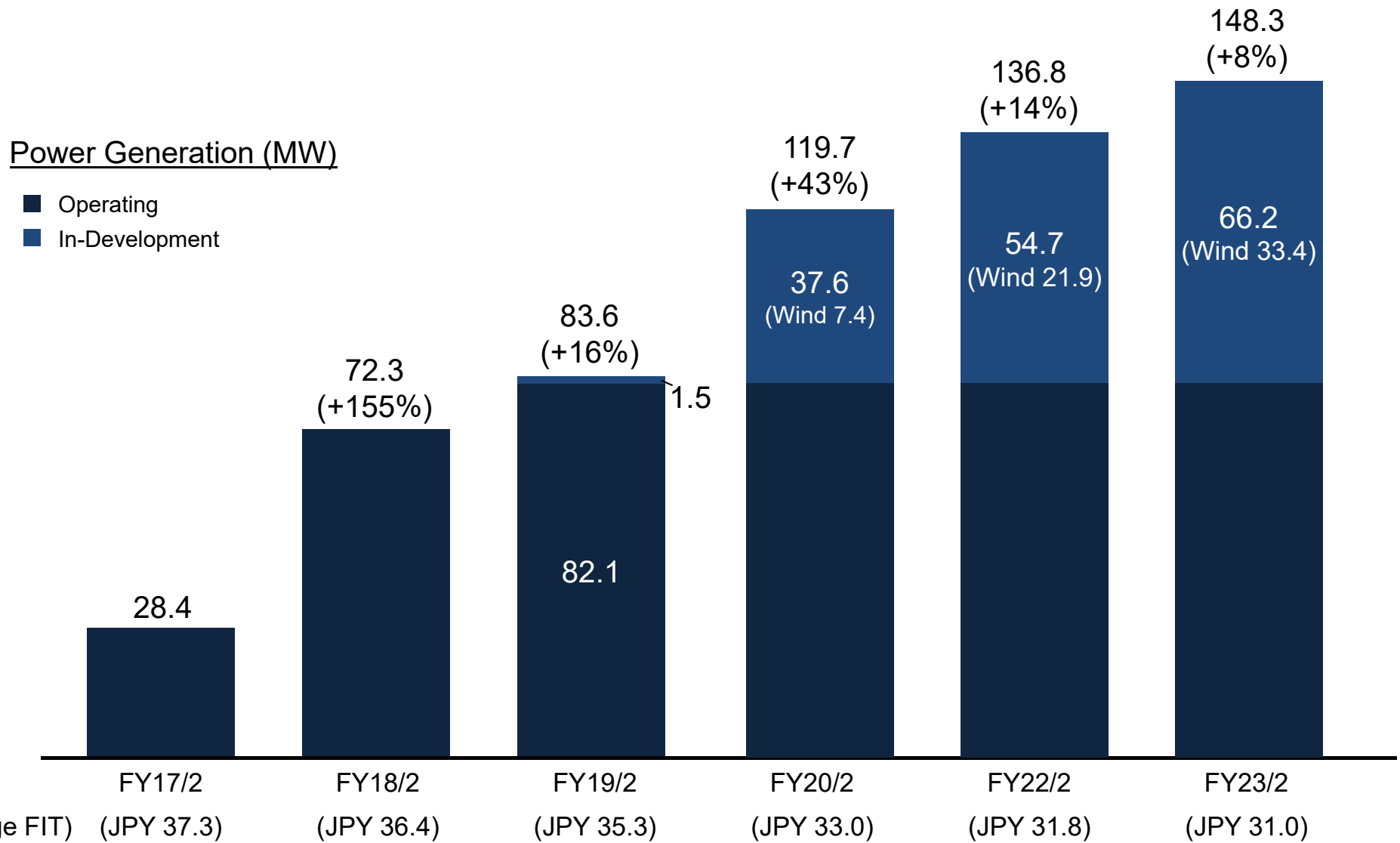
H1 Acquisitions

Total	21 Assets	JPY 23.4B
Hotel	2 Assets	JPY 8.2B
Retail	4 Assets	JPY 4.4B
Residence	14 Assets	JPY 10.7B
Storage	1 Asset	JPY 119M

Clean Energy: Scaling Rapidly

Operating Plants: 82.1MW In-Development Plants: 66.2MW (+81%)

Ichigo Green Operating Plants: 29.4MW



Clean Energy: Wind Power Expansion

Ichigo's First Wind Power Plant: Ichigo Yonezawa Itaya ECO Power Plant (Yamagata)

- Output: 7.4MW (4 turbines)
- FIT: JPY 22
- Average Wind Velocity: 8m/s (wind power generally attractive at >6m/s)
- NOI Yield: c. 12%
- Expected Operation Start Date: December 2019

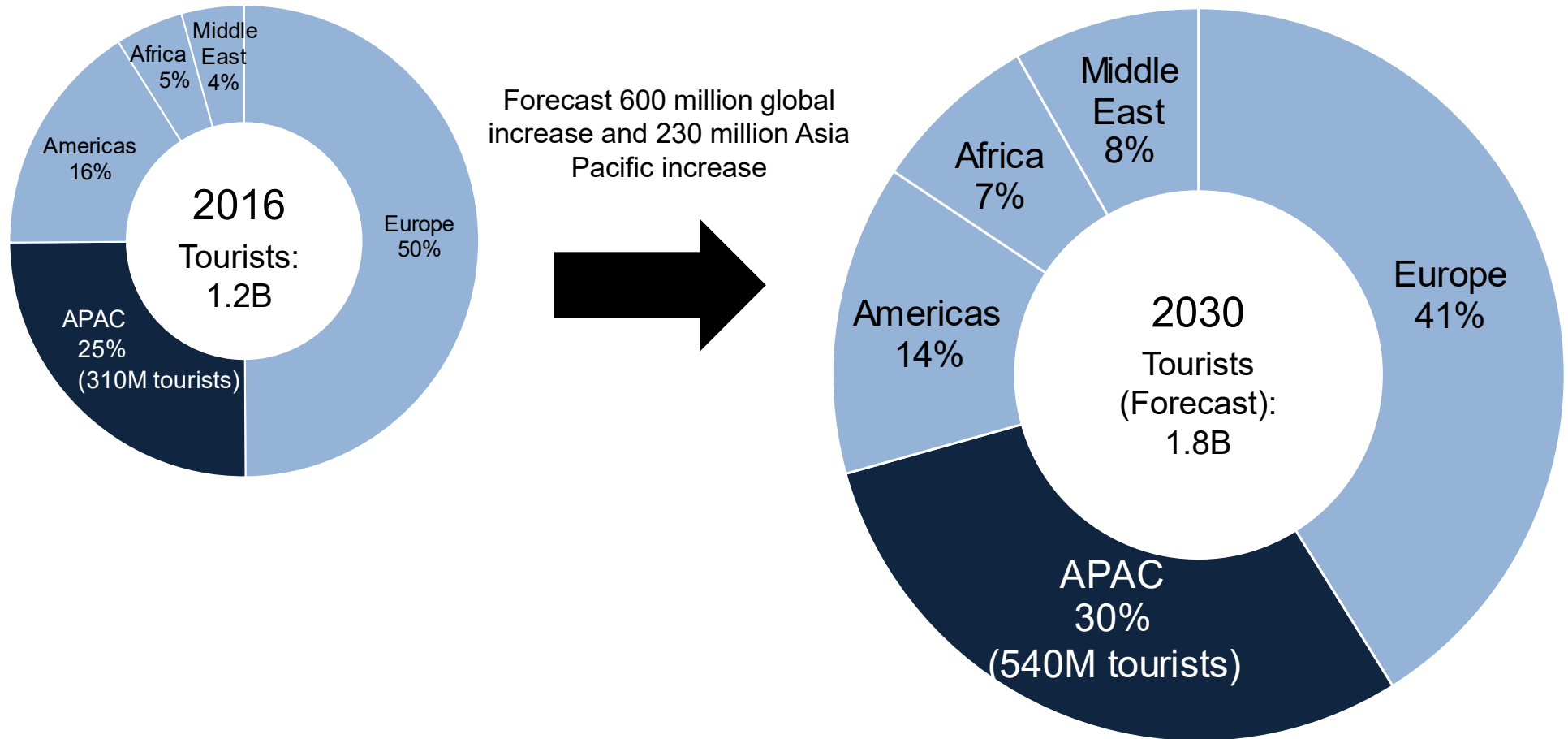
Wind Power Plants In-Development (Total 33.4MW)

No.	Location	Expected Output	Wind Data Survey	FIT	Expected Operation Start Date
1	Ichigo Yonezawa Itaya	7.4MW	Completed	JPY 22	December 2019
2	Fukushima	7.0MW	In Progress	JPY 21	March 2021
3	Mie	7.5MW	In Progress	JPY 22	December 2021
4	Chiba	4.0MW	Completed	JPY 22	November 2022
5	Iwate	7.5MW	In Progress	JPY 22	TBD

Lifestyle Hotel Market Growth Potential (1)

Robust Growth in Global Tourism – Asia Taking Increased Share

UNWTO Global Tourism Forecast



Source: UNWTO

Lifestyle Hotel Market Growth Potential (2)

Significant Latent Lifestyle Hotel Demand in Japan

Global Lifestyle Hotel Supply

(% of Guest Rooms)



Source: OTA

Ichigo's THE KNOT TOKYO Shinjuku (1)

Total Renovation and Transformation of 39-Year-Old Hotel into New Lifestyle Hotel

– Ichigo Lifestyle Hotel Attributes

- 1) High-quality interior design, aesthetics, comfort, & functionality
- 2) Provision of experiences and opportunities to connect with the local community
- 3) Friendly ambience & Japanese hospitality

Opens onto Shinjuku Central Park with a Spacious Common Area Available to Guests and the Public

– Elegant, open, & unified space

- ✓ 1F, 2F lobby is a seamlessly connected public area with restaurant, bar, bakery, lounge, and front desk

– Prime location & mobility to enjoy Tokyo via bicycle rentals

– Cultural activities

- ✓ Exhibits by young artists to connect people and art
- ✓ DJ booth & music collaboration



Ichigo's THE KNOT TOKYO Shinjuku (2)

Full-scale renovation including new HVAC, plumbing, seismic reinforcement, and fiber-optic internet connectivity

Space conversions to service community & guest needs & drive higher earnings

- 1F PC/vending machine area -> 1F French bakery
- 2F Banquet hall -> 2F Restaurant
- Penthouse 4 conference rooms -> Penthouse 11 guest rooms

1F Lobby

Before



After



2F Public Area



2F Restaurant



Sustainable Real Estate (1)

Ichigo Office (8975) Sustainable Real Estate Recognition

- GRESB (ESG Performance): Ichigo Office – Green Star (2 years in a row)



GRESB Assessment Key Points

- (1) Environmental Monitoring
Ichigo Office is actively engaged in environmental impact reduction via implementation of an Environmental Monitoring System (EMS).
- (2) Policy & Disclosure
Ichigo Office has developed and implemented an asset management structure that promotes sustainability.
- (3) Stakeholder Engagement
Ichigo Office is partnering with a broad range of stakeholders, including tenants, suppliers, and local communities.

- CASBEE Rankings: Four assets (S Rank & A Rank)

S Rank



Ichigo Marunouchi Building



A Rank



Ichigo Kanda Nishikicho Building



- BELS Rankings: Two assets (2 Stars and 1 Star)
- DBJ Green Building Certifications: Two assets (3 Stars and 2 Stars)

Sustainable Real Estate (2)

Ichigo Sustainable Real Estate Recognition

CASBEE: Two assets (A Rank)

Hakata Ekimae Square



Rank: **A**

CASBEE Assessment Key Points:

- (1) Reduced water consumption via increased use of recycled water
- (2) Equipped with high-grade isolation devices for seismic safety
- (3) Close to and encourages the use of public transportation

Hakata MST



Rank: **A**

CASBEE Assessment Key Points:

- (1) Reduced water consumption via increased use of recycled water
- (2) Extensive natural light availability for tenants
- (3) Close to and encourages the use of public transportation

Disaster Response & Recovery

No injuries or damages at any Ichigo assets or power plants from H1 natural disasters

Robust Assets

- Real estate: Continuous improvements to safety & functionality via value-add capex
- Power plants: Power plant site selection and construction based on detailed specifications customized to local geography

Robust BCP & Realtime Response

- Pre-typhoon preventative measures (water shielding, sandbags, etc.) & on-site checks
- Overwhelming priority is safety of tenants – on-the-ground confirmation & on-the-ground response
- Ichigo engineering team immediate response: same-day on-site safety and engineering inspections to prevent secondary damage and losses

JPX-Nikkei Index 400 Inclusion

Selected for inclusion in the JPX-Nikkei Index 400 in the 2018 annual index constituent rebalance for the third year in a row (2016, 2017, 2018)

Note: The JPX-Nikkei Index 400 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)

Appendix: Financial & Real Estate Data

Significant Unrealized Gains on Balance Sheet

JPY 46.4B (Appraisal Value Basis), +3% vs. FY18/2-end

Real Estate Directly Held by Ichigo

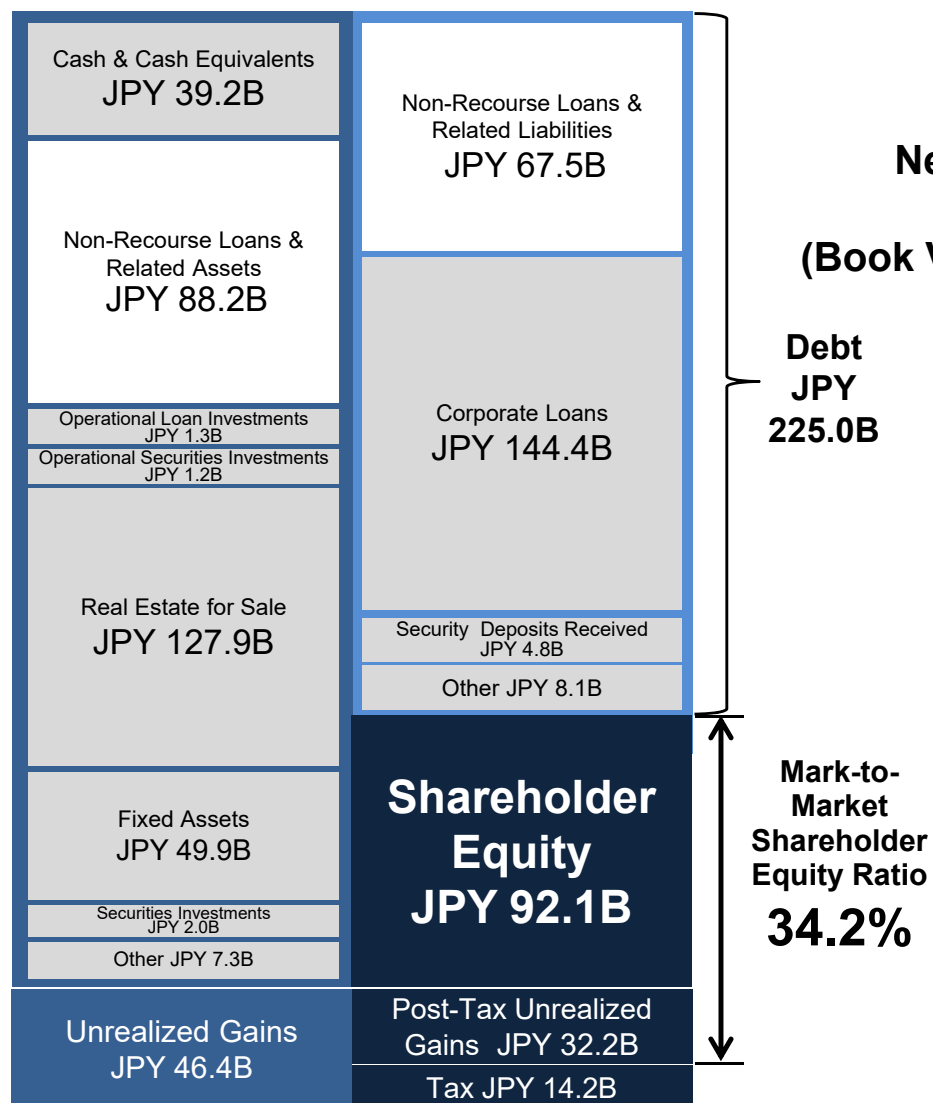
(JPY million)

Location	Book Value (FY19/2 H1)	Expected NOI	Cap Rate (NOI/Book Value)	Appraisal Value (FY19/2 H1)	Unrealized Gains
Tokyo	122,033	6,520	5.3%	147,943	+25,910
Outside Tokyo	112,069	7,480	6.7%	132,551	+20,482
Total	234,102	14,000	6.0%	280,494	+46,392

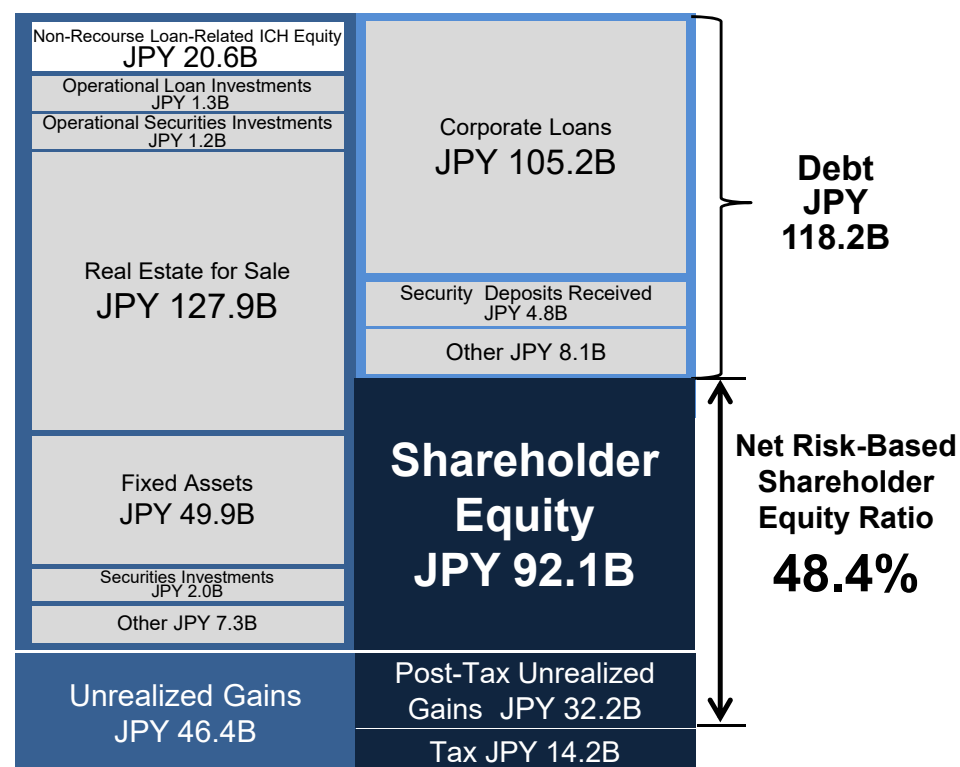
* Cap rate is the simple average of the cap rates for each asset. Excludes development assets (c. JPY 75 million) which are not currently generating NOI.

Net Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 363.5B
(Book Value JPY 317.1B + Unrealized Gains JPY 46.4B)



**Net Consolidated Risk-Based Balance Sheet:
JPY 256.6B**
(Book Value JPY 210.3B + Unrealized Gains JPY 46.4B)



Note: Net Risk-Based Balance Sheet excludes client and non-recourse assets and liabilities and nets out Cash & Cash Equivalents.

Business Segments

Asset Management

Asset Management 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.

Value-Add

Value-Add preserves and improves real estate. Ichigo receives rental income during the period in which it carries out its value-add, along with earning profits on sale that reflect the real estate's higher value after the value-add is complete.

Clean Energy

Clean Energy is utility-scale solar and wind power production that produces clean energy and brings productive use to idle land.

Note: From FY19/2, the Other segment has been eliminated.

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	–	–	–	–	–	–	876	125	928	1,930
Value-Add	14,188	1,324	1,212	196,922	–	38,646	732	519	2,151	255,698
Clean Energy	3,009	–	–	–	–	21,895	226	–	1,194	26,325
Company-Wide Assets	29,479	–	–	–	–	67	263	1,382	1,977	33,169
Total	46,646	1,324	1,212	196,922	–	60,609	2,100	2,026	6,251	317,123

Asset Management – Ichigo REITs and YieldCo

Office



Ichigo Office (8975)

Listing Date
October 12, 2005

Portfolio
85 Offices JPY 199.9B
Current Yield (as of 2018/10/5)
4.2%

Characteristics

- Specialized Office REIT focused on mid-size offices with return stability and upside potential
- 16 consecutive periods of dividend growth, No. 1 among all J-REITs



Hotel



Ichigo Hotel (3463)

Listing Date
November 30, 2015

Portfolio
21 Hotels JPY 50.7B
Current Yield (as of 2018/10/5)
6.2%

Characteristics

- Specialized Hotel REIT focused on driving shareholder value via income stability and earnings growth
- Portfolio growth via Ichigo sponsor support



Green Infrastructure



Ichigo Green (9282)

Listing Date
December 1, 2016

Portfolio
15 Plants JPY 11.4B
Current Yield (as of 2018/10/5)
5.5%

Characteristics

- Solar YieldCo focused on driving shareholder value via income stability and earnings growth
- Offers investors an opportunity to invest in Japan's rapidly expanding green infrastructure asset class
- The second TSE-listed YieldCo



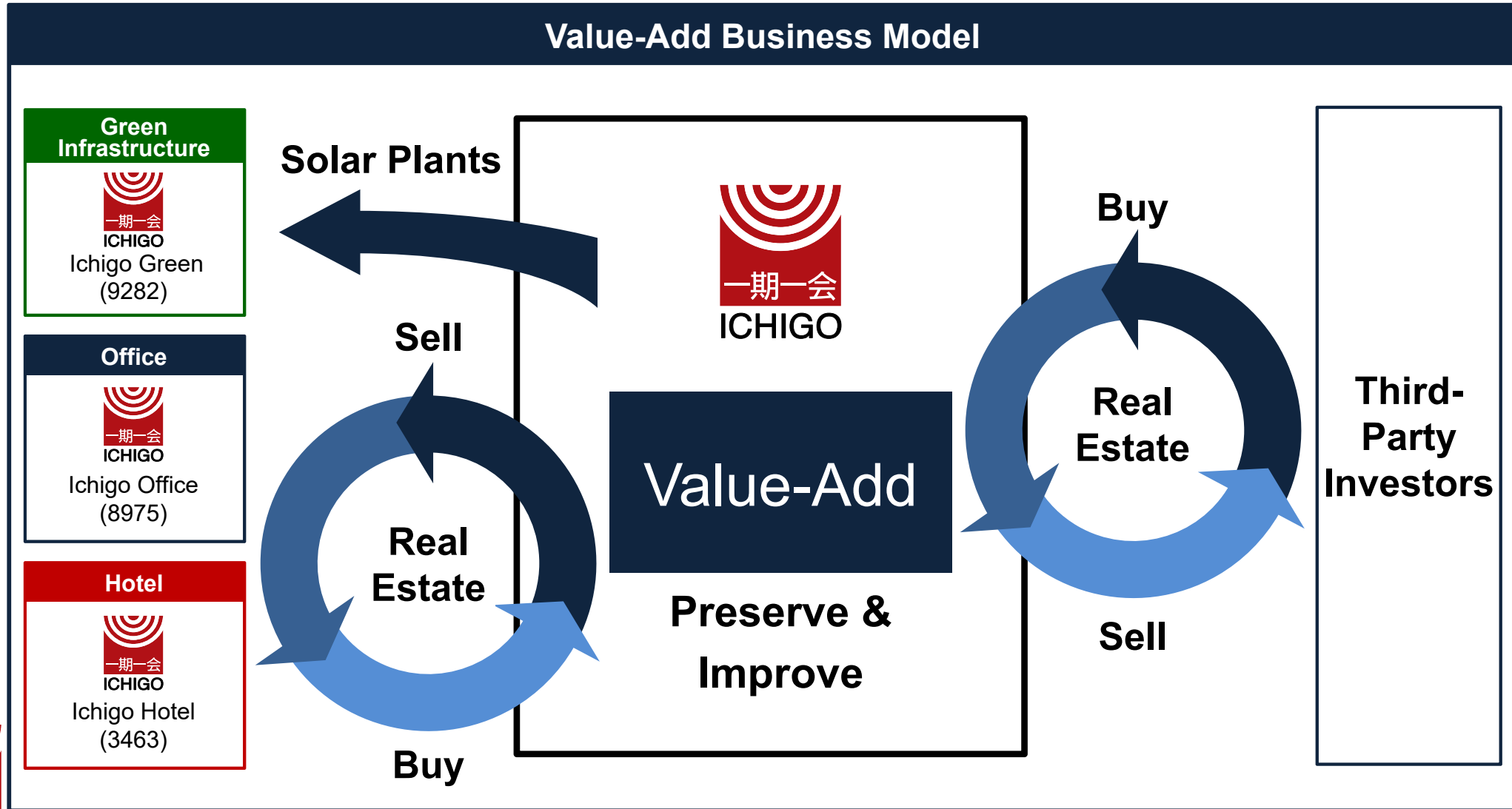
Asset Management AUM Detail

		FY 14/2 (12M)	FY 15/2 (12M)	FY 16/2 (12M)	FY 17/2 (12M)	FY 18/2 (12M)	FY 19/2 H1 (6M)
Ichigo Office (8975)	AUM (Fiscal Year End)	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 194.5B	JPY 196.9B	JPY 198.0B
	AM Base Fee Gross Profit (Actual)	JPY 733M	JPY 759M	JPY 1,016M	JPY 1,291M	JPY 1,373M	JPY 703M
Ichigo Hotel (3463)	AUM (Fiscal Year End)	–	–	JPY 20.4B	JPY 47.6B	JPY 50.9B	JPY 50.7B
	AM Base Fee Gross Profit (Actual)	–	–	JPY 30M	JPY 287M	JPY 450M	JPY 327M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	–	JPY 10.0B	JPY 11.4B	JPY 11.4B
	AM Base Fee Gross Profit (Actual)	–	–	–	JPY 11M	JPY 77M	JPY 54M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 6.4B	JPY 12.3B	JPY 12.3B
	AM Base Fee Gross Profit (Actual)	JPY 257M	JPY 114M	JPY 60M	JPY 27M	JPY 12M	JPY 20M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 258.6B	JPY 271.7B	JPY 272.6B
	AM Base Fee Gross Profit (Actual)	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,617M	JPY 1,914M	JPY 1,105M

Ichigo Green Base AM Fee Gross Profit (Actual) includes operator fees.

Powerful Value-Add Business Model

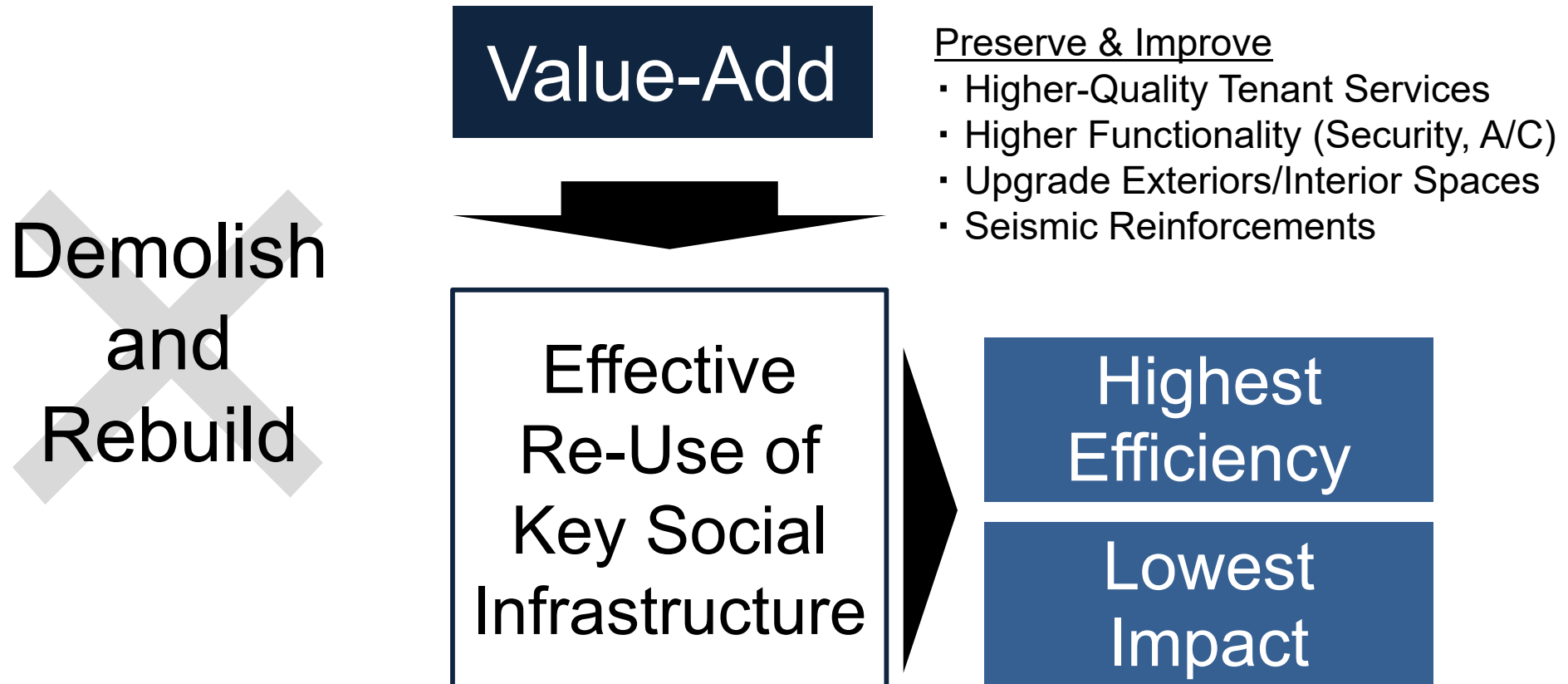
Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



Sustainable Real Estate Serving a Sustainable Society

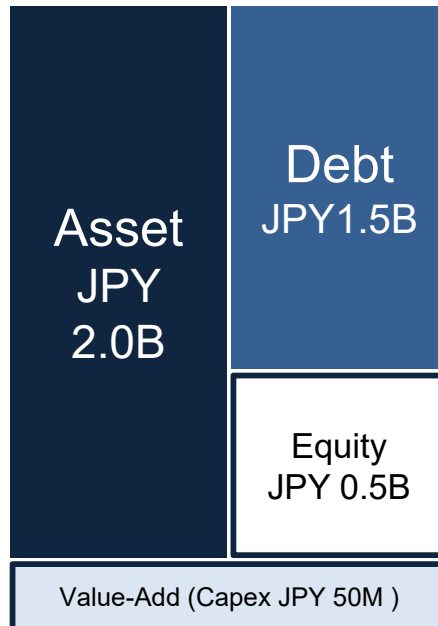
End Demolish and Rebuild and Embrace Value-Add

- 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

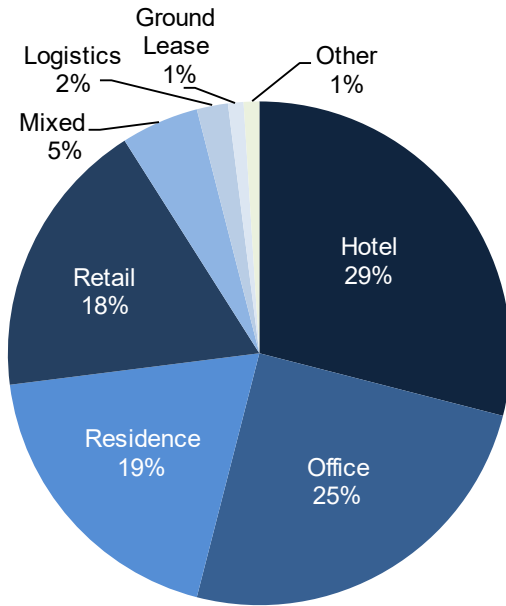
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: $\text{JPY } 2\text{B} * 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Result

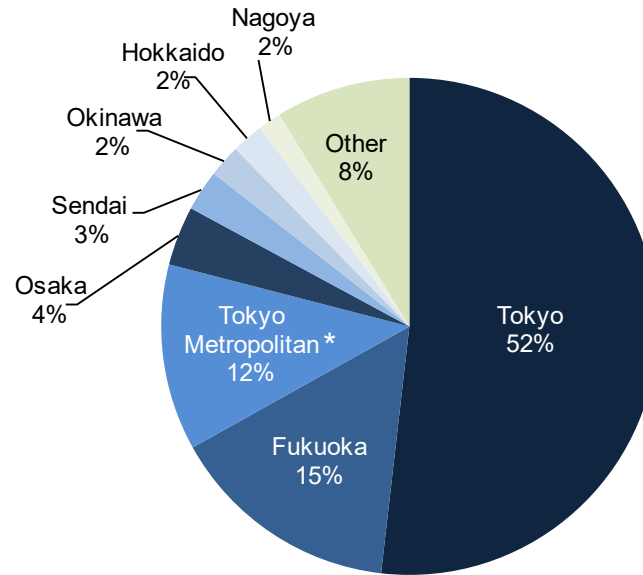
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Ichigo-Owned Real Estate Portfolio

By Asset Type

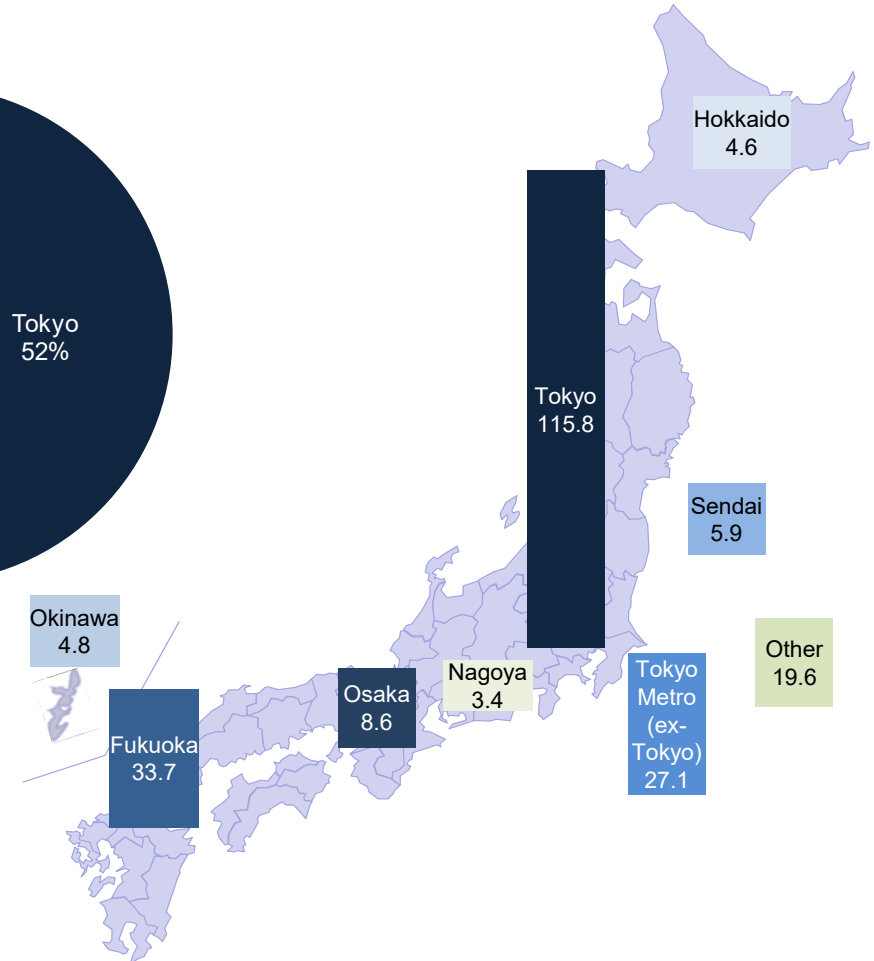


By Location

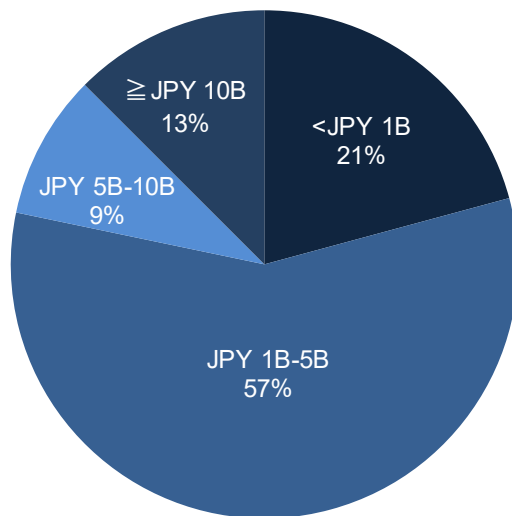


*Excludes Tokyo

(JPY billion)



By Asset Size



Total Ichigo-Owned Assets: JPY 223.5B
Including Ichigo-Managed AUM: JPY 500.7B

* Acquisition price basis.
 Ichigo-Managed AUM includes JPY 11.4B Ichigo Green assets.
 Total Ichigo-Owned Assets Book Value: JPY 231.7B



Value-Add Asset Breakdown (1)

174 Assets, JPY 223.5B, Forecast NOI JPY 13.8B (6.0% Yield)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
1	Wholesale Market	Fixed Asset	Matsudo, Chiba	JPY 2B-3B	2005/06	46 years	JPY 73M	JPY 1,900M	–	–
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	JPY 2B-3B	2005/10	49 years	JPY 148M	JPY 1,033M	–	–
3	Retail	Fixed Asset	Minato-ku, Tokyo	≥JPY 3B	2006/03	33 years	JPY 192M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama	JPY 1B-2B	2006/09	13 years	JPY 75M	JPY 1,157M	–	–
5	Office	Real Estate for Sale	Sendai	≥JPY 3B	2006/10	10 years	JPY 287M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka	≥JPY 3B	2006/12	10 years	JPY 406M	JPY 1,339M	–	–
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	<JPY 1B	2007/04	13 years	JPY 57M	JPY 403M	–	–
10	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	38 years	JPY 84M	JPY 240M	–	–
11	Retail	Fixed Asset	Chiyoda-ku, Tokyo	<JPY 1B	2007/06	37 years	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	<JPY 1B	2012/02	22 years	JPY 84M	JPY 172M	–	–
16	Retail	Real Estate for Sale	Yokohama	<JPY 1B	2012/10	4 years	JPY 33M	JPY 171M	–	–
17	Retail	Fixed Asset	Toshima-ku, Tokyo	≥JPY 3B	2013/03	7 years	JPY 236M	JPY 340M	–	–
18	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2013/05	32 years	JPY 47M	JPY 154M	–	–
19	Mixed (Office/Retail)	Fixed Asset	Chofu, Tokyo	JPY 1B-2B	2013/06	33 years	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	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
21	Residence	Fixed Asset	Minato-ku, Tokyo	<JPY 1B	2013/06	3 years	JPY 49M	JPY 203M	–	–
26	Retail	Real Estate for Sale	Kobe	JPY 1B-2B	2013/09	18 years	JPY 149M	JPY 616M	–	–
27	Retail	Fixed Asset	Tokorozawa, Saitama	JPY 1B-2B	2013/11	10 years	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	<JPY 1B	2014/03	34 years	JPY 39M	JPY 108M	6.95X	26.0%
31	Office	Real Estate for Sale	Shibuya-ku, Tokyo	JPY 1B-2B	2014/04	7 years	JPY 60M	JPY 1,090M	1.25X	12.0%
32	Retail	Fixed Asset	Fukuoka	JPY 1B-2B	2014/04	12 years	JPY 60M	JPY 279M	–	–
35	Mixed (Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	JPY 2B-3B	2014/05	9 years	JPY 164M	JPY 434M	3.08X	15.2%
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	<JPY 1B	2014/07	46 years	JPY 41M	JPY 77M	10.47X	23.9%
38	Mixed (Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	≥JPY 3B	2014/07	42 years	JPY 168M	JPY 645M	3.32X	21.1%
39	Retail	Fixed Asset	Fukuoka	<JPY 1B	2014/07	14 years	JPY 48M	JPY 213M	–	–
40	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/09	33 years	JPY 51M	JPY 252M	–	–
41	Hotel	Real Estate for Sale	Utsunomiya, Tochigi	JPY 1B-2B	2014/09	31 years	JPY 181M	JPY 400M	1.97X	28.3%
42	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/09	17 years	JPY 54M	JPY 177M	5.54X	26.2%
43	Retail	Real Estate for Sale	Osaka	JPY 1B-2B	2014/09	16 years	JPY 104M	JPY 301M	4.64X	24.3%

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	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
45	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2014/11	15 years	JPY 74M	JPY 135M	10.70X	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 2B-3B	2014/12	15 years	JPY 119M	JPY 332M	2.18X	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 94M	JPY 270M	1.56X	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	JPY 1B-2B	2014/12	14 years	JPY 81M	JPY 238M	1.67X	16.6%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 63M	JPY 163M	1.55X	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	<JPY 1B	2014/12	16 years	JPY 57M	JPY 150M	2.21X	35.7%
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	<JPY 1B	2014/12	15 years	JPY 40M	JPY 99M	2.96X	44.4%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	<JPY 1B	2014/12	13 years	JPY 28M	JPY 82M	2.05X	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 89M	JPY 270M	2.00X	23.2%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	JPY 1B-2B	2014/12	14 years	JPY 57M	JPY 186M	1.90X	21.0%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	<JPY 1B	2014/12	13 years	JPY 42M	JPY 117M	2.11X	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	<JPY 1B	2014/12	12 years	JPY 20M	JPY 55M	1.80X	21.1%
61	Mixed (Office/Retail)	Operational Loan	Shinjuku-ku, Tokyo	JPY 1B-2B	2014/12	55 years	JPY 118M	JPY 57M	15.26X	51.7%
62	Retail	Real Estate for Sale	Fukuoka	<JPY 1B	2014/12	14 years	JPY 43M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	JPY 1B-2B	2014/12	12 years	JPY 84M	JPY 129M	3.98X	23.8%

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 (4)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	<JPY 1B	2015/01	64 years	JPY 40M	–	–	–
66	Retail	Real Estate for Sale	Sendai	<JPY 1B	2015/02	14 years	JPY 48M	JPY 8M	42.58X	198.9%
68	Retail	Fixed Asset	Shibuya-ku, Tokyo	<JPY 1B	2015/04	16 years	JPY 47M	JPY 79M	5.65X	27.9%
69	Hotel	Real Estate for Sale	Osaka	JPY 2B-3B	2015/05	15 years	JPY 194M	JPY 633M	1.56X	58.3%
70	Hotel	Real Estate for Sale	Aomori	<JPY 1B	2015/06	11 years	JPY 50M	JPY 113M	2.10X	20.2%
71	Retail	Real Estate for Sale	Fujisawa, Kanagawa	JPY 1B-2B	2015/07	3 years	JPY 97M	JPY 126M	6.80X	37.3%
89	Office	Real Estate for Sale	Musashino, Tokyo	≥JPY 3B	2015/07	29 years	JPY 130M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2015/07	10 years	JPY 92M	JPY 353M	1.82X	17.7%
93	Office	Real Estate for Sale	Fukuoka	JPY 1B-2B	2015/07	16 years	JPY 91M	JPY 358M	1.92X	18.8%
98	Hotel	Real Estate for Sale	Naha, Okinawa	JPY 2B-3B	2015/11	30 years	JPY 223M	JPY 640M	1.91X	25.9%
105	Hotel	Real Estate for Sale	Kumamoto	JPY 1B-2B	2015/12	34 years	JPY 154M	JPY 453M	1.61X	61.2%
109	Hotel	Real Estate for Sale	Nagoya	JPY 2B-3B	2016/03	9 years	JPY 141M	JPY 525M	1.84X	37.7%
110	Hotel	Real Estate for Sale	Fukuoka	≥JPY 3B	2016/03	33 years	JPY 288M	JPY 905M	2.05X	104.5%
111	Hotel	Real Estate for Sale	Yokohama	JPY 2B-3B	2016/03	34 years	JPY 166M	JPY 228M	5.32X	23.3%
112	Hotel	Real Estate for Sale	Yokohama	≥JPY 3B	2016/03	31 years	JPY 261M	JPY 354M	10.64X	36.2%

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 (5)

No.	Asset Type	Classification	Location	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
113	Hotel	Real Estate for Sale	Yokohama	≥JPY 3B	2016/03	31 years	JPY 231M	JPY 344M	5.84X	25.5%
114	Hotel	Real Estate for Sale	Fukuoka	≥JPY 3B	2016/04	28 years	JPY 210M	JPY 550M	1.73X	72.6%
115	Hotel	Real Estate for Sale	Osaka	JPY 2B-3B	2016/04	11 years	JPY 117M	JPY 274M	2.96X	30.7%
116	Retail	Fixed Asset	Sendai	<JPY 1B	2016/04	29 years	JPY 47M	JPY 86M	7.50X	28.4%
118	Retail	Real Estate for Sale	Nagoya	JPY 1B-2B	2016/06	21 years	JPY 87M	JPY 102M	7.71X	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2016/06	31 years	JPY 33M	JPY 136M	3.91X	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	≥JPY 3B	2016/09	38 years	JPY 548M	JPY 349M	2.70X	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	≥JPY 3B	2016/10	17 years	JPY 1,526M	JPY 3,450M	2.87X	43.5%
122	Hotel	Real Estate for Sale	Shima, Mie	<JPY 1B	2017/01	20 years	JPY 48M	JPY 73M	5.49X	43.1%
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	≥JPY 3B	2016/12	23 years	JPY 170M	JPY 1,123M	1.25X	25.4%
124	Hotel	Real Estate for Sale	Asahikawa, Hokkaido	<JPY 1B	2016/12	28 years	JPY 73M	JPY 593M	1.48X	48.5%
126	Hotel	Real Estate for Sale	Fukuoka	JPY 1B-2B	2016/12	27 years	JPY 71M	JPY 505M	1.25X	25.4%
127	Hotel	Real Estate for Sale	Ishigaki, Okinawa	JPY 2B-3B	2017/02	15 years	JPY 173M	JPY 544M	1.80X	80.2%
128	Hotel	Real Estate for Sale	Mito, Ibaraki	JPY 1B-2B	2017/02	25 years	JPY 103M	JPY 602M	1.47X	47.0%
130	Retail	Real Estate for Sale	Taito-ku, Tokyo	JPY 1B-2B	2017/04	25 years	JPY 91M	JPY 297M	4.42X	21.1%

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	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
131	Hotel	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/04	1 year	JPY 144M	JPY 236M	2.07X	49.9%
132	Residence	Real Estate for Sale	Minato-ku, Tokyo	<JPY 1B	2017/04	15 years	JPY 54M	JPY 190M	2.66X	38.3%
133	Residence	Real Estate for Sale	Minato-ku, Tokyo	<JPY 1B	2017/04	16 years	JPY 31M	JPY 152M	3.85X	32.7%
134	Residence	Real Estate for Sale	Chuo-ku, Tokyo	JPY 1B-2B	2017/04	16 years	JPY 48M	JPY 197M	2.88X	26.2%
135	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	26 years	JPY 97M	JPY 188M	6.18X	25.8%
136	Logistics	Real Estate for Sale	Narashino, Chiba	JPY 1B-2B	2017/04	27 years	JPY 163M	JPY 203M	8.75X	32.8%
138	Hotel	Real Estate for Sale	Ogaki, Gifu	JPY 1B-2B	2017/05	29 years	JPY 96M	–	–	–
139	Office	Real Estate for Sale	Shibuya-ku, Tokyo	<JPY 1B	2017/05	1 year	JPY 28M	JPY 600M	1.15X	15.1%
140	Hotel	Real Estate for Sale	Minato-ku, Tokyo	≥JPY 3B	2017/06	1 year	JPY 175M	JPY 597M	2.27X	54.7%
141	Hotel	Real Estate for Sale	Osaka	JPY 1B-2B	2017/11	1 year	JPY 83M	JPY 334M	1.27X	27.4%
142	Hotel	Real Estate for Sale	Kanazawa	JPY 1B-2B	2017/11	1 year	JPY 95M	JPY 372M	2.12X	54.2%
143	Retail	Real Estate for Sale	Fukuoka	JPY 1B-2B	2017/09	33 years	JPY 90M	JPY 223M	3.78X	19.9%
144	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	JPY 1B-2B	2018/02	30 years	JPY 129M	JPY 268M	8.00X	34.7%

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	Acquisition Price	Acquisition Date	Building Age	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²
145	Hotel	Real Estate for Sale	Fukuoka	JPY 2B-3B	2018/03	1 year	JPY 194M	JPY 301M	3.37X	102.4%
146	Retail	Fixed Asset	Chuo-ku, Tokyo	JPY 1B-2B	2018/08	27 years	JPY 31M	JPY 375M	2.36X	9.2%
147	Hotel	Real Estate for Sale	Kyoto	≥JPY 3B	2018/08	1 year	JPY 328M	JPY 1,666M	1.59X	27.2%
148	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	<JPY 1B	2018/08	50 years	JPY 54M	JPY 166M	3.93X	104.4%
Sub-Total 92 Assets				JPY 189,635M			JPY 11,892M	JPY 38,194M	2.77X	37.1%
				JPY 196,710M (Book Value)						

No.	Asset Type	Acquisition Price	vs. FY18/2 Q4	Expected NOI/Year	Ichigo Equity Investment	Forecast Equity Multiple ¹	Forecast IRR ²	
A	Ichigo Owners (Office & Residence)	44 Assets	JPY 26,208M	+JPY 10,957M	JPY 1,336M	JPY 6,450M	–	–
B	Centro (Primarily Office & Residence)	14 Assets	JPY 5,672M	+JPY 729M	JPY 377M	JPY 2,198M	–	–
C	Self-Storage	24 Assets	JPY 1,996M	+JPY 119M	JPY 282M	JPY 491M	–	–
Total 174 Assets		JPY 223,511M			JPY 13,886M	JPY 47,332M	–	–
		JPY 231,746M (Book Value)						

Assets acquired in FY19/2 Q1 (3M)	Total 7 Assets	JPY 6,927M	JPY 373M	JPY 2,449M	–	–
Assets acquired in FY19/2 Q2 (3M)	Total 14 Assets	JPY 15,644M	JPY 750M	JPY 4,052M	–	–
Assets acquired in FY19/2 H1 (6M)	Total 21 Assets	JPY 22,571M	JPY 1,123M	JPY 6,501M	–	–

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 and Assets A, B, and C.

Ichigo 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	0.80	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
Ichigo Memuro Nishishikari	Hokkaido	1.32	JPY 40	Feb 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.90	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	

Total
152MW

Ichigo (In-Development)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Itoshima Ihara	Kyushu	1.48	JPY 36	Jan 2019
Ichigo Sennan Kitsuneike	Kansai	2.86	JPY 21	Mar 2019
Ichigo Sakahogi Fukagaya	Chubu	2.90	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
(Wind) Ichigo Yonezawa Itaya	Tohoku	7.39	JPY 22	Dec 2019
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.64	JPY 32	Nov 2021
Total (In-Development)		10 Plants	40.19MW	
Total (Operating & In-Development)		34 Plants	122.34MW	

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 Muroan 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	

Ichigo Solar & Wind Power Plant Portfolio

Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants

49 Plants (152MW)

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	2.90MW
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	0.80MW
Ichigo Betsukai Kawakamicho	0.88MW
Ichigo Akkeshi Shirahama	0.80MW
Ichigo Toyokoro Sasadamachi	0.60MW
Ichigo Memuro Nishishikari	1.32MW
Ichigo Motomombetsu	1.40MW
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) Ichigo Yonezawa Itaya	7.39MW
(Wind) Iwate	7.50MW
(Wind) Fukushima	7.00MW

Chubu

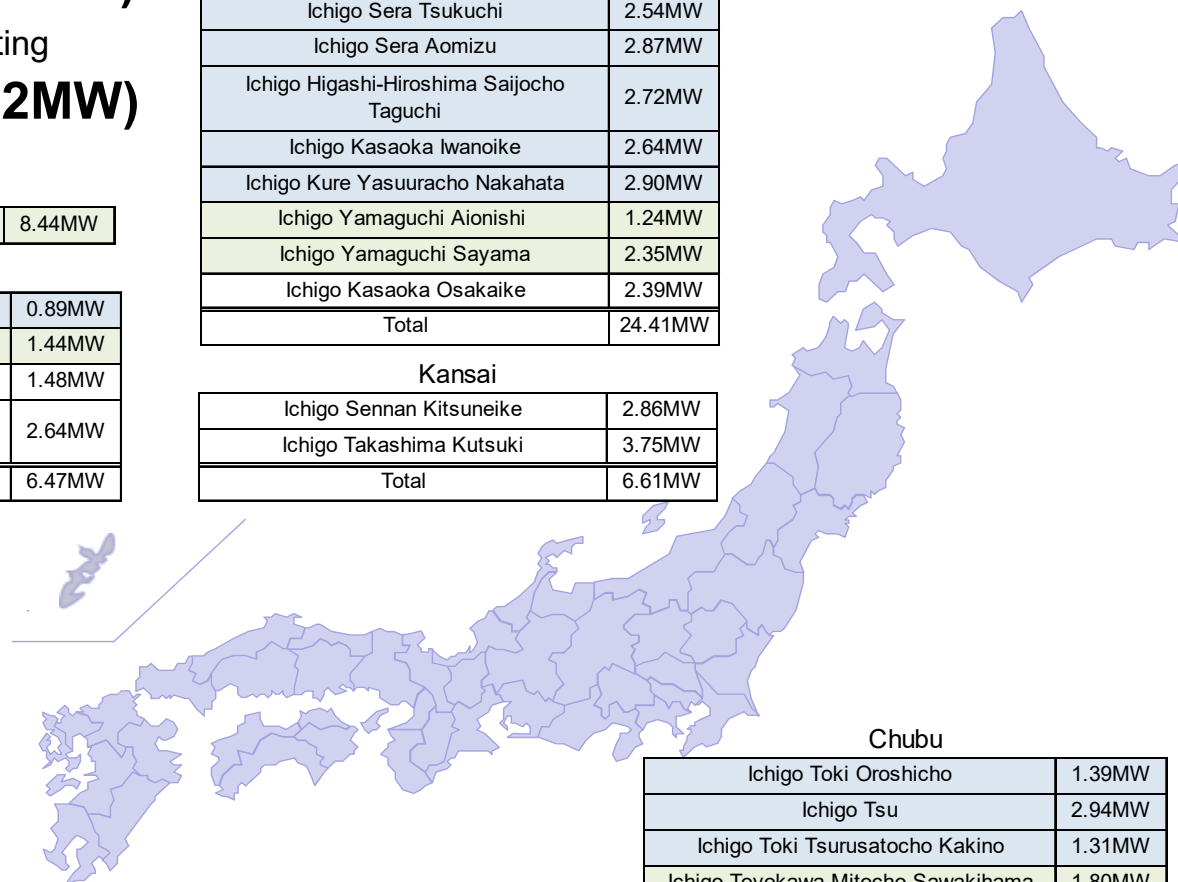
Ichigo Toki Oroshicho	1.39MW
Ichigo Tsu	2.94MW
Ichigo Toki Tsurusatocho Kakino	1.31MW
Ichigo Toyokawa Mitocho Sawakihama	1.80MW
Ichigo Sakahogi Fukagaya	2.90MW
Ichigo Toki Tsurusatocho Kakino Higashi	1.77MW
Total	12.13MW
(Wind) Mie	7.50MW

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	4.00MW

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)

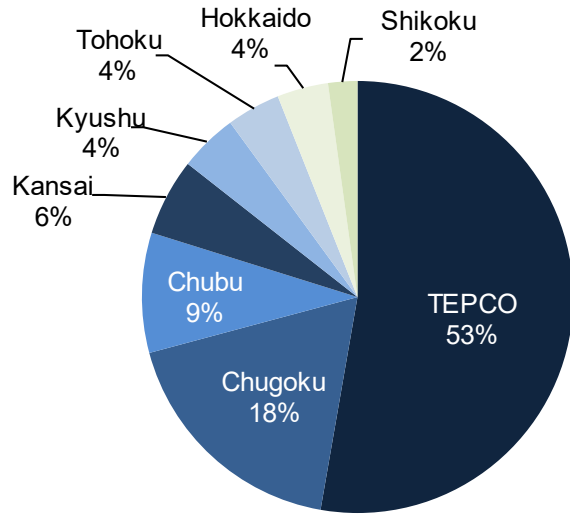
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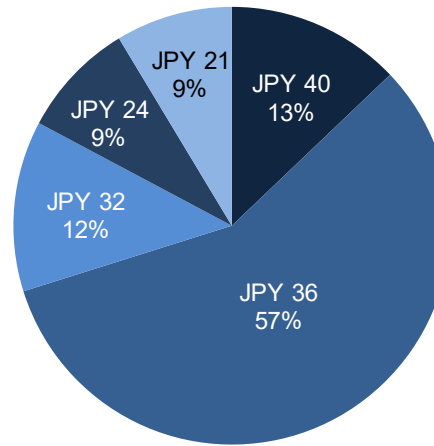
Ichigo-Owned Solar Power Plant Details

Total Operating and In-Development
Ichigo-Owned Solar Power Plants: 33 Plants (114.94MW)

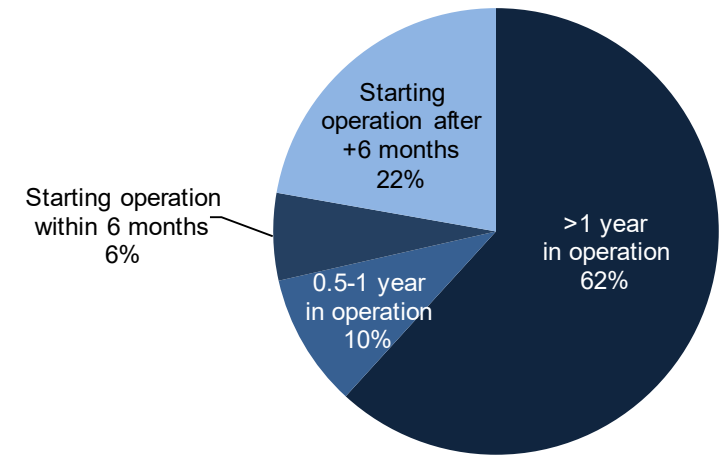
By Customer
(Electric Power Utility Co)



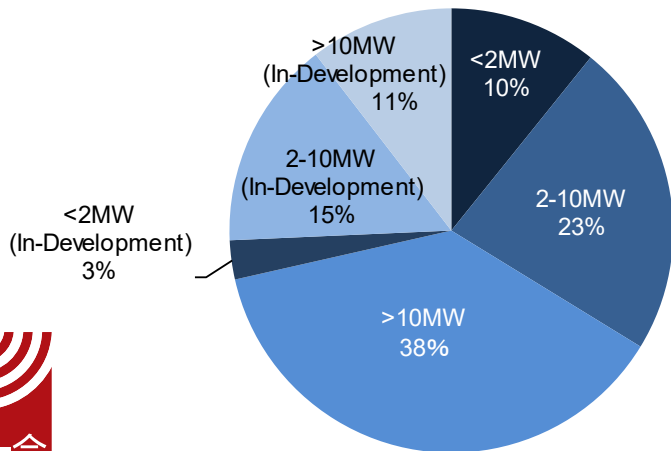
By Feed-In-Tariff



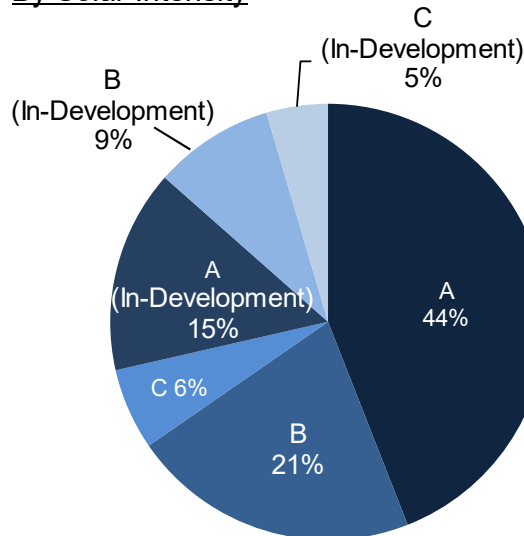
By Operating Timeline



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



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
FY2012	JPY 40	20 years
FY2013	JPY 36	20 years
FY2014	JPY 32	20 years
FY2015 (4/1~6/30)	JPY 29	20 years
FY2015 (7/1~3/31)	JPY 27	20 years
FY2016	JPY 24	20 years
FY2017	JPY 21*	20 years
FY2018	JPY 18*	20 years

Wind Power FIT

Contract Date	FIT	Guarantee Period
FY2017 (4/1~9/30)	JPY 22	20 years
FY2017 (10/1~3/31)	JPY 21	20 years
FY2018	JPY 20	20 years
FY2019	JPY 19	20 years
FY2020	JPY 18	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

Consolidated Balance Sheet: Assets

(JPY million)

	FY15/2	FY16/2	FY17/2	FY18/2	FY19/2 Q1	FY19/2 H1	vs. FY19/2 Q1
Assets							
Current Assets							
Cash and cash equivalents	19,383	28,779	47,678	45,510	53,045	46,676	-6,369
Trade notes and accounts receivable	519	691	913	1,097	1,426	1,550	+124
Operational loan investments	2,330	1,324	1,324	1,324	1,324	1,324	-
Operational securities investments	1,965	1,784	1,433	2	1,290	1,212	-78
Real estate for sale	109,769	172,833	167,805	180,789	181,592	196,922	+15,330
Power plants for sale	-	-	-	-	-	-	-
Deferred tax assets	1,200	1,766	516	342	344	361	+17
Other	2,657	3,966	3,125	2,643	2,252	1,856	-396
Less: allowance for doubtful accounts	-484	-458	-453	-28	-2	-2	-
Total Current Assets	137,342	210,687	222,344	231,681	241,274	249,902	+8,628
Fixed Assets							
Property, Plant, and Equipment							
Buildings and structures (net)	4,021	3,830	7,375	10,600	10,638	10,937	+299
Solar power plant equipment (net)	9,168	12,256	7,246	19,773	19,502	19,272	-230
Land	12,142	12,192	18,627	26,993	27,091	28,260	+1,169
Other (net)	989	3,264	12,402	1,190	1,941	2,138	+197
Total Property, Plant, and Equipment	26,321	31,546	45,654	58,558	59,173	60,609	+1,436
Intangible Assets							
Goodwill	2,082	1,942	1,864	1,600	1,549	1,506	-43
Leasehold rights	392	392	62	135	135	316	+181
Other	27	38	29	233	249	277	+28
Total Intangible Assets	2,502	2,373	1,956	1,968	1,933	2,100	+167
Investments and Other Assets							
Securities investments	5,266	5,486	1,426	2,184	2,034	2,026	-8
Long-term loans receivable	12	12	10	10	10	10	-
Deferred tax assets	2	39	339	68	113	103	-10
Other	1,392	1,736	1,820	2,132	2,091	2,463	+372
Less: allowance for doubtful accounts	-95	-124	-92	-91	-91	-91	-
Total Investments and Other Assets	6,578	7,149	3,504	4,303	4,157	4,511	+354
Total Fixed Assets	35,402	41,069	51,115	64,831	65,264	67,220	+1,956
Total Assets	172,744	251,757	273,459	296,512	306,539	317,123	+10,584

Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY15/2	FY16/2	FY17/2	FY18/2	FY19/2 Q1	FY19/2 H1	vs. FY19/2 Q1
Liabilities							
Current Liabilities							
Trade notes and accounts payable	124	80	110	-	-	-	-
Short-term loans	1,416	2,188	805	1,042	4,929	6,985	+2,056
Short-term non-recourse loans	48	79	611	-	-	-	-
Bonds (due within one year)	-	-	112	112	112	112	-
Long-term loans (due within one year)	3,488	8,161	5,209	4,449	5,045	8,613	+3,568
Long-term non-recourse loans (due within one year)	786	2,975	6,825	3,921	2,937	1,703	-1,234
Income taxes payable	284	631	1,655	1,609	1,128	1,367	+239
Deferred tax liabilities	30	53	62	494	492	493	+1
Accrued bonuses	16	13	36	34	258	282	+24
Other current liabilities	3,677	3,979	4,119	4,652	4,408	4,329	-79
Total Current Liabilities	9,872	18,161	19,548	16,316	19,312	23,887	+4,575
Long-Term Liabilities							
Bonds	-	-	632	520	520	464	-56
Non-recourse bonds	100	100	100	-	-	-	-
Long-term loans	53,409	94,409	91,604	112,366	121,659	128,316	+6,657
Long-term non-recourse loans	43,004	56,193	68,319	63,588	61,190	58,656	-2,534
Deferred tax liabilities	1,402	1,543	1,147	1,744	1,733	1,734	+1
Long-term security deposits received	6,391	8,707	8,038	8,492	8,040	7,840	-200
Negative goodwill	90	-	-	-	-	-	-
Other long-term liabilities	96	475	624	758	771	688	-83
Total Long-Term Liabilities	104,494	161,430	170,467	187,470	193,915	197,700	+3,785
Total Liabilities	114,367	179,591	190,015	203,787	213,228	221,588	+8,360
Net Assets							
Shareholders' Equity							
Capital	26,499	26,575	26,650	26,723	26,764	26,804	+40
Capital reserve	10,873	10,968	11,056	11,113	11,155	11,189	+34
Retained earnings	17,201	29,454	42,840	54,324	54,896	56,958	+2,062
Treasury shares	-78	-41	-15	-2,995	-2,995	-2,988	+7
Total Shareholders' Equity	54,496	66,956	80,532	89,165	89,821	91,965	+2,144
Accumulated Other Comprehensive Income							
Valuation gain (loss) on other securities	1,208	761	117	543	442	437	-5
Deferred gain (loss) on long-term interest rate hedges	-36	-251	-365	-372	-391	-365	+26
Foreign currency translation adjustment	6	23	55	-	-	-	-
Total Accumulated Other Comprehensive Income	1,177	533	-192	171	51	71	+20
Stock Options	198	319	491	666	694	729	+35
Minority Interests	2,505	4,357	2,612	2,722	2,744	2,769	+25
Total Net Assets	58,377	72,166	83,443	92,725	93,311	95,535	+2,224
Total Liabilities and Net Assets	172,744	251,757	273,459	296,512	306,539	317,123	+10,584

Consolidated P&L

(JPY million)

	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 H1 (6M)	FY18/2 H1 (6M)	Change (YOY)	FY19/2 Full-Year Forecast	vs. Forecast
Revenue	42,705	49,699	109,253	57,846	26,084	33,386	-7,302	–	–
Cost of Goods Sold	30,539	29,835	82,446	31,920	13,629	17,786	-4,157	–	–
Gross Profit	12,166	19,863	26,806	25,925	12,454	15,599	-3,145	31,200	39.9%
SG&A	3,977	4,446	5,025	5,067	2,872	2,362	+510	–	–
Operating Profit	8,189	15,417	21,781	20,858	9,581	13,236	-3,655	25,000	38.3%
Non-Operating Income									
Interest income	5	2	–	3	2	3	-1	–	–
Dividend income	78	79	85	57	28	26	+2	–	–
Amortization of negative goodwill	90	90	–	–	–	–	–	–	–
Mark-to-market gain on long-term interest rate hedges	–	–	–	–	83	–	+83	–	–
Other	39	43	32	100	81	29	+52	–	–
Total Non-Operating Income	213	215	118	161	196	59	+137	–	–
Non-Operating Expenses									
Interest expense	943	1,277	1,303	1,266	1,139	1,111	+28	–	–
Mark-to-market loss on long-term interest rate hedges	–	–	38	244	56	337	-281	–	–
Debt financing-related fees	–	86	585	159	242	196	+46	–	–
Other	202	379	216	165	45	88	-43	–	–
Total Non-Operating Expenses	1,146	1,743	2,144	1,835	1,484	1,733	-249	–	–
Recurring Profit	7,255	13,889	19,755	19,185	8,293	11,562	-3,269	22,000	37.7%
Extraordinary Gains									
Gain on sale of fixed assets	–	–	–	–	–	–	–	–	–
Gain on sale of securities investments	–	223	2,466	–	2	–	+2	–	–
Gain on sale of shares in affiliates	–	–	–	1,221	–	1,221	-1,221	–	–
Other	57	–	–	41	–	–	–	–	–
Total Extraordinary Gains	57	223	2,466	1,263	2	1,221	-1,219	–	–
Extraordinary Losses									
Loss on sale/disposal of fixed assets	–	–	–	11	–	11	-11	–	–
Valuation loss on securities investments	–	49	–	–	–	–	–	–	–
Office move expenses	1	9	31	–	–	–	–	–	–
Impairment loss	–	–	1,090	327	–	–	–	–	–
Earthquake-related damages	–	–	244	–	–	–	–	–	–
Other	91	31	224	–	–	–	–	–	–
Total Extraordinary Losses	93	89	1,590	339	–	11	-11	–	–
Pre-Tax Net Income	7,220	14,022	20,630	20,109	8,296	12,772	-4,476	–	–
Income Taxes	343	960	5,436	5,923	2,640	3,862	-1,222	–	–
Pre-Minority Interest Net Income	6,876	13,062	15,194	14,185	5,655	8,910	-3,255	–	–
Net Income Attributable to Minority Interests	115	136	299	167	46	36	+10	–	–
Net Income	6,761	12,925	14,894	14,018	5,608	8,873	-3,265	15,000	37.4%

Consolidated Cash Flows from Operations

(JPY million)

	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 H1 (6M)
Cash Flows from Operations					
Pre-tax net income	7,220	14,022	20,630	20,109	8,296
Depreciation	565	792	778	1,015	795
Share-based compensation expenses	112	174	223	215	107
Amortization of goodwill	139	139	141	111	94
Amortization of negative goodwill	-90	-90	-	-	-
Increase (decrease) in accrued bonuses	1	-3	23	32	248
Increase (decrease) in allowance for doubtful accounts	65	3	-3	-355	-26
Interest and dividend income	-83	-81	-85	-61	-30
Interest expense	943	1,277	1,303	1,266	1,139
Loss (gain) on sale of shares in affiliates	-	-	-	-1,221	-
Loss (gain) on sale of securities investments	-	-223	-2,466	-	-2
Impairment loss	-	-	1,090	327	-
Valuation loss on securities investments	-	49	-	-	-
Decrease (increase) in trading notes and receivables	-68	-172	-367	-468	-453
Decrease (increase) in operational loans receivable	-1,230	1,006	-	-	-
Decrease (increase) in operational securities investments	1,110	1,239	2,727	1,663	-425
Valuation loss on operational securities investments	-	19	-	-	-
Decrease (increase) in real estate for sale	-42,991	-63,070	-6,303	-8,112	-16,132
Decrease (increase) in solar power plants for sale	-	-	7,251	996	-
Valuation loss on SPC capital contributions	91	11	16	-	-
Decrease (increase) in advances paid	-	-990	-190	871	-70
Decrease (increase) in accounts receivable	-1,079	-1,140	-193	-10	-56
Increase (decrease) in accounts payable	388	535	204	573	-593
Increase (decrease) in accrued expenses	16	42	92	-285	27
Increase (decrease) in advances received	211	317	-49	30	-
Increase (decrease) in security deposits received	1,391	2,380	-667	125	-696
Other	-407	435	1,304	709	1,261
Sub-total	-33,693	-43,324	25,460	17,532	-6,517
Interest and dividend income received	83	81	85	61	30
Interest expense paid	-843	-1,226	-1,146	-1,135	-1,041
Income taxes paid and refunded	161	-186	-2,852	-5,854	-2,806
Net Cash from (Used for) Operations	-34,292	-44,654	21,547	10,603	-10,334

Consolidated Cash Flows from Investments & Financing

(JPY million)

	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (12M)	FY19/2 H1 (6M)
Cash Flows from Investments					
Payments into time deposits	-325	-	-6,100	-6	-57
Redemptions of time deposits	325	-	201	-	10
Acquisition of securities investments	-210	-671	-300	-140	-25
Proceeds from sale of securities investments	-	296	6,136	-	32
Proceeds from redemptions of securities investments	-	3	-	-	-
Acquisition of property, plant, and equipment	-10,769	-6,628	-11,719	-4,796	-3,040
Acquisition of intangible assets	-23	-21	-1	-83	-359
Payments of SPC capital contributions	-10	-9	-63	-28	-
Redemptions of SPC capital contributions	-	6	-	-	32
Payments of security deposits	-127	-37	-5	-36	-15
Acquisition of subsidiary shares resulting in change of consolidation scope	-	-	-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	4	9	11	-32	-176
Net Cash from (Used for) Investments	-12,485	-7,052	-11,933	-5,645	-3,600
Cash Flows from Financing					
Net increase (decrease) in short-term loans	466	771	-1,383	-306	5,942
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	-56
Repayment of maturing non-recourse bond principal to bondholders	-	-	-	-100	-
Proceeds from long-term loans	47,203	64,866	55,674	32,660	24,855
Repayment of long-term loans	-19,557	-19,192	-61,221	-13,402	-4,665
Proceeds from long-term non-recourse loans	19,900	18,150	30,850	3,518	3,500
Repayment of long-term non-recourse loans	-5,958	-2,772	-15,400	-22,366	-10,850
Proceeds from employee exercise of stock options	99	153	137	110	120
Proceeds from share issuance to minority shareholders	-	2,000	-	-	-
Payments to minority shareholders for redemption of common shares	-	-	-2,000	-	-
Share buyback	-	-	-	-2,999	-
Dividends paid	-543	-646	-1,501	-2,513	-2,970
Dividends paid to minority interests	-	-43	-39	-	-
Net Cash from (Used for) Financing	41,658	63,318	6,377	-6,124	15,876

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. Record Earnings Forecast for FY19/2

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%	30.0%	30.0%	30.0%	–
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	133.3%
ROE	21.0%	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)

Score Calculation:

While the JPX-Nikkei Index 400 does not provide an official ranking of its 400 constituents, it can be calculated based upon the JPX-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)

Total Score = $0.4 \times (a) + 0.4 \times (b) + 0.2 \times (c)$

Power Up 2019 Key Initiatives

Steady Progress to Achieve Mid-Term Plan

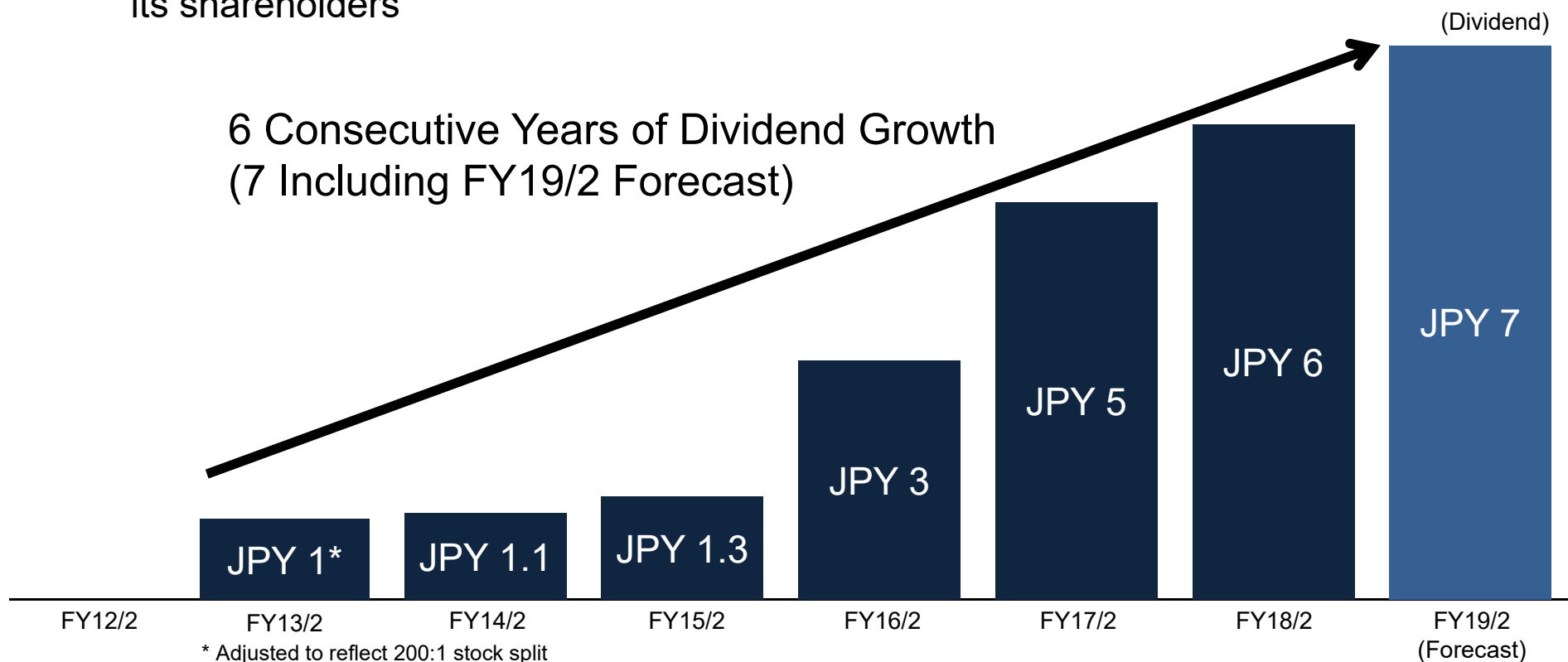
(As of February 28, 2018)

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 REtech businesses, fusing Ichigo's Real Estate and IT capabilities 	<ul style="list-style-type: none"> Launched Ichigo Owners: JPY 21.4B acquisitions, JPY 2.3B sales in the first year Launched Ichigo's first lifestyle 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 Period: 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 Former CEOs of TSE 1st Section companies serve as Independent Directors

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



Effective Governance Structure

- Early adoption of the Company with Committees governance structure
 - Adopted in 2006 with a focus on global best practices
 - Voluntarily established a Compliance Committee in addition to the Nominating, Audit, and Compensation Committees
 - Nominating Committee: 5 (of whom 3 are Independent Directors)
 - Audit Committee: 3 (all of whom are Independent Directors)
 - Compensation Committee: 5 (of whom 3 are Independent Directors)
 - Compliance Committee: 4 (of whom 2 are Independent Directors)
- Appointment of Independent Directors to strengthen governance
 - Of the 9 Directors, 6 are Independent Directors
 - Appointed former CEOs of TSE First Section-listed companies
 - February 2017
 - Takashi Kawamura (former CEO of Hitachi, Ltd.) *stepped down upon appointment as Chairman of TEPCO
 - Masatoshi Matsuzaki (former CEO of Konica Minolta, Inc.)
 - Kosuke Nishimoto (former CEO of Meitec Corp.)
 - February 2018 – February 2019
 - Masatoshi Matsuzaki (former CEO of Konica Minolta, Inc.)
 - Kosuke Nishimoto (former CEO of Meitec Corp.)
 - Nobuhide Nakaido (former CEO of SCSK Corp.)

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

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

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



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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.