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

April 20, 2015

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

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Annual General Shareholders Meeting: May 24, 2015 (expected)

Submission of the Financial Report (*Yuka Shoken Hokokusho*): May 25, 2015 (expected)

Dividend Payment: May 25, 2015 (expected)

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 February 28, 2015)

(1) Consolidated Financial Results (Full Year)

(YOY = year-on-year % change)

	Revenues (million yen)		Operating Profit (million yen)		Recurring Profit (million yen)		Net Income (million yen)	
		YOY		YOY		YOY		YOY
Feb 15 FY	42,705	+21.7%	8,189	+109.3%	7,255	+101.7%	6,761	+49.4%
Feb 14 FY	35,101	+114.1%	3,912	+112.1%	3,597	+107.4%	4,526	+176.5%

Note: Comprehensive income Feb 15 FY: 7,780 million yen (+72.2%) Feb 14 FY: 4,518 million yen (+65.5%)

	Net Income per Share (basic, yen)	Net Income per Share (diluted, yen)	Return on Equity (%)	Return on Assets (%)	Operating Profit Margin (%)
Feb 15 FY	13.58	13.47	13.0	5.0	19.2
Feb 14 FY	9.83	9.71	11.8	3.7	11.1

(2) Consolidated Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 15 FY	172,744	58,377	32.2	111.54
Feb 14 FY	114,944	50,842	42.2	97.42

Note1: Shareholders' equity Feb 15 FY: 55,673 million yen Feb 14 FY: 48,460 million yen

(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 15 FY	-34,292	-12,485	41,658	18,972
Feb 14 FY	1,254	-8,610	24,682	24,581

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 14 FY	-	0	-	1.10	1.10	547	11.2	1.4
Feb 15 FY	-	0	-	1.30	1.30	648	9.6	1.2
Feb 16 FY (Expected)	-	0	-	2.00	2.00		10.9	

3. Consolidated Forecast for the February 2016 Fiscal Year (from March 1, 2015 to February 29, 2016)

(YOY = year-on-year % change)

	Revenues (million yen)		Operating Profit (million yen)		Recurring Profit (million yen)	
		YOY		YOY		YOY
Feb 16 FY	45,000	+5.4%	11,700	+42.9%	10,250	+41.3%
	Net Income (million yen)		Net Income per Share (Yen)			
Feb 16 FY	9,150	+35.3%	18.30			

Note 1: The Company has included a full-year earnings forecast only – there is no half-year earnings forecast.

Note 2: Net Income per Share for FY16 is based on the forecast number of shares after the expected exercise of stock acquisition rights.

4. Other

(1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes
Two new subsidiaries: GK Omori Holdings *Tokumei Kumiai*, GK Sapporo Holdings *Tokumei Kumiai*

(2) 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

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares including treasury shares

Feb 15: 500,804,600
Feb 14: 499,432,200

(ii) Number of treasury shares

Feb 15: 1,670,000
Feb 14: 1,978,000

(iii) Average number of outstanding shares

Feb 15: 498,011,047
Feb 14: 460,365,498

5. Parent Financial Results (from March 1, 2014 to February 28, 2015)

(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 15 FY	9,198	72.0	6,857	111.7	6,650	149.7	6,719	66.8
Feb 14 FY	5,346	70.1	3,238	187.4	2,633	198.7	4,027	169.0

	Net Profit per Share (basic, yen)	Net Profit per Share (diluted, yen)
Feb 15 FY	13.49	13.38
Feb 14 FY	8.75	8.64

(2) Parent Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 15 FY	82,204	53,115	64.4	106.02
Feb 14 FY	66,221	45,981	69.9	92.19

Reference: Shareholders' equity for Feb 15 FY: 52,916 million yen; for Feb 14 FY: 45,860 million yen

*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.

6. Segment Information

(1) Segment Overview

Starting from the current fiscal period, the Company will change its segment disclosure from the previous five segments to four segments. Previously, the Company had segmented its business into "Asset Management," "Real Estate," "Value-Add," "Clean Energy," and "Other." However, because the Company has increasingly been carrying out value-add activities in both the Real Estate and Value-Add segments, the segment division has lost its meaning. Therefore, Real Estate and Value-Add are being integrated into a single Value-Add segment.

Asset Management generates fee income via the management of the Ichigo REIT, 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, with the aim of maximizing both asset and shareholder value.

Value-Add deploys the Company's expertise to acquire and add value via improvements to real estate assets, generating rental income during the value-add period and profits on asset sales that reflect the higher value of the assets after the Company's improvements.

Clean Energy generates long-term income primarily via utility-scale solar power production with the aim to make effective reuse of real estate and contribute to Japan's energy self-sufficiency.

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

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

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

February 2014 Fiscal Year

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

(Million Yen)

	Segment					Adjustment (Note 1)	Amount Recorded in Consolidated Financial Statements (Note 2)
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenues							
Revenues from External Customers	4,118	30,159	126	697	35,101	-	35,101
Inter-Segment Revenues or Reclassifications	876	2	9	40	928	(928)	-
Total	4,994	30,161	136	737	36,029	(928)	35,101
Segment Profits or Losses (-)	1,170	3,150	(253)	143	4,210	(298)	3,912
Segment Assets	2,746	81,291	5,000	5,052	94,091	20,853	114,944
Others							
Depreciation	9	246	30	-	286	17	304
Impairment loss	-	307	-	-	307	-	307
Increase in property, plant and equipment and intangible assets	10	4,836	4,335	-	9,182	46	9,228

Note 1: The Adjustment to Segment Profits or Losses (-298 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (20,853 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (17 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 (46 million yen) reflects company assets that were not allocated to the segments.

Note 2: Segment Profits or Losses are calculated for each segment from consolidated operating profit.

February 2015 Fiscal Year
(from March 1, 2014 to February 28, 2015)

(Million Yen)

	Segment					Adjustment (Note 1)	Amount Recorded in Consolidated Financial Statements (Note 2)
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenues							
Revenues from External Customers	3,967	38,107	605	24	42,705	—	42,705
Inter-Segment Activities or Reclassifications	945	3	—	0	948	(948)	—
Total	4,913	38,110	605	25	43,654	(948)	42,705
Segment Profits or Losses (-)	779	7,871	(93)	(66)	8,490	(301)	8,189
Segment Assets	2,691	138,061	12,846	6,222	159,822	12,922	172,744
Others							
Depreciation	10	349	184	—	544	21	565
Impairment loss	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	4	10,455	6,399	—	16,859	13	16,872

Note 1: The Adjustment to Segment Profits or Losses (-301 million yen) reflects transaction eliminations and company expenses that were not allocated to the segments. The Adjustment to Segment Assets (12,922 million yen) reflects company assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (21 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.

Note 2: Segment Profits or Losses are calculated for each segment from consolidated operating profit.

(2) Goodwill and Amortization by Segment

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	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	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

February 2015 Fiscal Year (from March 1, 2014 to February 28, 2015)

Goodwill

(Million Yen)

	Segment					Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	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	1,742	126	213	-	2,082	-	2,082

Negative Goodwill

(Million Yen)

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

Consolidated Balance Sheet

(Million Yen)

	Feb 14 (Feb 28, 2014)	Feb 15 (Feb 28, 2015)
Assets		
Current Assets		
Cash and cash equivalents	24,991	19,383
Trade notes and accounts receivable	451	519
Operational investments in loans	1,100	2,330
Operational investments in securities	3,583	1,965
Real estate for sale	54,084	109,769
Deferred tax assets	576	1,200
Others	1,384	2,657
Less: allowance for doubtful accounts	(410)	(484)
Total Current Assets	85,761	137,342
Fixed Assets		
Property, Plant and Equipment		
Building and Plant	7,214	6,452
Depreciation total	(2,313)	(2,431)
Building and Plant (net)	4,901	4,021
Equipment	2,166	9,479
Depreciation total	(122)	(311)
Equipment (net)	2,044	9,168
Land	12,433	12,142
Building under construction	1,837	909
Others	286	306
Depreciation total	(201)	(227)
Others (net)	84	79
Total Tangible Assets	21,300	26,321
Intangible Assets		
Goodwill	2,221	2,082
Leasehold rights	392	392
Others	71	27
Total Intangible Assets	2,686	2,502
Investments and Other Assets		
Investments in securities	4,278	5,266
Long-term loans receivable	13	12
Deferred tax assets	222	2
Others	780	1,392
Less: allowance for doubtful accounts	(97)	(95)
Total Investments and Other Assets	5,196	6,578
Total Fixed Assets	29,183	35,402
Total Assets	114,944	172,744

(Million Yen)

	Feb 14 (Feb 28, 2014)	Feb 15 (Feb 28, 2015)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	132	124
Short-term borrowings	950	1,416
Short-term non-recourse loans	-	48
Long-term borrowings (due within one year)	3,123	3,488
Long-term non-recourse loans (due within one year)	428	786
Income taxes payable	96	284
Deferred tax liabilities	24	30
Accrued bonuses	14	16
Other current liabilities	2,817	3,677
Total Current Liabilities	7,588	9,872
Long-Term Liabilities		
Non-recourse bonds	-	100
Long-term borrowings	26,126	53,409
Long-term non-recourse loans	24,178	43,004
Deferred tax liabilities	1,213	1,402
Long-term security deposits received	4,770	6,391
Negative goodwill	180	90
Other long-term liabilities	44	96
Total Long-Term Liabilities	56,513	104,494
Total Liabilities	64,102	114,367
Net Assets		
Shareholders' Equity		
Capital	26,443	26,499
Capital reserve	10,808	10,873
Retained earnings	10,891	17,201
Treasury stock	(92)	(78)
Total Shareholders' Equity	48,050	54,496
Accumulated Other Comprehensive Income		
Unrealized gain on other securities, net	400	1,208
Deferred loss on hedges	-	(36)
Foreign currency translation adjustment	9	6
Total Accumulated Other Comprehensive Income	409	1,177
Stock Options	121	198
Minority Interests	2,261	2,505
Total Net Assets	50,842	58,377
Total Liabilities and Net Assets	114,944	172,744

Consolidated Income Statement

(Million Yen)

	Feb 14 (from Mar 1, 2013 to Feb 28, 2014)	Feb 15 (from Mar 1, 2014 to Feb 28, 2015)
Revenues	35,101	42,705
Cost of Goods Sold	27,666	30,539
Gross Profit	7,435	12,166
SG&A	3,522	3,977
Operating Profit	3,912	8,189
Non-Operating Profit		
Interest income	4	5
Dividend income	112	78
Amortization of negative goodwill	90	90
Others	31	39
Total Non-Operating Profit	238	213
Non-Operating Expenses		
Interest on debt	370	943
Stock issuance cost	89	1
Others	93	201
Total Non-Operating Expenses	553	1,146
Recurring Profit	3,597	7,255
Extraordinary Gain		
Gain on sales of fixed assets	7	—
Gain on sales of investment securities	204	—
Receipt of share trading proceeds	434	—
Gain on redemption of equity holdings in subsidiaries	29	57
Others	3	0
Total Extraordinary Gain	680	57
Extraordinary Loss		
Loss on sales and retirement of fixed assets	1	0
Valuation loss on investments in capital	12	91
Office move expenses	21	1
Impairment loss	307	—
Others	1	0
Total Extraordinary Loss	344	93
Profit before Income Taxes	3,933	7,220
Income taxes – current	43	564
Income taxes – deferred	(616)	(220)
Total income taxes	(573)	343
Profit before Gain on Minority Interests	4,506	6,876
Gain on Minority Interests	(19)	115
Net Income	4,526	6,761

Consolidated Statement of Comprehensive Income

(Million Yen)

	Feb 14 (from Mar 1, 2013 to Feb 28, 2014)	Feb 15 (from Mar 1, 2014 to Feb 28, 2015)
Profit before Gain on Minority Interests	4,506	6,876
Other Comprehensive Income		
Valuation gain on other securities	70	937
Deferred loss on hedges	—	(36)
Foreign currency translation adjustment	(58)	2
Total Other Comprehensive Income	12	903
Comprehensive Income	4,518	7,780
(Breakdown)		
Comprehensive income for shareholders of the parent company	4,718	7,528
Comprehensive income for minority interests	(200)	251

Consolidated Cash Flow Statement

(Million Yen)

	Feb 14 (from Mar 1, 2013 to Feb 28, 2014)	Feb 15 (from Mar 1, 2014 to Feb 28, 2015)
Cash Flows from Operating Activities:		
Income before income taxes	3,933	7,220
Depreciation	304	565
Share-based compensation expenses	69	112
Amortization of goodwill	139	139
Amortization of negative goodwill	(90)	(90)
Increase (decrease) in accrued bonuses	(11)	1
Increase (decrease) in allowance for doubtful accounts	33	65
Interest and dividend income	(116)	(83)
Interest on debt	370	943
Loss (gain) on sales of investment securities	(204)	—
Loss (gain) on sales/retirement of fixed assets	(6)	—
Impairment loss	307	—
Decrease (increase) in trading notes and receivable	97	(68)
Decrease (increase) in operating loans receivable	218	(1,230)
Decrease (increase) in operational investments in securities	1,635	1,110
Valuation loss on investment securities	114	—
Decrease (increase) in real estate for sale	(6,729)	(42,991)
Valuation loss on investments	12	91
Increase (decrease) in prepaid expenses	(258)	(689)
Decrease (increase) in accounts receivable	(255)	(539)
Increase (decrease) in accounts payable	(139)	388
Increase (decrease) in accrued expenses	137	16
Increase (decrease) in advances received	38	96
Increase (decrease) in security deposits received	1,230	1,391
Others	781	114
Sub-total	1,611	(33,437)
Interest and dividend income received	116	83
Interest expenses paid	(378)	(892)
Income taxes paid	(94)	(45)
Net Cash from (Used for) Operating Activities	1,254	(34,292)

(Million Yen)

	Feb 14 (from Mar 1, 2013 to Feb 28, 2014)	Feb 15 (from Mar 1, 2014 to Feb 28, 2015)
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	(7,150)	(10,769)
Proceeds from sale of property and equipment	72	—
Acquisition of intangible assets	(389)	(23)
Payments for investments in capital	(5)	(10)
Proceeds from redemption of investments	7	0
Payments of deposits	(5)	(127)
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	(1,389)	—
Proceeds from sales of subsidiaries resulting in the change of consolidation scope	—	2
Payments for acquisitions of newly consolidated subsidiaries	—	(1,349)
Others	(35)	2
Net Cash from (Used for) Investing Activities	(8,610)	(12,485)
Cash Flows from Financing Activities:		
Increase (decrease) in short-term bank loans, net	465	466
Increase (decrease) in short-term non-recourse loans, net	—	48
Proceeds from long-term bank loans	26,777	47,203
Repayment of long-term bank loans	(5,388)	(19,557)
Proceeds from long-term non-recourse loans	5,675	19,900
Repayment of long-term non-recourse loans	(19,030)	(5,958)
Proceeds from issuance of common shares	16,387	—
Proceeds from exercise of stock option	242	99
Cash dividends paid	(445)	(543)
Net Cash from (Used for) Financing Activities	24,682	41,658
Effect of Exchange Rate Changes on Cash and Cash Equivalents	41	10
Increase (Decrease) in Cash and Cash Equivalents	17,368	(5,108)
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	(2,299)	(780)
Cash and Cash Equivalents at End of Period	24,581	18,972