



Creating peace of mind through honest and committed management.



[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Summary of Financial and Business Results for the Third Quarter of the February 2015 Fiscal Year

January 13, 2015

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

Representative: Kenji Iwasaki, President and Representative Statutory Executive Officer

Inquiries: Takashi Minamikawa, Executive Managing Director and Statutory Executive Officer

Telephone: +81-3-3502-4818 www.ichigo-holdings.co.jp/english

Filing of the Quarterly Report (*Shihanki Hokokusho*): January 14, 2015

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 (from March 1, 2014 to November 30, 2014)

(1) Consolidated Financial Results (Cumulative)

(YOY = year-on-year % change)

	Revenues		Operating Profit		Recurring Profit		Net Income	
	(million yen)	YOY	(million yen)	YOY	(million yen)	YOY	(million yen)	YOY
Feb 15 Q3	14,748	-48.6%	4,506	+40.8%	3,888	+27.4%	3,564	-3.6%
Feb 14 Q3	28,685	+147.6%	3,199	+172.6%	3,051	+184.1%	3,695	+291.3%

Note: Comprehensive income Feb 15 Q3: 4,566 million yen (+27.0%) Feb 14 Q3: 3,596 million yen (+147.2%)

The year-on-year increase in profit despite lower revenues is due to significantly higher profit on Value-Add sales and an increase in rental income from Real Estate assets.

	Net Income per Share (basic, yen)	Net Income per Share (diluted, yen)
Feb 15 Q3	7.16	7.10
Feb 14 Q3	8.22	8.10

(2) Consolidated Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 15 Q3	161,961	55,098	32.4	105.17
Feb 14	114,944	50,842	42.2	97.42

Note: Shareholders' equity Feb 15 Q3: 52,441 million yen Feb 14: 48,460 million yen

2. Dividends

	Dividend per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Feb 14	-	0	-	1.10	1.10
Feb 15	-	0			
Feb 15 (Expected)				1.30	1.30

Note: Changes since the previously announced forecast: None

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

(YOY = year-on-year % change)

	Revenues (million yen)		Operating Profit (million yen)		Recurring Profit (million yen)	
		YOY		YOY		YOY
Feb 15 FY	42,000	+19.7%	7,700	+96.8%	6,500	+80.7%
Feb 15 FY	Net Income (million yen)		Net Income per Share (Yen)			
	6,055	+33.8%		12.16		

Note 1: Changes in the forecast during the period: None

Note 2: Net Income per Share for FY15 is based on the average number of outstanding shares for FY15 assuming the number of outstanding shares as of December 31, 2014 remains unchanged throughout FY15.

4. Other

(1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes
One new subsidiary: GK Omori Holdings *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

- (i) Changes in accounting standards/principles: Yes
- (ii) Changes in accounting principles other than the above: None
- (iii) Changes in accounting estimates: None
- (iv) Revisions of previous financial statements: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares including treasury shares

Feb 15 Q3:	500,350,200
Feb 14:	499,432,200

(ii) Number of treasury shares

Feb 15 Q3:	1,712,000
Feb 14:	1,978,000

(iii) Average number of outstanding shares

Feb 15 Q3:	497,744,978
Feb 14 Q3:	449,568,023

*Statement on Quarterly Review Procedures in accordance with the Financial Instruments and Exchange Law (FIEL)

While this financial summary is not required to be reviewed under the FIEL review procedures, the Company has nonetheless completed such FIEL review procedures.

*Explanation on Appropriate Use of Earnings Projection

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.

5. Segment Information

(i) Segment Overview

Starting from the previous fiscal period, to improve 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. 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 rental income and 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 third quarter segment information.

(ii) Revenues, P&L, Assets, Liabilities and Other Items by Segment

Previous February 2014 Q3 Cumulative

(from March 1, 2013 to November 30, 2013)

(Million Yen)

	Segment						Adjustment (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 1)
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	3,247	3,259	21,421	86	670	28,685	-	28,685
Inter-Segment Revenues or Reclassifications	789	1	0	3	0	795	(795)	-
Total	4,037	3,260	21,421	89	671	29,480	(795)	28,685
Segment Profits or Losses (-)	1,003	951	1,638	(188)	103	3,508	(308)	3,199
Segment Assets	2,988	36,160	43,401	3,500	5,924	91,975	4,674	96,650
Others								
Depreciation	6	168	10	15	-	200	12	212
Impairment loss	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	2	7,927	-	2,430	0	10,360	3	10,363

(Note 1) Segment Profits or Losses are calculated for each segment from consolidated operating profit.

(Note 2) The Adjustment to Segment Profits or Losses (-308 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (4,674 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (12 million yen) reflects depreciation of company assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant and Equipment and Intangible assets (3 million yen) reflects company assets that were not allocated to the segments.

Current February 2015 Q3 Cumulative
(from March 1, 2014 to November 30, 2014)

(Million Yen)

	Segment						Adjustment (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 1)
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	2,974	3,656	7,652	440	25	14,748	-	14,748
Inter-Segment Activities or Reclassifications	628	1	0	-	0	630	(630)	-
Total	3,602	3,658	7,652	440	25	15,379	(630)	14,748
Segment Profits or Losses (-)	181	2,006	2,768	(68)	(45)	4,841	(334)	4,506
Segment Assets	2,954	51,774	78,766	11,298	6,212	151,006	10,954	161,961
Others								
Depreciation	8	208	49	119	-	386	16	402
Impairment loss	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	4	2,974	6,684	4,626	-	14,289	13	14,302

(Note 1) Segment Profits or Losses are calculated for each segment from consolidated operating profit.

(Note 2) The Adjustment to Segment Profits or Losses (-334 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (10,954 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (16 million yen) reflects depreciation of company assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant and Equipment and Intangible assets (13 million yen) reflects company assets that were not allocated to the segments.

Previous February 2014 Q3
(from September 1, 2013 to November 30, 2013)

(Million Yen)

	Segment						Adjustment (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 1)
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	1,117	699	6,235	42	3	8,098	-	8,098
Inter-Segment Revenues or Reclassifications	394	0	0	0	0	396	(396)	-
Total	1,512	700	6,235	42	4	8,495	(396)	8,098
Segment Profits or Losses (-)	419	268	451	(47)	(20)	1,069	(113)	956
Segment Assets	2,988	36,160	43,401	3,500	5,924	91,975	4,674	96,650
Others								
Depreciation	2	64	4	12	-	84	4	88
Impairment loss	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	0	2,955	-	1,287	(0)	4,244	-	4,244

(Note 1) Segment Profits or Losses are calculated for each segment from consolidated operating profit.

(Note 2) The Adjustment to Segment Profits or Losses (-113 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (4,674 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (4 million yen) reflects depreciation of company assets that were not allocated to the segments.

Current February 2015 Q3
(from September 1, 2014 to November 30, 2014)

(Million Yen)

	Segment						Adjustment (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 1)
	Asset Management	Real Estate	Value-Add	Clean Energy	Other	Total		
Revenues								
Revenues from External Customers	931	1,220	2,569	146	0	4,869	-	4,869
Inter-Segment Activities or Reclassifications	193	0	0	-	-	194	(194)	-
Total	1,125	1,221	2,570	146	0	5,063	(194)	4,869
Segment Profits or Losses (-)	(27)	629	886	(25)	(22)	1,439	(57)	1,382
Segment Assets	2,954	51,774	78,766	11,298	6,212	151,006	10,954	161,961
Others								
Depreciation	2	72	16	43	-	134	5	140
Impairment loss	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	-	808	-	1,629	-	2,437	0	2,437

(Note 1) Segment Profits or Losses are calculated for each segment from consolidated operating profit.

(Note 2) The Adjustment to Segment Profits or Losses (-57 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (10,954 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (5 million yen) reflects depreciation of company assets that were not allocated to the segments. The Adjustments to Increase in Property, Plant and Equipment and Intangible assets (0 million yen) reflects company assets that were not allocated to the segments.

Consolidated Balance Sheet

(Million Yen)

	Feb 14 (Feb 28, 2014)	Feb 15 Q3 (Nov 30, 2014)
Assets		
Current Assets		
Cash and cash equivalents	24,991	19,097
Trade notes and accounts receivable	451	822
Operational investments in loans	1,100	2,100
Operational investments in securities	3,583	1,762
Real estate for sale	54,084	92,080
Deferred tax assets	576	608
Others	1,384	1,788
Less: allowance for doubtful accounts	(410)	(476)
Total Current Assets	85,761	117,784
Fixed Assets		
Property, Plant and Equipment		
Land	12,433	20,798
Others (net)	8,867	14,404
Total Tangible Assets	21,300	35,202
Intangible Assets		
Goodwill	2,221	2,117
Leasehold rights	392	392
Others	71	28
Total Intangible Assets	2,686	2,538
Investments and Other Assets		
Investments in securities	4,278	5,203
Long-term loans receivable	13	12
Deferred tax assets	222	220
Others	780	1,094
Less: allowance for doubtful accounts	(97)	(96)
Total Investments and Other Assets	5,196	6,435
Total Fixed Assets	29,183	44,176
Total Assets	114,944	161,961

(Million Yen)

	Feb 14 (Feb 28, 2014)	Feb 15 Q3 (Nov 30, 2014)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	132	189
Short-term borrowings	950	1,213
Short-term non-recourse loans	-	48
Long-term borrowings (due within one year)	3,123	3,759
Long-term non-recourse loans (due within one year)	428	1,225
Income taxes payable	96	146
Deferred tax liabilities	24	31
Accrued bonuses	14	222
Other current liabilities	2,817	3,291
Total Current Liabilities	7,588	10,126
Long-Term Liabilities		
Non-recourse bonds	-	100
Long-term borrowings	26,126	58,612
Long-term non-recourse loans	24,178	29,764
Deferred tax liabilities	1,213	1,216
Long-term security deposits received	4,770	6,853
Negative goodwill	180	112
Other long-term liabilities	44	75
Total Long-Term Liabilities	56,513	96,735
Total Liabilities	64,102	106,862
Net Assets		
Shareholders' Equity		
Capital	26,443	26,479
Capital reserve	10,808	10,852
Retained earnings	10,891	14,006
Treasury stock	(92)	(80)
Total Shareholders' Equity	48,050	51,258
Accumulated Other Comprehensive Income		
Unrealized gain on other securities, net	400	1,190
Deferred loss on hedges	-	(19)
Foreign currency translation adjustment	9	11
Total Accumulated Other Comprehensive Income	409	1,183
Stock Options	121	185
Minority Interests	2,261	2,471
Total Net Assets	50,842	55,098
Total Liabilities and Net Assets	114,944	161,961

Q3 Cumulative Consolidated Income Statement

(Million Yen)

	Feb 14 Q3 (from Mar 1, 2013 to Nov 30, 2013)	Feb 15 Q3 (from Mar 1, 2014 to Nov 30, 2014)
Revenues	28,685	14,748
Cost of Goods Sold	22,888	7,292
Gross Profit	5,796	7,456
SG&A	2,596	2,949
Operating Profit	3,199	4,506
Non-Operating Profit		
Interest income	3	4
Dividend income	110	72
Amortization of negative goodwill	67	67
Others	20	16
Total Non-Operating Profit	201	161
Non-Operating Expenses		
Interest on debt	232	699
Stock issuance cost	81	0
Others	35	78
Total Non-Operating Expenses	349	779
Recurring Profit	3,051	3,888
Extraordinary Gain		
Gain on sales of investment securities	204	-
Receipt of share trading proceeds	434	-
Gain on redemption of equity holdings in subsidiaries	29	57
Others	11	-
Total Extraordinary Gain	680	57
Extraordinary Loss		
Valuation loss on investments in capital	7	-
Office move expenses	24	-
Total Extraordinary Loss	32	-
Profit before Income Taxes	3,699	3,946
Income taxes – current	56	324
Income taxes – deferred	(7)	(37)
Total income taxes	49	287
Profit before Gain on Minority Interests	3,650	3,658
Gain on Minority Interests	(45)	94
Net Income	3,695	3,564

Q3 Consolidated Income Statement

(Million Yen)

	Feb 14 Q3 (from Sep 1, 2013 to Nov 30, 2013)	Feb 15 Q3 (from Sep 1, 2014 to Nov 30, 2014)
Revenues	8,098	4,869
Cost of Goods Sold	6,243	2,523
Gross Profit	1,855	2,345
SG&A	899	963
Operating Profit	956	1,382
Non-Operating Profit		
Interest income	1	1
Dividend income	98	61
Amortization of negative goodwill	22	22
Others	9	5
Total Non-Operating Profit	132	91
Non-Operating Expenses		
Interest on debt	96	276
Stock issuance cost	81	0
Others	17	22
Total Non-Operating Expenses	195	300
Recurring Profit	893	1,173
Extraordinary Gain		
Gain on redemption of equity holdings in subsidiaries	0	57
Others	7	-
Total Extraordinary Gain	7	57
Extraordinary Loss		
Valuation loss on investments in capital	7	-
Office move expenses	24	-
Total Extraordinary Loss	32	-
Profit before Income Taxes	868	1,230
Income taxes – current	10	131
Income taxes – deferred	(6)	0
Total income taxes	3	131
Profit before Gain on Minority Interests	865	1,098
Gain on Minority Interests	(74)	25
Net Income	939	1,073

Q3 Cumulative Consolidated Statement of Comprehensive Income

(Million Yen)

	Feb 14 Q3 (from Mar 1, 2013 to Nov 30, 2013)	Feb 15 Q3 (from Mar 1, 2014 to Nov 30, 2014)
Profit before Gain on Minority Interests	3,650	3,658
Other Comprehensive Income		
Valuation gain on other securities	70	919
Deferred loss on hedges	-	(19)
Foreign currency translation adjustment	(124)	7
Total Other Comprehensive Income	(54)	907
Comprehensive Income	3,596	4,566
(Breakdown)		
Comprehensive income for shareholders of the parent company	3,874	4,337
Comprehensive income for minority interests	(278)	228

Q3 Consolidated Statement of Comprehensive Income

(Million Yen)

	Feb 14 Q3 (From Sep 1, 2013 To Nov 30, 2013)	Feb 15 Q3 (From Sep 1, 2014 To Nov 30, 2014)
Profit before Gain on Minority Interests	865	1,098
Other Comprehensive Income		
Valuation gain on other securities	178	624
Deferred loss on hedges	-	9
Foreign currency translation adjustment	0	14
Total Other Comprehensive Income	179	648
Comprehensive Income	1,045	1,746
(Breakdown)		
Comprehensive income for shareholders of the parent company	1,146	1,716
Comprehensive income for minority interests	(101)	30

Q3 Cumulative Consolidated Cash Flow Statement

(Million Yen)

	Feb 14 Q3 (from Mar 1, 2013 to Nov 30, 2013)	Feb 15 Q3 (from Mar 1, 2014 to Nov 30, 2014)
Cash Flows from Operating Activities:		
Income before income taxes	3,699	3,946
Depreciation	212	393
Share-based compensation expenses	50	87
Amortization of goodwill	104	104
Amortization of negative goodwill	(67)	(67)
Increase (decrease) in accrued bonuses	145	207
Increase (decrease) in allowance for doubtful accounts	39	63
Interest and dividend income	(113)	(76)
Interest on debt	232	699
Loss (gain) on sales of investment securities	(204)	-
Loss (gain) on sales/retirement of fixed assets	(7)	-
Decrease (increase) in trading notes and receivable	(173)	(371)
Decrease (increase) in operating loans receivable	218	(1,000)
Decrease (increase) in operational investments in securities	1,214	1,078
Valuation loss on investment securities	14	-
Decrease (increase) in real estate for sale	(3,303)	(36,594)
Decrease (increase) in accounts receivable	(189)	50
Increase (decrease) in accounts payable	(163)	400
Increase (decrease) in accrued expenses	(124)	(273)
Increase (decrease) in security deposits received	1,123	1,853
Others	695	300
Sub-total	3,404	(29,197)
Interest and dividend income received	113	76
Interest expenses paid	(233)	(663)
Income taxes paid	(62)	(47)
Net Cash from (Used for) Operating Activities	3,221	(29,831)

(Million Yen)

	Feb 14 Q3 (from Mar 1, 2013 to Nov 30, 2013)	Feb 15 Q3 (from Mar 1, 2014 to Nov 30, 2014)
Cash Flows from Investing Activities:		
Payments into time deposits	(0)	(325)
Proceeds from withdrawal of time deposits	-	325
Acquisition of investment securities	-	(210)
Proceeds from sales of investment securities	282	-
Proceeds from redemption of investment securities	2	0
Acquisition of property and equipment	(5,949)	(8,319)
Proceeds from sale of property and equipment	72	-
Acquisition of intangible assets	(333)	(22)
Payments for investments in capital	(3)	(4)
Proceeds from redemption of investments	5	0
Payments of deposits	(5)	(127)
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	(1,389)	-
Payments for acquisitions of newly consolidated subsidiaries	-	(1,349)
Collection of loans receivable	0	0
Others	(5)	2
Net Cash from (Used for) Investing Activities	(7,323)	(10,030)
Cash Flows from Financing Activities:		
Increase (decrease) in short-term bank loans, net	1,461	262
Increase (decrease) in short-term non-recourse loans, net	-	48
Proceeds from long-term bank loans	21,583	37,362
Repayment of long-term bank loans	(4,170)	(4,241)
Proceeds from long-term non-recourse loans	4,950	4,200
Repayment of long-term non-recourse loans	(17,853)	(3,058)
Proceeds from exercise of stock option	174	69
Cash dividends paid	(445)	(542)
Net Cash from (Used for) Financing Activities	5,699	34,100
Effect of Exchange Rate Changes on Cash and Cash Equivalents	34	(67)
Increase (Decrease) in Cash and Cash Equivalents	1,632	(5,829)
Cash and Cash Equivalents at Beginning of Period	9,512	24,581
Cash and Cash Equivalents resulting from New Entity Consolidation	-	280
Cash and Cash Equivalents resulting from Exclusion from Consolidation	(1,741)	(345)
Cash and Cash Equivalents at End of Period	9,403	18,687