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

April 17, 2014

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

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Annual General Shareholders Meeting: May 25, 2014 (expected)

Submission of the *Yuka Shoken Hokokusho* (Financial Report): May 26, 2014 (expected)

Dividend Payment: May 26, 2014 (expected)

Supplemental Material to Financial and Business Results: Yes

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

### 1. Consolidated Financial Results (from March 1, 2013 to February 28, 2014)

#### (1) Consolidated Financial Results (Full Year) (% change is year-on-year)

	Revenues		Operating Profit		Recurring Profit		Net Profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Feb 14 FY	35,101	114.1	3,912	112.1	3,597	107.4	4,526	176.5
Feb 13 FY	16,397	-13.5	1,844	75.6	1,734	77.1	1,637	-7.5

Note: Comprehensive income for Feb 14 FY: 4,518 million yen (65.5%); for Feb 13 FY: 2,729 million yen (113.6%)

	Net Profit per Share (basic, yen)	Net Profit per Share (diluted, yen)	Return on Equity (%)	Return on Assets (%)	Operating Profit Margin (%)
Feb 14 FY	9.83	9.71	11.8	3.7	11.1
Feb 13 FY	3.66	3.66	6.0	2.1	11.2

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 FY	114,944	50,842	42.2	97.42
Feb 13 FY	80,428	31,066	35.4	63.52

Reference: Shareholders' equity for Feb 14 FY: 48,460 million yen; for 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.

### (3) Consolidated Cash Flow

	Cash Flow from Operations (million yen)	Cash Flow from Investing (million yen)	Cash Flow from Financing (million yen)	Cash and Cash Equivalents (million yen)
Feb 14 FY	1,254	-8,610	24,682	24,581
Feb 13 FY	4,609	-27	-3,935	9,512

### 2. Dividends

	Dividend per Share (yen)					Total Dividend (million yen)	Payout Ratio (consolidated) (%)	Dividend on Equity Ratio (consolidated) (%)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year			
Feb 13 FY	-	0	-	200.00	200.00	447	27.3	1.6
Feb 14 FY	-	0	-	1.10	1.10	547	11.2	1.4
Feb 15 FY (Expected)	-	0	-	1.30	1.30		9.4	

(Note) The above dividend for Feb 13 FY does not reflect the 200 for 1 stock split effective September 1, 2013. The dividend for Feb 13 FY reflecting the stock split is 1.00 yen.

### 3. Consolidated Forecast for the Fiscal Year Ending February 2015 (from March 1, 2014 to February 28, 2015)

(% change is year-on-year)

	Revenues		Operating Profit		Recurring Profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Feb 15 FY	42,000	19.7	7,700	96.8	6,500	80.7
	Net Profit		Net Profit per Share			
	(million yen)	(%)	(Yen)			
Feb 15 FY	6,055	33.8	12.17			

(Note)

- The Company has included a full-year earnings forecast only – there is no half-year earnings forecast.
- Net Profit per Share for Feb 15 FY assumes that the number of outstanding shares as of March 31, 2014 remains unchanged throughout Feb 15 FY.

### 4. Other

- Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes – one new subsidiary: GK Minami Ikebukuro Jisho *Tokumei Kumiai*
- Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
  - Changes in accounting standards/principles: None
  - Changes in accounting principles other than the above: None
  - Changes in accounting estimates: None
  - Revisions of previous financial statements: None

- (3) Number of outstanding shares (common shares)
- (i) Number of outstanding shares including treasury stock
- Feb 14: 499,432,200
- Feb 13: 451,986,800
- (ii) Number of shares of treasury stock
- Feb 14: 1,978,000
- Feb 13: 4,000,000
- (iii) Average number of outstanding shares
- Feb 14: 460,365,498
- Feb 13: 447,330,564

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.

## 5. Parent Financial Results (from March 1, 2013 to February 28, 2014)

### (1) Parent Financial Results (Full Year) (% change is year-on-year)

	Revenues		Operating Profit		Recurring Profit		Net Profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Feb 14 FY	5,346	70.1	3,238	187.4	2,663	198.7	4,027	169.0
Feb 13 FY	3,143	-22.2	1,126	423.7	891	-	1,497	-10.5

	Net Profit per Share (basic, yen)	Net Profit per Share (diluted, yen)
Feb 14 FY	8.75	8.64
Feb 13 FY	3.35	3.34

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) Parent Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 14 FY	66,221	45,981	69.3	92.19
Feb 13 FY	33,404	25,341	75.4	56.25

Reference: Shareholders' equity for Feb 14 FY: 45,860 million yen; for Feb 13 FY: 25,198 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.

### Appropriate Use of this Earnings Projection

Forward-looking statements contained in this announcement are based on judgments obtained from information that was available to the Company and the Group as of the announcement date and are not guarantees of future results. However, these statements involve risks and uncertainties. Therefore, please note that actual earnings may differ significantly from the described earnings projection as a result of various factors.

## 6. Key Performance Indicators (KPIs)

The Company has established the below KPIs as announced in its Shift Up 2016 Mid-Term Business Plan on January 10, 2014.

- (1) Grow Earnings per Share (EPS) to 18.25 yen by Feb 16 FY
- (2) Grow structural profitability (expense coverage ratio) to 150% and 165% by Feb 15 FY and Feb 16 FY, respectively (Note 1)
- (3) Target a 40% pro-forma shareholder equity ratio (Note 2)
- (4) Improve capital efficiency by profitably disposing existing assets and reinvesting in new projects at ROI > 15%

(Note 1) The expense coverage ratio is the ratio of stable revenues (such as rental revenues and asset management fees) over fixed expenses (fixed SG&A + interest expenses).

(Note 2) The Company's consolidated financial statements include client-related assets and liabilities which do not belong to the Company. In order to more accurately reflect the true economic exposures borne by our shareholders, the Company calculates and discloses Pro Forma financials which remove these client assets and liabilities.

## 7. Segment Information

### (1) Segment Information

#### (i) Segment Overview

Starting from the current fiscal period, to improve the Company's earnings transparency and reflect changes in the Company's earnings structure, such as the expansion of its clean energy business, asset acquisition to support Ichigo REIT's growth, and a substantial increase in investments in value-add and prime real estate, the Company has changed its segment disclosure from the previous two segments to the below five segments.

"Asset management" generates fee income via the management of the Ichigo REIT and private funds and other fee-generating real estate services related to the sourcing, financing, operation, property management, facility management, and disposition of real estate assets.

"Real Estate" generates on-going rental income for the Company as a real estate owner/operator and Ichigo REIT sponsor. Specifically, the Company either owns and operates real estate over the long term or holds assets on a short-term basis on behalf of Ichigo REIT until Ichigo REIT is able to acquire the assets.

"Value-Add" generates capital gains by deploying the Company's expertise to acquire, add value to, and sell real estate assets at a profit.

"Clean Energy" generates long-term income primarily via megasolar power production.

"Other" is primarily legacy securities investments that are not related to the above four segments.

The Company has reflected these changes in the previous year's segment information.

#### (ii) Segment Accounting Method for Revenues, P&L, Assets, and Liabilities

The accounting method of each segment is in line with the method used for the consolidated financial statements.

Segment Profit is based on operating profit. In addition, inter-segment revenues include reclassifications and are marked-to-market.

## (iii) Revenues, P&amp;L, Assets, and Liabilities by Segment

February 2013 Fiscal Year (from March 1, 2012 to February 28, 2013)

(Million Yen)

	Segment						Adjustment (Note)	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	3,743	4,071	7,537	4	1,041	16,397	-	16,397
Inter-Segment Revenues or Reclassifications	557	-	0	2	39	600	(600)	-
Total	4,300	4,071	7,537	7	1,080	16,998	(600)	16,397
Segment Operating Profit	358	454	869	(50)	219	1,852	(7)	1,844
Segment Assets	2,919	18,230	46,328	296	6,751	74,526	5,902	80,428
Other Items								
Depreciation	8	173	29	0	-	212	17	230
Impairment	-	5	28	-	-	33	-	33
Increase in Tangible/ Intangible Assets	3	153	-	11	-	168	14	183

(Note) Adjustments are made for any items that relate to the Company but are not allocated to any segment. The 5,902 million Adjustment in Segment Assets relates to assets that are mostly cash and cash equivalents.

February 2014 Fiscal Year (from March 1, 2013 to February 28, 2014)

(Million Yen)

	Segment						Adjustment (Note)	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	4,118	7,853	22,305	126	697	35,101	-	35,101
Inter-Segment Activities or Reclassifications	876	1	0	9	40	928	(928)	-
Total	4,994	7,855	22,305	136	737	36,029	(928)	35,101
Segment Operating Profit	919	1,528	1,873	(253)	143	4,210	(298)	3,912
Segment Assets	2,746	38,113	43,178	5,000	5,052	94,091	20,853	114,944
Other Items								
Depreciation	9	234	11	30	-	286	17	304
Impairment	-	-	307	-	-	307	-	307
Increase of Tangible/ Intangible Assets	10	4,836	-	4,335	-	9,182	46	9,228

(Note) Adjustments are made for any items that relate to the Company but are not allocated to any segment. The 20,853 million Adjustment in Segment Assets relates to assets that are mostly cash and cash equivalents.

(2) Goodwill and Amortization by Segment

February 2013 Fiscal Year (from March 1, 2012 to February 28, 2013)

Goodwill							(Million Yen)	
	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Amortization during the fiscal year	111	-	-	3	-	114	-	114
Outstanding balance as of the end of the period	1,966	-	-	237	-	2,203	-	2,203

Negative Goodwill							(Million Yen)	
	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Amortization during the fiscal year	-	90	-	-	-	90	-	90
Outstanding balance as of the end of the period	-	270	-	-	-	270	-	270

February 2014 Fiscal Year (from March 1, 2013 to February 28, 2014)

Goodwill

(Million Yen)

	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Amortization during the fiscal year	111	15	-	12	-	139	-	139
Outstanding balance as of the end of the period	1,854	142	-	225	-	2,221	-	2,221

Negative Goodwill

(Million Yen)

	Segment						Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Amortization during the fiscal year	-	90	-	-	-	90	-	90
Outstanding balance as of the end of the period	-	180	-	-	-	180	-	180



## Consolidated Balance Sheet

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 Full Year (Feb 28, 2014)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	9,713	24,991
Trade notes and accounts receivable	548	451
Operational investments in loans	3,636	1,100
Operational investments in securities	4,271	3,583
Real estate for sale	46,176	54,084
Deferred tax assets	369	576
Others	2,042	1,384
Less: allowance for doubtful accounts	(3,177)	(410)
<b>Total Current Assets</b>	<b>63,581</b>	<b>85,761</b>
<b>Fixed Assets</b>		
<b>Property, Plant and Equipment</b>		
Buildings and structures	4,842	7,214
Accumulated depreciation	(1,979)	(2,313)
Buildings and structures (net)	2,863	4,901
Machinery and equipment	110	2,166
Accumulated depreciation	(88)	(122)
Machinery and equipment (net)	21	2,044
Land	7,082	12,433
Construction in progress	3	1,837
Others	275	286
Accumulated Depreciation	(198)	(201)
Other (net)	76	84
<b>Total Tangible Assets</b>	<b>10,047</b>	<b>21,300</b>
<b>Intangible Assets</b>		
Goodwill	2,203	2,221
Leasehold rights	-	392
Others	20	71
<b>Total Intangible Assets</b>	<b>2,223</b>	<b>2,686</b>
<b>Investments and Other Assets</b>		
Investments in securities	4,117	4,278
Long-term loans receivable	13	13
Deferred tax assets	0	222
Others	545	780
Less: allowance for doubtful accounts	(101)	(97)
<b>Total Investments and Other Assets</b>	<b>4,575</b>	<b>5,196</b>
<b>Total Fixed Assets</b>	<b>16,846</b>	<b>29,183</b>
<b>Total Assets</b>	<b>80,428</b>	<b>114,944</b>

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 Full Year (Feb 28, 2014)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes and accounts payable	64	132
Short-term borrowings	484	950
Long-term borrowings (due within one year)	966	3,123
Long-term non-recourse loans (due within one year)	2,263	428
Income taxes payable	65	96
Deferred tax liabilities	15	24
Accrued bonuses	25	14
Other current liabilities	3,419	2,817
<b>Total Current Liabilities</b>	<b>7,304</b>	<b>7,588</b>
<b>Long Term Liabilities</b>		
Long-term borrowings	5,456	26,126
Long-term non-recourse loans	32,776	24,178
Deferred tax liabilities	277	1,213
Long-term security deposits received	3,230	4,770
Negative goodwill	270	180
Other long-term liabilities	46	44
<b>Total Long Term Liabilities</b>	<b>42,056</b>	<b>56,513</b>
<b>Total Liabilities</b>	<b>49,361</b>	<b>64,102</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital	18,113	26,443
Capital reserve	2,429	10,808
Retained earnings	7,923	10,891
Treasury stock	(187)	(92)
<b>Total Shareholders' Equity</b>	<b>28,279</b>	<b>48,050</b>
<b>Accumulated Other Comprehensive Income</b>		
Unrealized gain on other securities, net	160	400
Foreign currency translation adjustment	16	9
<b>Total Accumulated Other Comprehensive Income</b>	<b>177</b>	<b>409</b>
<b>Stock Acquisition Rights</b>	<b>143</b>	<b>121</b>
<b>Minority Interests</b>	<b>2,466</b>	<b>2,261</b>
<b>Total Net Assets</b>	<b>31,066</b>	<b>50,842</b>
<b>Total Liabilities and Net Assets</b>	<b>80,428</b>	<b>114,944</b>

## Consolidated Income Statement

(Million Yen)

	Feb 13 (From Mar 1, 2012 To Feb 28, 2013)	Feb 14 (From Mar 1, 2013 To Feb 28, 2014)
<b>Revenues</b>	<b>16,397</b>	<b>35,101</b>
<b>Cost of Revenues</b>	<b>11,422</b>	<b>27,666</b>
<b>Gross Profit</b>	<b>4,974</b>	<b>7,435</b>
<b>SG&amp;A</b>	<b>3,130</b>	<b>3,522</b>
<b>Operating Profit</b>	<b>1,844</b>	<b>3,912</b>
<b>Non-Operating Profit</b>		
Interest income	3	4
Dividend income	24	112
Amortization of negative goodwill	90	90
Others	36	31
<b>Total Non-Operating Profit</b>	<b>155</b>	<b>238</b>
<b>Non-Operating Expenses</b>		
Interest on debt	238	370
Stock issuance cost	0	89
Others	26	93
<b>Total Non-Operating Expenses</b>	<b>265</b>	<b>553</b>
<b>Recurring Profit</b>	<b>1,734</b>	<b>3,597</b>
<b>Extraordinary Gain</b>		
Gain on sales of fixed assets	9	7
Gain on sales of investment securities	72	204
Receipt of share trading proceeds	-	434
Others	0	33
<b>Total Extraordinary Gain</b>	<b>83</b>	<b>680</b>
<b>Extraordinary Loss</b>		
Loss on sale and retirement of fixed assets	1	1
Loss on valuation of investment securities	62	-
Office move expenses	19	21
Impairment loss	33	307
Others	8	13
<b>Total Extraordinary Loss</b>	<b>124</b>	<b>344</b>
<b>Profit before Income Taxes</b>	<b>1,693</b>	<b>3,933</b>
<b>Income taxes-current</b>	<b>54</b>	<b>43</b>
<b>Income taxes-deferred</b>	<b>(106)</b>	<b>(616)</b>
<b>Total income taxes</b>	<b>(51)</b>	<b>(573)</b>
<b>Profit before Gain on Minority Interests</b>	<b>1,745</b>	<b>4,506</b>
<b>Gain (loss) on Minority Interests</b>	<b>108</b>	<b>(19)</b>
<b>Net Profit</b>	<b>1,637</b>	<b>4,526</b>

## Consolidated Statements of Comprehensive Income

(Million Yen)

	Feb 13 (From Mar 1, 2012 To Feb 28, 2013)	Feb 14 (From Mar 1, 2013 To Feb 28, 2014)
<b>Profit before Gain on Minority Interests</b>	<b>1,745</b>	<b>4,506</b>
<b>Other Comprehensive Income</b>		
Valuation gain on other securities	1,014	70
Foreign currency translation adjustment	(30)	(58)
<b>Total Other Comprehensive Income</b>	<b>984</b>	<b>12</b>
<b>Comprehensive Income</b>	<b>2,729</b>	<b>4,518</b>
(Breakdown)		
Comprehensive income for shareholders of the parent company	<b>2,426</b>	<b>4,718</b>
Comprehensive income for minority interests	<b>303</b>	<b>(200)</b>

## Consolidated Cash Flow Statement

(Million Yen)

	Feb 13 (From Mar 1, 2012 To Feb 28, 2013)	Feb 14 (From Mar 1, 2013 To Feb 28, 2014)
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	1,693	3,933
Depreciation	230	304
Share-based compensation expenses	49	69
Amortization of goodwill	114	139
Amortization of negative goodwill	(90)	(90)
Increase (decrease) in accrued bonuses	3	(11)
Increase (decrease) in allowance for doubtful accounts	195	33
Increase (decrease) in other allowances	(11)	-
Interest and dividend income	(28)	(116)
Interest on debt	238	370
Loss (gain) on sales of investment securities	(72)	(204)
Loss (gain) on sales/retirement of fixed assets	(8)	(6)
Impairment loss	33	307
Loss on valuation of investment securities	62	-
Decrease (increase) in trading notes and receivable	515	97
Decrease (increase) in operating loans receivable	(1,100)	218
Decrease (increase) in operational investments in securities	723	1,635
Loss on valuation of operational investments in securities	63	114
Decrease (increase) in real estate for sale	2,556	(6,729)
Loss on valuation of real estate for sale	119	-
Loss on valuation of investments	1	12
Decrease (increase) in accounts receivable	(380)	(255)
Increase (decrease) in accounts payable	(39)	(139)
Increase (decrease) in accrued expenses	519	137
Increase (decrease) in advances received	11	38
Increase (decrease) in security deposits received	(253)	1,230
Others	(239)	522
<b>Sub-total</b>	<b>4,908</b>	<b>1,611</b>
Interest and dividend income received	28	116
Interest expenses paid	(220)	(378)
Income taxes paid	(106)	(94)
<b>Net Cash from (Used for) Operating Activities</b>	<b>4,609</b>	<b>1,254</b>

(Million Yen)

	Feb 13 (From Mar 1, 2012 To Feb 28, 2013)	Feb 14 (From Mar 1, 2013 To Feb 28, 2014)
<b>Cash Flows from Investing Activities:</b>		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	151	-
Acquisition of investment securities	(15)	-
Proceeds from sales of investment securities	76	282
Proceeds from redemption of investment securities	30	2
Acquisition of property and equipment	(124)	(7,150)
Proceeds from sale of property and equipment	17	72
Acquisition of intangible assets	(0)	(389)
Payments for investments in capital	(4)	(5)
Proceeds from redemption of investments	0	7
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	(218)	(1,389)
Others	60	(40)
<b>Net Cash from (Used for) Investing Activities</b>	<b>(27)</b>	<b>(8,610)</b>
<b>Cash Flows from Financing Activities:</b>		
Increase (decrease) in short-term bank loans, net	314	465
Proceeds from long-term loans	5,440	26,777
Repayment of long-term loans	(8,199)	(5,388)
Proceeds from non-recourse loans	12,346	5,675
Repayment of non-recourse loans	(13,885)	(19,030)
Proceeds from issuance of common shares	-	16,387
Proceeds from exercise of stock option	48	242
Cash dividends paid	-	(445)
Share issuance to minority shareholders	20	-
Payments to minority shareholders for redemption of common stock	(19)	-
Cash dividends paid to minority shareholders	(0)	-
<b>Net Cash from (Used for) Financing Activities</b>	<b>(3,935)</b>	<b>24,682</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>18</b>	<b>41</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>664</b>	<b>17,368</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>9,438</b>	<b>9,512</b>
<b>Cash and Cash Equivalents Excluded from Consolidation</b>	<b>(591)</b>	<b>(2,299)</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>9,512</b>	<b>24,581</b>