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Summary of Financial and Business Results for the Third Quarter of the Fiscal Year Ending February 2014

January 10, 2014

Ichigo Group Holdings Co., Ltd. (JASDAQ, 2337)

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Filing of the *Shihanki Hokokusho* (Quarterly Report): January 14, 2014

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Consolidated Financial Results (March 1, 2013 – November 30, 2013)

(1) Consolidated Financial Results (Cumulative)

(% change is year-on-year)

	Revenues		Operating Profit		Recurring Profit		Net Profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Feb 14 Q3	28,685	147.6	3,199	172.6	3,051	184.1	3,695	291.3
Feb 13 Q3	11,585	-29.1	1,173	103.1	1,074	100.7	944	-35.5

Comprehensive income: Feb 14 Q3: 3,596 million yen (+147.2%) Feb 13 Q3: 1,454 million yen (+110.5%)

	Net Profit per Share (basic, yen)	Net Profit per Share (diluted, yen)
Feb 14 Q3	8.22	8.10
Feb 13 Q3	2.11	-

Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the net profit per share figures for both 2013 and 2014 reflect the stock split.

(2) Consolidated Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 14 Q3	96,650	34,320	33.2	71.21
Feb 13 FY	80,428	31,066	35.4	63.52

Shareholders' equity: Feb 14 Q3: 32,105 million yen Feb 13 FY: 28,457 million yen

Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the net assets per share figures for both 2013 and 2014 reflect the stock split.

2. Dividends

	Dividend per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Feb 13	-	0	-	200.00	200.00
Feb 14	-	0	-		
Feb 14 (Expected)				1.10	1.10

Note 1: Changes since the previously announced forecast: None

Note 2: On September 1, 2013, Ichigo split each of its shares into 200 shares. The actual dividend for Feb 13 does not reflect the share price before the split while the forecast for Feb 14 reflects the split.

3. Consolidated Forecast for the Full Fiscal Year (March 1, 2013 – February 28, 2014)

(% change is year-on-year)

	Revenues		Operating Profit		Recurring Profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Feb 14 FY	35,000	113.4	3,900	111.5	3,500	101.8
	Net Profit		Net Profit per Share			
	(million yen)	(%)	(Yen)			
Feb 14 FY	4,000	144.3	8.69			

Note 1: Changes since the previously released forecast: None

Note 2: Net profit per share for FY14 is based on the average number of shares outstanding for FY14 reflecting the new shares issued through the public offering as announced in the release “Issue Price for New Share Issuance and Over-Allotment” on November 27, 2013 and the third-party allotment as announced in the release “Determination of Number of New Shares Issued through Underwriter Third-Party Allotment” on December 27, 2013.

Note 3: On September 1, 2013, Ichigo split each of its shares into 200 shares. The forecast net profit per share for FY14 reflects the stock split.

4. Other

- (1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes – one new subsidiary: GK Minami Ikebukuro Jisho *Tokumei Kumiai*
- (2) Application of accounting treatment specific to interim consolidated financial statements: None
- (3) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements: None
- (4) Number of common shares outstanding
 - (i) Number of outstanding shares including treasury shares

Feb 14 Q3:	453,414,000
Feb 13:	451,986,800
 - (ii) Number of treasury shares

Feb 14 Q3:	2,568,400
Feb 13:	4,000,000
 - (iii) Average number of outstanding shares excluding treasury shares

Feb 14 Q3:	449,568,023
Feb 13 Q3:	447,263,800

Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the above share amounts for both 2013 and 2014 reflect the stock split.

Explanation: Appropriate Use of These Earnings Projections

Forward-looking statements contained in these materials are based on judgments regarding information that was available to the Company and the Group as of the announcement date. However, these statements involve risk and uncertainties. Therefore, please note that actual earnings may differ significantly from the indicated earnings projection as a result of various factors.

Consolidated Balance Sheet

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 Q3 (Nov 30, 2013)
Assets		
Current Assets		
Cash and cash equivalents	9,713	9,813
Trade notes and accounts receivable	548	722
Operational investments in loans	3,636	1,100
Operational investments in securities	4,271	3,853
Real estate for sale	46,176	51,666
Deferred tax assets	369	373
Others	2,042	2,651
Less: allowance for doubtful accounts	(3,177)	(969)
Total Current Assets	63,581	69,210
Fixed Assets		
Property, Plant and Equipment		
Land	7,082	12,670
Others (net)	2,965	7,085
Total Tangible Assets	10,047	19,756
Intangible Assets		
Goodwill	2,203	2,256
Leasehold rights	-	391
Others	20	18
Total Intangible Assets	2,223	2,666
Investments and Other Assets		
Investments in securities	4,117	4,313
Long-term loans receivable	13	13
Others	545	791
Less: allowance for doubtful accounts	(101)	(100)
Total Investments and Other Assets	4,575	5,017
Total Fixed Assets	16,846	27,439
Total Assets	80,428	96,650

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 Q3 (Nov 30, 2013)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	64	153
Short-term borrowings	484	1,946
Long-term borrowings (due within one year)	966	2,809
Long-term non-recourse loans (due within one year)	2,263	987
Income taxes payable	65	77
Deferred tax liabilities	15	24
Accrued bonuses	25	171
Other current liabilities	3,419	2,565
Total Current Liabilities	7,304	8,736
Long Term Liabilities		
Long-term borrowings	5,456	22,464
Long-term non-recourse loans	32,776	24,639
Deferred tax liabilities	277	1,387
Long-term security deposits received	3,230	4,853
Negative goodwill	270	203
Other long-term liabilities	46	44
Total Long Term Liabilities	42,056	53,593
Total Liabilities	49,361	62,329
Net Assets		
Shareholders' Equity		
Capital	18,113	18,182
Capital reserve	2,429	2,533
Retained earnings	7,923	11,112
Treasury shares	(187)	(120)
Total Shareholders' Equity	28,279	31,709
Cumulative Other Comprehensive Income		
Unrealized gain on other securities, net	160	411
Foreign currency translation adjustment	16	(15)
Total Cumulative Other Comprehensive Income	177	395
Stock Acquisition Rights	143	128
Minority Interests	2,466	2,087
Total Net Assets	31,066	34,320
Total Liabilities and Net Assets	80,428	96,650

Consolidated Income Statement

(Million Yen)

	Feb 13 Q3 (From Mar 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Mar 1, 2013 To Nov 30, 2013)
Revenues	11,585	28,685
Cost of Revenues	8,108	22,888
Gross Profit	3,476	5,796
SG&A	2,302	2,596
Operating Profit	1,173	3,199
Non-Operating Profit		
Interest income	2	3
Dividend income	22	110
Amortization of negative goodwill	67	67
Others	25	20
Total Non-Operating Profit	118	201
Non-Operating Expenses		
Interest on debt	198	232
Stock issuance cost	-	81
Others	20	35
Total Non-Operating Expenses	218	349
Recurring Profit	1,074	3,051
Extraordinary Gain		
Gain on sales of investment securities	72	204
Receipt of share trading proceeds	-	434
Others	9	40
Total Extraordinary Gain	82	680
Extraordinary Loss		
Loss on sale and retirement of fixed assets	0	0
Loss on valuation of investment securities	62	-
Valuation loss on investments	-	7
Office move expenses	13	24
Others	9	-
Total Extraordinary Loss	86	32
Profit before Income Taxes	1,070	3,699
Income taxes – current	48	56
Income taxes – deferred	4	(7)
Total income taxes	53	49
Profit before Gain on Minority Interests	1,017	3,650
Gain (Loss) on Minority Interests	72	(45)
Net Profit	944	3,695

Consolidated Income Statement

(Million Yen)

	Feb 13 Q3 (From Sep 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Sep 1, 2013 To Nov 30, 2013)
Revenues	3,948	8,098
Cost of Revenues	2,689	6,243
Gross Profit	1,258	1,855
SG&A	780	899
Operating Profit	478	956
Non-Operating Profit		
Interest income	2	1
Dividend income	9	98
Amortization of negative goodwill	22	22
Others	3	9
Total Non-Operating Profit	37	132
Non-Operating Expenses		
Interest on debt	54	96
Stock issuance cost	-	81
Others	4	17
Total Non-Operating Expenses	59	195
Recurring Profit	457	893
Extraordinary Gain		
Gain on sales of investment securities	72	-
Others	8	7
Total Extraordinary Gain	81	7
Extraordinary Loss		
Loss on sale and retirement of fixed assets	0	-
Loss on valuation of investment securities	62	-
Loss on valuation of investments in capital	-	7
Office move expenses	-	24
Others	9	-
Total Extraordinary Loss	72	32
Profit before Income Taxes	467	868
Income taxes – current	19	10
Income taxes – deferred	4	(6)
Total income taxes	23	3
Profit before Gain on Minority Interests	443	865
Gain (Loss) on Minority Interests	34	(74)
Net Profit	408	939

Consolidated Statements of Comprehensive Income

(Million Yen)

	Feb 13 Q3 (From Mar 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Mar 1, 2013 To Nov 30, 2013)
Profit before Gain on Minority Interests	1,017	3,650
Other Comprehensive Income		
Unrealized gain on other securities, net	486	70
Foreign currency translation adjustment	(48)	(124)
Total Other Comprehensive Income	437	(54)
Comprehensive Income	1,454	3,596
(Breakdown)		
Comprehensive income for shareholders of the parent company	1,198	3,874
Comprehensive income for minority interests	256	(278)

Consolidated Statements of Comprehensive Income

(Million Yen)

	Feb 13 Q3 (From Sep 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Sep 1, 2013 To Nov 30, 2013)
Profit before Gain on Minority Interests	443	865
Other Comprehensive Income		
Unrealized gain on other securities, net	348	178
Foreign currency translation adjustment	54	0
Total Other Comprehensive Income	403	179
Comprehensive Income	846	1,045
(Breakdown)		
Comprehensive income for shareholders of the parent company	804	1,146
Comprehensive income for minority interests	41	(101)

Consolidated Cash Flow Statement

(Million Yen)

	Feb 13 Q3 (From Mar 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Mar 1, 2013 To Nov 30, 2013)
Cash Flows from Operating Activities:		
Income before income taxes	1,070	3,699
Depreciation	170	212
Share-based compensation expenses	30	50
Amortization of goodwill	83	104
Amortization of negative goodwill	(67)	(67)
Increase (decrease) in accrued bonuses	126	145
Increase (decrease) in allowance for doubtful accounts	215	39
Interest and dividend income	(25)	(113)
Interest on debt	198	232
Loss (gain) on sales of investment securities	(72)	(204)
Loss (gain) on sales/retirement of fixed assets	(8)	(7)
Loss on valuation of investment securities	62	-
Decrease (increase) in trading notes and receivables	396	(173)
Decrease (increase) in operating loans receivable	-	218
Decrease (increase) in operational investments in securities	804	1,214
Loss on valuation of investment securities	25	14
Decrease (increase) in real estate for sale	707	(3,303)
Loss on valuation of real estate for sale	119	-
Decrease (increase) in accounts receivable	(225)	(189)
Increase (decrease) in accounts payable	(11)	(163)
Increase (decrease) in accrued expenses	199	(124)
Increase (decrease) in security deposits received	(136)	1,123
Others	(404)	695
Sub-total	3,256	3,404
Interest and dividend income received	25	113
Interest expenses paid	(186)	(233)
Income taxes paid	(105)	(62)
Net Cash from (Used for) Operating Activities	2,990	3,221

(Million Yen)

	Feb 13 Q3 (From Mar 1, 2012 To Nov 30, 2012)	Feb 14 Q3 (From Mar 1, 2013 To Nov 30, 2013)
Cash Flows from Investing Activities:		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	151	-
Proceeds from sales of investment securities	76	282
Proceeds from redemption of investment securities	30	2
Acquisition of property and equipment	(66)	(5,949)
Proceeds from sale of property and equipment	16	72
Acquisition of intangible assets	(0)	(333)
Payments for investments in capital	(1)	(3)
Proceeds from sales of investments in capital	-	5
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	(218)	(1,389)
Collection of loans receivable	0	0
Others	39	(10)
Net Cash from (Used for) Investing Activities	26	(7,323)
Cash Flows from Financing Activities:		
Increase (decrease) in short-term bank loans, net	819	1,461
Proceeds from long-term loans	5,440	21,583
Repayment of long-term loans	(7,227)	(4,170)
Proceeds from non-recourse loans	4,500	4,950
Repayment of non-recourse loans	(5,581)	(17,853)
Proceeds from exercise of stock options	-	174
Cash dividends paid	-	(445)
Share issuance to minority shareholders	20	-
Repayments to minority shareholders for redemption of common stock	(19)	-
Cash dividends paid to minority shareholders	(0)	-
Net Cash from (Used for) Financing Activities	(2,048)	5,699
Effect of Exchange Rate Changes on Cash and Cash Equivalents	13	34
Increase (Decrease) in Cash and Cash Equivalents	981	1,632
Cash and Cash Equivalents at Beginning of Period	9,438	9,512
Cash and Cash Equivalents Excluded from Consolidation	(122)	(1,741)
Cash and Cash Equivalents at End of Period	10,297	9,403