



Feb. 2011 Fiscal Year H1 (March 2010 – August 2010)  
Corporate Presentation

October 21, 2010

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

# **Creating peace of mind through honest and committed management**

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## Laying the Foundation for Stable, Long-term Growth

- ✓ Core Company of Ichigo Group
- ✓ New Real Estate Fund
- ✓ Business Development
- ✓ Strengthened Capital Base
- ✓ Continued Asset Dispositions
- ✓ Optimizing Balance Sheet
- ✓ Securing On-Going Profitability
- ✓ Move to JASDAQ

Appendices: Financial & Real Estate Data

# Laying the Foundation for Stable, Long-term Growth

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# Core Company of Ichigo Group

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- **Changed company name to Ichigo Group Holdings Co., Ltd. on September 1, 2010**
- Ichigo is a high-commitment, long-term Japanese asset management group
- “Ichigo” comes from an ancient Japanese proverb, *Ichigo Ichie*, literally meaning "One lifetime, one encounter." The phrase comes from the writings of a 16th century master of the tea ceremony, Yamanoue no Souji. Souji called upon his disciples to give total focus and sincerity to each act of the tea ceremony for a guest, because that particular moment will only exist once, and must be fully lived and realized. We support this philosophy of building and maintaining strong long-term relationships for the success and growth of our clients and shareholders.



**Creating peace of mind through  
honest and committed management**

# New Real Estate Fund

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- First fund launch post-name change
  - ✓ Asset Size: JPY 7.3 billion
  - ✓ Equity Investor: DLJ Real Estate Capital Partners (ex-Credit Suisse group)
  - ✓ Operating Period: 4 years
  - ✓ Fund Assets: About 80 office, commercial, and residential properties and land leaseholds
- Builds upon Ichigo's real estate and structuring know-how
  - ✓ Structured in the form of corporate M&A - acquired all shares of a company which owns both operating real estate and land leaseholds
  - ✓ Returns to be distributed to the equity investor from the profits generated by the acquired company's real estate
  - ✓ Designed the fund to maximize tax efficiency and minimize real estate disposition and other costs
  - ✓ Asset management contract: Ichigo Real Estate Investment Advisors Co., Ltd.
- Working on other attractive Japanese real estate investment opportunities
  - ✓ Key focuses are sourcing attractive assets and designing custom-made solutions for investors

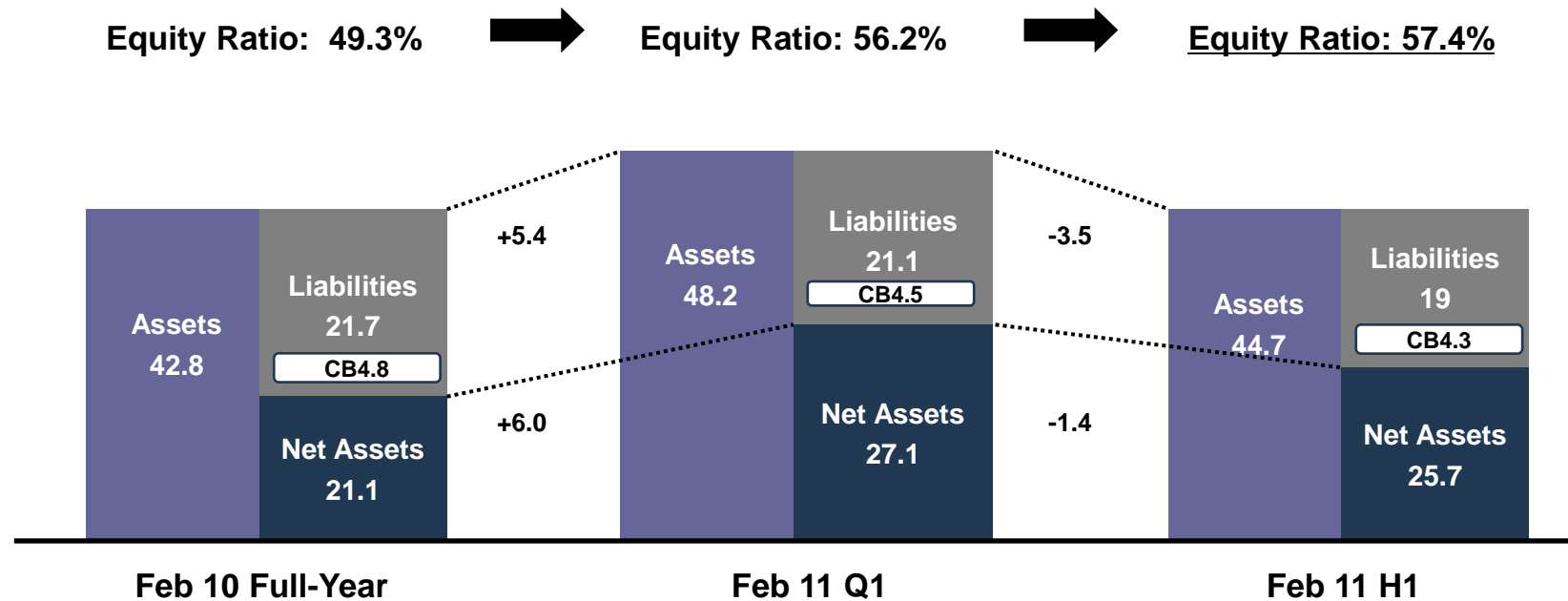
# Business Development

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- Working towards other new fund launches
  - ✓ Matching investors' needs and real estate assets
  - ✓ New classes of investors: Japanese operating companies, domestic pension funds, etc.
  - ✓ Offering custom-made solutions
  - ✓ Expanding opportunities via Ichigo's strengthened relationships with financial institutions
- Rescue AM
  - ✓ Ichigo Real Estate Investment Advisors replacing other asset managers as new AM on existing funds
  - ✓ Won new Rescue AM contract during Q2
  - ✓ Strengthening relationships with financial institutions to further build out Rescue AM opportunities
- Progress in external growth
  - ✓ Maximizing synergies from Takara Building Maintenance acquired via M&A earlier this year
    - Used Takara to reduce costs on several fund assets to maximize returns for investors
    - Increasing Takara's profitability
  - ✓ Several candidates for next strategic M&A

# Strengthened Capital Base

- Although Net Assets decreased due to negative FX movements, increased Equity Ratio via pay down of corporate debt
  - ✓ Decrease in Net Assets: ¥1.6 billion
  - ✓ Decrease in Corporate Debt: ¥2.1 billion



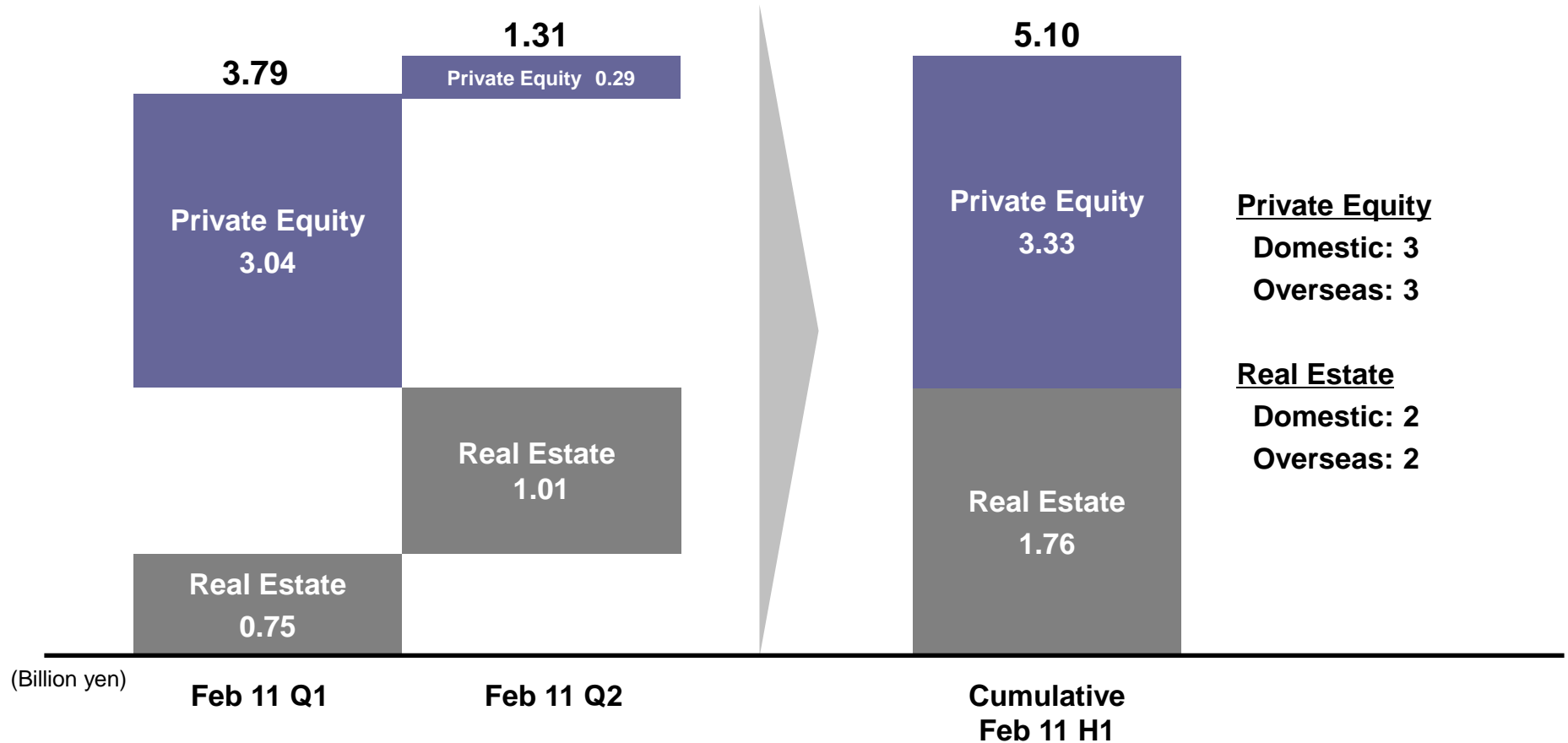
(Billion yen)

Pro Forma basis



# Continued Asset Dispositions

- Sold ¥1.3 billion in assets in Feb 11 Q2
- Expect to continue dispositions



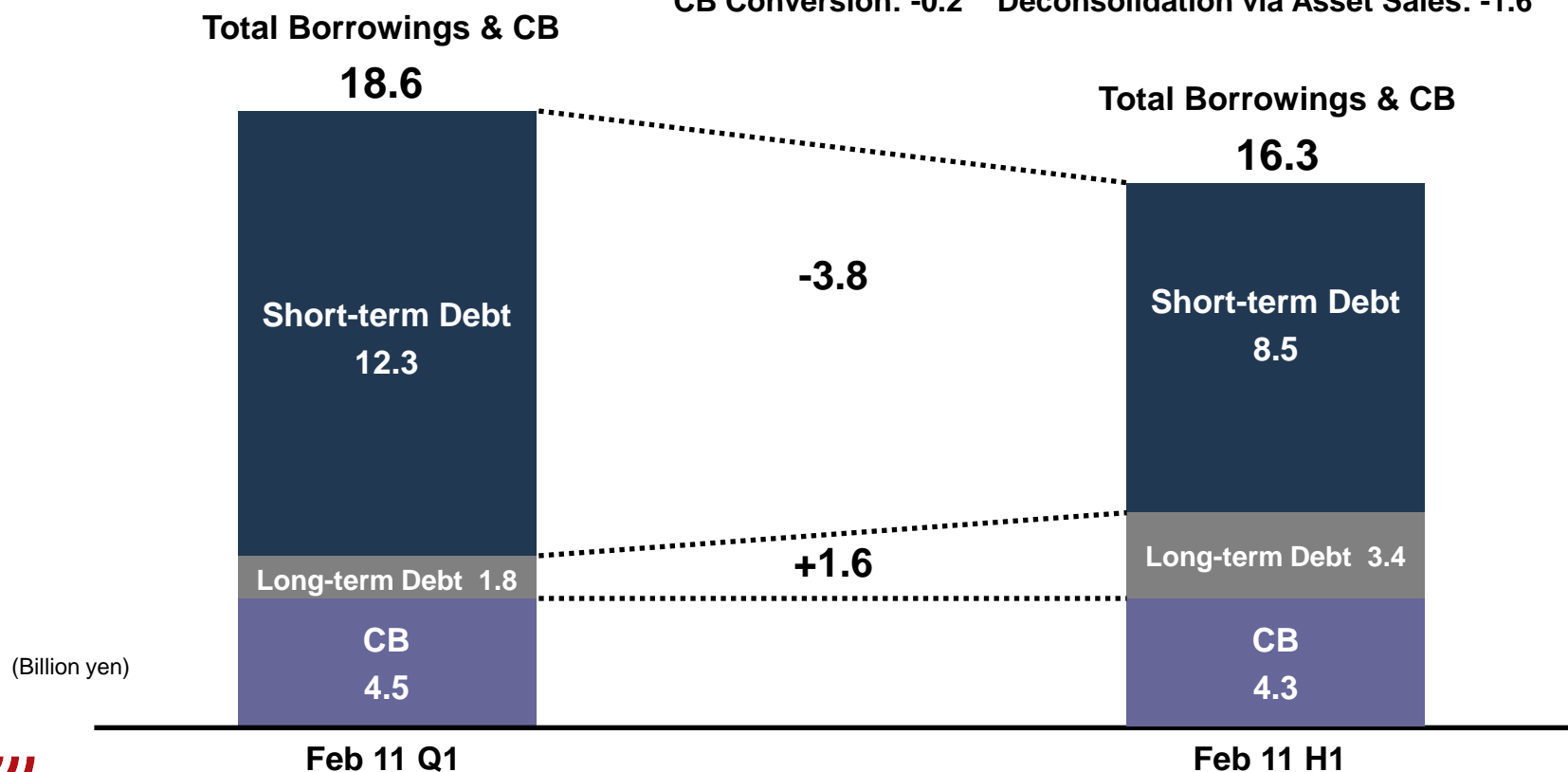
Pro Forma basis

# Optimizing Balance Sheet

While continuing to pay down existing corporate debt, have begun improving the balance between short-term and long-term debt

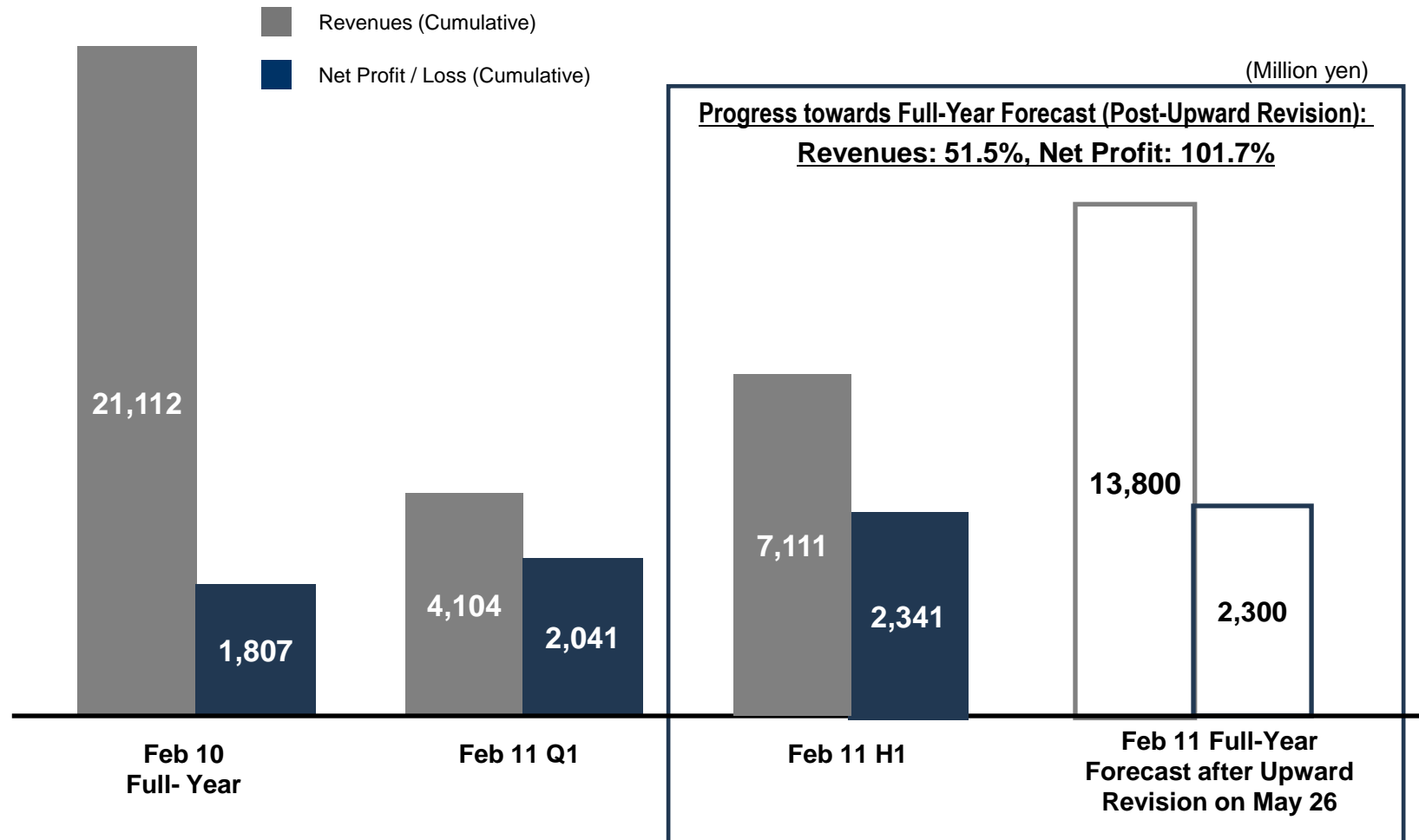
## Corporate Debt JPY -2.3B

Repayment: -0.7    New Borrowings: +0.3    CB Redemption: -0.1  
 CB Conversion: -0.2    Deconsolidation via Asset Sales: -1.6



# Securing On-Going Profitability

- Expect second consecutive year of profitability
- Conservative full-year forecast



# Move to JASDAQ

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- Ichigo Group Holdings became a JASDAQ-listed company on October 12, 2010, as the Osaka Securities Exchange newly established the JASDAQ market by merging together Hercules, JASDAQ and NEO



- Selected as a member of the JASDAQ J-Stock index, which comprises the top 75 companies out of over 1,000 JASDAQ companies
- Ichigo Group Holdings share information is thus now presented in the JASDAQ J-Stock section of newspapers and other data services

# Appendix: Pro Forma Financial Data

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# Pro Forma Disclosure to Improve Transparency

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- Under Japanese accounting rules, SPCs in which Ichigo Group Holdings (“IGH”) is a greater than 50% investor or SPCs for which IGH is the asset manager and no single equity investor holds more than 50% of the total investment must be consolidated onto IGH’s balance sheet.
- Our statutory consolidated and parent financial statements can thus include client-related assets and liabilities and P&L which do not belong to IGH. In order to more accurately reflect the true economic exposures borne by our shareholders, we disclose Pro Forma financials which are intended to better reflect IGH’s actual corporate financial position.

# Balance Sheet (Pro Forma)

(Million yen)

	Feb 10	Feb 11 Q1	Feb 11 H1	Change (QoQ)
<b>Total Assets</b>	<b>42,804</b>	<b>48,252</b>	<b>44,704</b>	<b>-3,548</b>
Cash and Cash Equivalents	5,268	7,791	7,888	97
Investment (Real Estate)	5,707	5,866	5,860	-6
Investment (Domestic companies)	2,046	1,887	1,606	-281
Investment (Overseas companies)	10,434	13,324	11,927	-1,397
Real Estate Held for Sale	14,231	13,601	11,142	-2,459
Other	5,118	5,783	6,281	498
<b>Liabilities</b>	<b>21,687</b>	<b>21,128</b>	<b>19,043</b>	<b>-2,085</b>
Interest-Bearing Debt	13,565	14,113	11,944	-2,169
CB	4,790	4,540	4,340	-200
Other	3,332	2,475	2,759	284
<b>Net Assets</b>	<b>21,117</b>	<b>27,124</b>	<b>25,661</b>	<b>-1,463</b>

\*Pro Forma definition on p. 14

# P&L (Pro Forma)

	Feb 10	Feb 11 Q1	Feb 11 Q2	Feb 11 H1 Cumulative		<b>Breakdown</b>	(Million yen)
							Feb 11 H1 Cumulative
<b>Revenues</b>	<b>14,127</b>	<b>2,691</b>	<b>1,473</b>	<b>4,165</b>	→	<b>Revenues</b>	<b>4,165</b>
Cost of Revenues	9,785	1,617	704	2,321		Real Estate Management Fees	562
<b>Gross Profit</b>	<b>4,342</b>	<b>1,074</b>	<b>769</b>	<b>1,844</b>	↘	Advisory Fees	36
SG&A	3,012	584	717	1,301		Rental Income	880
<b>Operating Profit</b>	<b>1,330</b>	<b>490</b>	<b>52</b>	<b>543</b>		Real Estate Sales / Dividends	1,005
Non-Operating Gain (Loss), net	-535	-76	453	376		Securities Sales / Dividends	790
<b>Recurring Profit</b>	<b>795</b>	<b>414</b>	<b>505</b>	<b>919</b>		Building Maintenance Fee	727
Extraordinary Gain (Loss), net	1,380	2,323	-94	2,229		Other	165
<b>Pre-tax Profit</b>	<b>2,175</b>	<b>2,737</b>	<b>411</b>	<b>3,148</b>		<b>Gross Profit</b>	<b>1,844</b>
Tax	79	5	8	13		Real Estate Management Fees	365
Minority Interests	289	691	103	794		Advisory Fees	36
<b>Net Profit</b>	<b>1,807</b>	<b>2,041</b>	<b>300</b>	<b>2,341</b>		Rental Income	552
						Real Estate Sales / Dividends	283
						Securities Sales / Dividends	665
						Building Maintenance Fee	167
						Other	-224

\*Pro Forma definition on p. 14



# Appendix: Consolidated Financial Data

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# Balance Sheet (Consolidated)

(Million yen)

	Feb 10	Feb 11 Q1	Feb 11 H1	QoQ change
<b>Total Assets</b>	<b>100,268</b>	<b>107,315</b>	<b>104,107</b>	<b>-3,208</b>
Cash and Cash Equivalents	10,728	13,389	12,842	-547
Operating Investments in Securities	9,404	9,411	8,501	-910
Real Estate Held for Sale	69,445	70,056	69,689	-367
Fixed Assets	3,201	3,255	3,232	-23
Investments in Securities	7,197	10,133	9,512	-621
Other	293	1,071	331	-740
<b>Liabilities</b>	<b>76,745</b>	<b>77,772</b>	<b>76,459</b>	<b>-1,313</b>
Interest-Bearing Debts (excl. Non-Recourse Loans)	13,642	14,113	11,943	-2,170
Non-Recourse Loans	50,652	52,131	53,395	1,264
CB	4,790	4,540	4,340	-200
Other	7,661	6,988	6,781	-207
<b>Net Assets</b>	<b>23,523</b>	<b>29,542</b>	<b>27,648</b>	<b>-1,894</b>
Shareholders Equity	20,495	25,457	24,301	-1,156
Minority Interests and Other	3,028	4,085	3,347	-738

# Breakdown of Assets (Consolidated)

(Million yen)

	Feb 10			Feb 11 Q1			Feb 11 H1			QoQ Change in the Company's Interests
	Amount	Outside Investors' Interests	The Company's Interests	Amount	Outside Investors' Interests	The Company's Interests	Amount	Outside Investors' Interests	The Company's Interests	
Cash and Cash Equivalents	10,728	-	-	13,389	-	-	12,842	-	-	-
<b>Operating Investments in Securities</b>	<b>9,404</b>	<b>0</b>	<b>9,404</b>	<b>9,411</b>	<b>0</b>	<b>9,411</b>	<b>8,501</b>	<b>0</b>	<b>8,501</b>	<b>-910</b>
Domestic Real Estate	2,188	0	2,188	2,220	0	2,220	2,221	0	2,221	1
Listed Domestic Companies	80	0	80	80	0	80	67	0	67	-13
Unlisted Domestic Companies	2,780	0	2,780	2,723	0	2,723	2,714	0	2,714	-8
Listed Overseas Companies	2,742	0	2,742	2,854	0	2,854	2,174	0	2,174	-680
Unlisted Overseas Companies	1,614	0	1,614	1,534	0	1,534	1,325	0	1,325	-210
Reference: Allow ance for Bad Debts for Operating Investments in Securities	-3,357	-	-3,357	-3,427	-	-3,427	-3,369	-	-3,369	58
Operating Investments in Securities less Allow ance for Bad Debts for Operating Investments in Securities	<b>6,047</b>	<b>-</b>	<b>6,047</b>	<b>5,984</b>	<b>-</b>	<b>5,984</b>	<b>5,132</b>	<b>-</b>	<b>5,132</b>	<b>-852</b>
<b>Real Estate Assets for Sale</b>	<b>69,445</b>	<b>53,864</b>	<b>15,581</b>	<b>70,056</b>	<b>55,052</b>	<b>15,005</b>	<b>69,689</b>	<b>54,450</b>	<b>15,239</b>	<b>234</b>
Domestic Real Estate	66,374	51,330	15,044	66,918	52,463	14,455	69,689	54,450	15,239	784
Overseas Real Estate	3,071	2,534	537	3,138	2,589	549	0	0	0	-549
<b>Investments in Securities</b>	<b>7,197</b>	<b>0</b>	<b>7,197</b>	<b>10,133</b>	<b>0</b>	<b>10,133</b>	<b>9,512</b>	<b>0</b>	<b>9,512</b>	<b>-621</b>
Domestic Companies	423	0	423	446	0	446	440	0	440	-6
Overseas Companies	5,996	0	5,996	8,916	0	8,916	7,949	0	7,949	-967
Others	778	0	778	771	0	771	1,123	0	1,123	352
Reference: Allow ance for Bad Debts for Investments in Securities	-115	-	-115	-115	-	-115	-115	-	-115	0
Investments in Securities less Allow ance for Bad Debts for Investments in Securities	<b>7,082</b>	<b>-</b>	<b>7,082</b>	<b>10,018</b>	<b>-</b>	<b>10,018</b>	<b>9,397</b>	<b>-</b>	<b>9,397</b>	<b>-621</b>
Tangible Assets	3,201	-	-	3,255	-	-	3,232	-	-	-
Other Assets	3,765	-	-	4,612	-	-	3,815	-	-	-
<b>Total Assets</b>	<b>100,268</b>	<b>-</b>	<b>28,710</b>	<b>107,315</b>	<b>-</b>	<b>31,007</b>	<b>104,107</b>	<b>-</b>	<b>29,768</b>	<b>-1,239</b>

# P&L (Consolidated)

(Million yen)

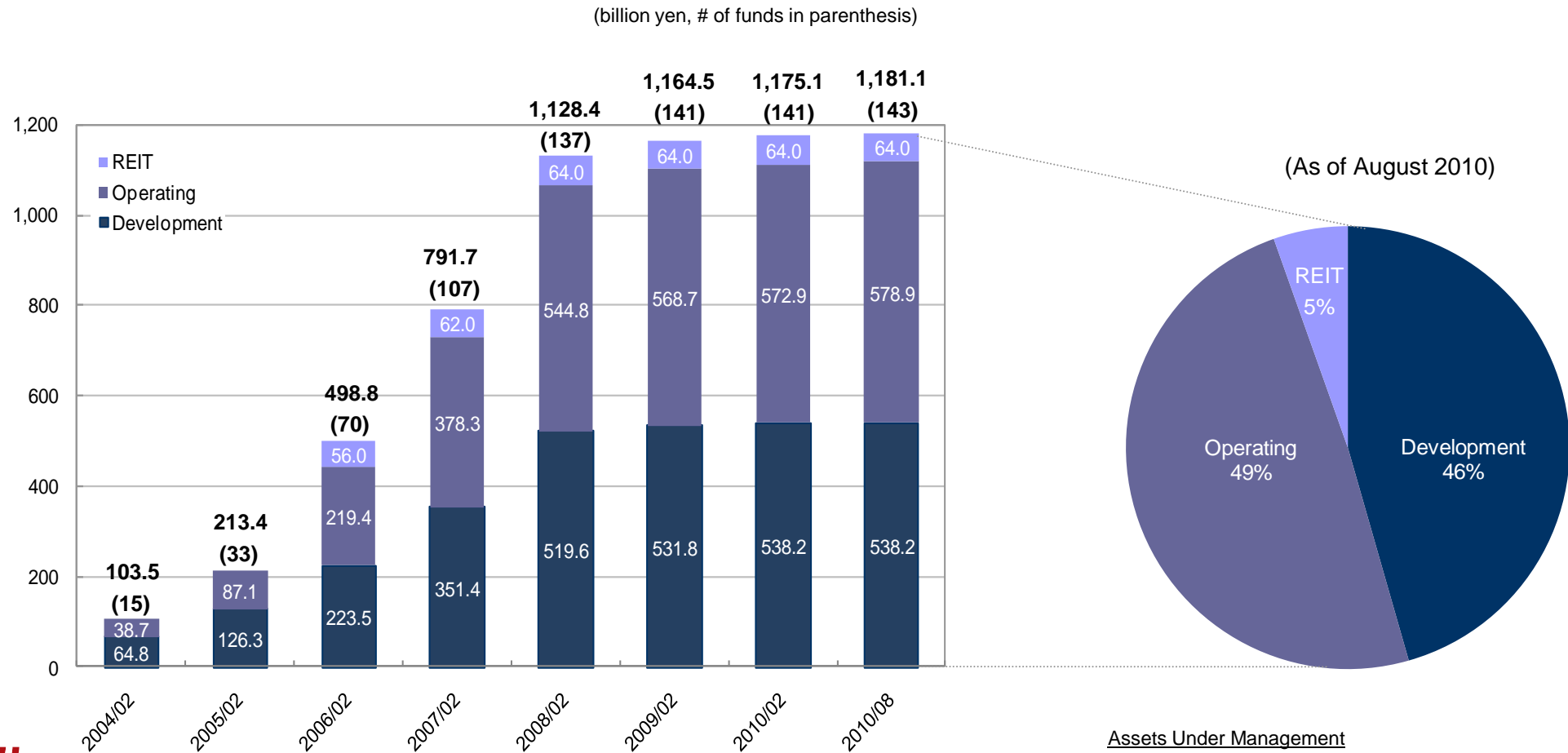
	Feb 10	Feb 11 Q1	Feb 11 Q2	Feb 11 H1 Cumulative	Full-Year Forecast	Progress		Feb 11 H1 Cumulative
<b>Revenues</b>	<b>21,112</b>	<b>4,104</b>	<b>3,006</b>	<b>7,111</b>	<b>13,800</b>	<b>51.5%</b>	<b>Revenues</b>	<b>7,111</b>
Cost of Revenues	16,991	3,017	2,107	5,124	—	—	Real Estate Management Fees	383
<b>Gross Profit</b>	<b>4,120</b>	<b>1,087</b>	<b>899</b>	<b>1,986</b>	—	—	Advisory Fees	35
SG&A	3,011	583	717	1,301	—	—	Rental Income	2,838
<b>Operating Profit</b>	<b>1,108</b>	<b>503</b>	<b>182</b>	<b>685</b>	<b>1,000</b>	<b>68.5%</b>	Real Estate Sales / Dividends	2,285
Non-Operating Gain (Loss), net	-535	-77	452	376	—	—	Securities Sales / Dividends	790
<b>Recurring Profit</b>	<b>573</b>	<b>426</b>	<b>634</b>	<b>1,061</b>	<b>1,000</b>	<b>106.1%</b>	Building Maintenance Fee	727
Extraordinary Gain (Loss), net	1,380	2,323	-93	2,229	—	—	Other	53
<b>Pre-tax Profit</b>	<b>1,953</b>	<b>2,749</b>	<b>541</b>	<b>3,290</b>	—	—	<b>Gross Profit</b>	<b>1,986</b>
Tax	78	5	7	12	—	—	Real Estate Management Fees	206
Minority Interests	67	703	233	936	—	—	Advisory Fees	24
<b>Net Profit</b>	<b>1,807</b>	<b>2,041</b>	<b>299</b>	<b>2,341</b>	<b>2,300</b>	<b>101.8%</b>	Rental Income	1,081
							Real Estate Sales / Dividends	198
							Securities Sales / Dividends	663
							Building Maintenance Fee	166
							Other	-352

# Appendix: Real Estate Data

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# Cumulative Assets Under Management

- Historic Cumulative AUM Exceeds ¥1 trillion
- Strong Long-Term Track Record of Managing Real Estate for Clients



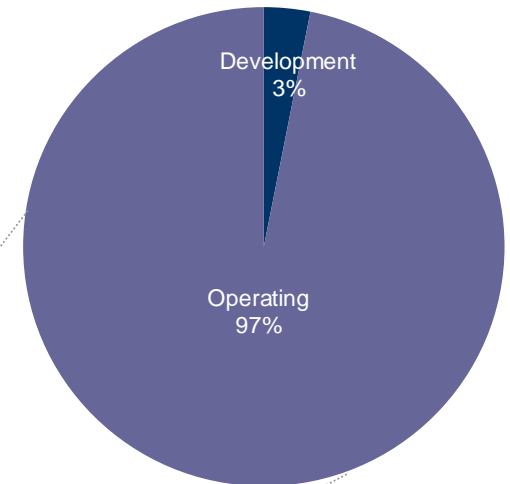
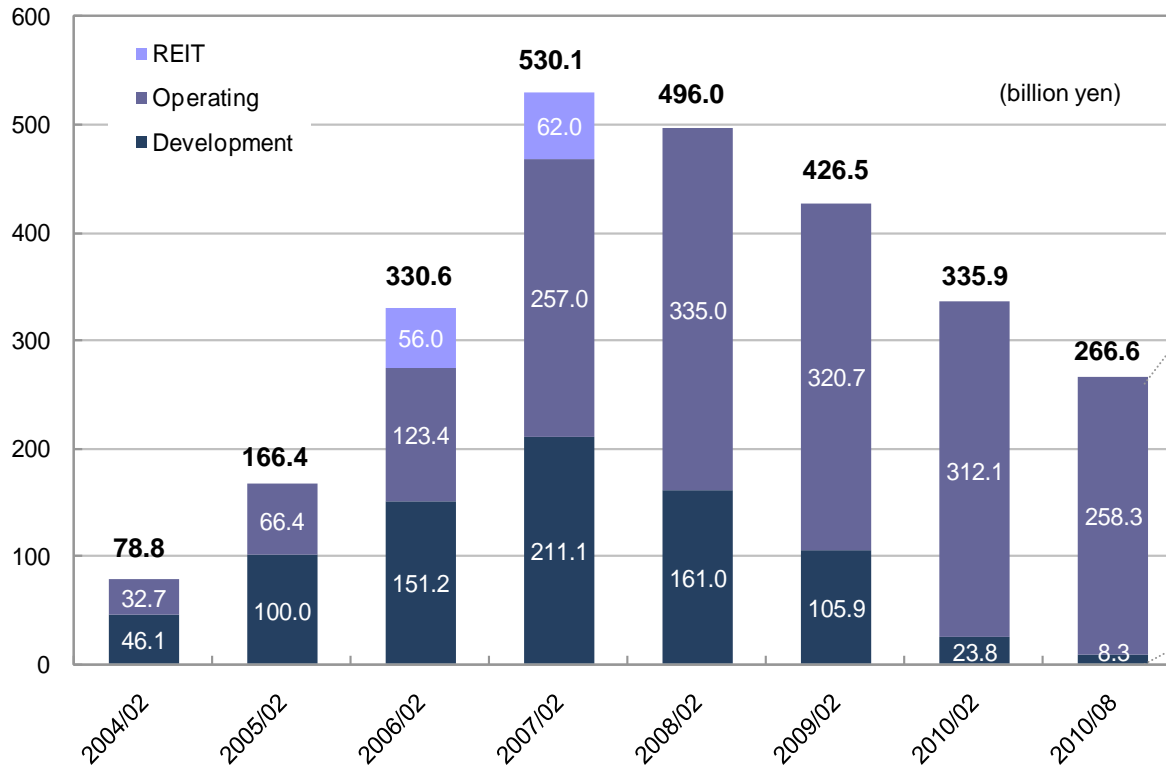
## Assets Under Management

Assets managed within funds - does not include investments held directly by IGH on B/S

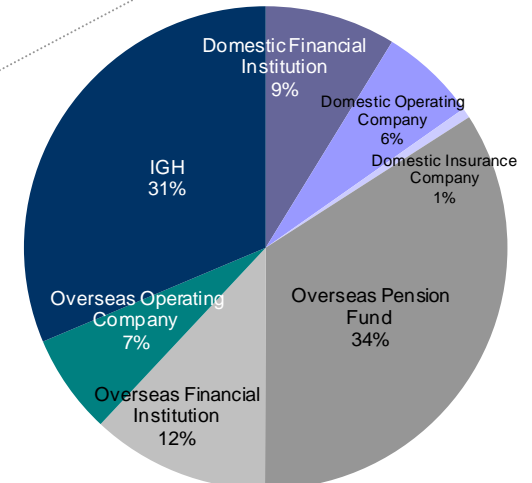
# Assets Under Management

- Expertise across Full Spectrum from Development to Operating Assets
- 97% of Current Portfolio is Comprised of Operating Assets

(As of August 2010)



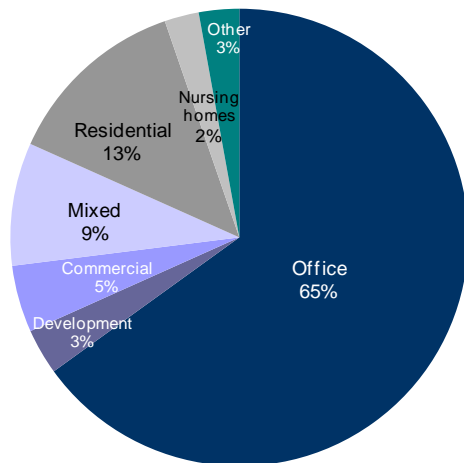
## Breakdown of Equity Investors



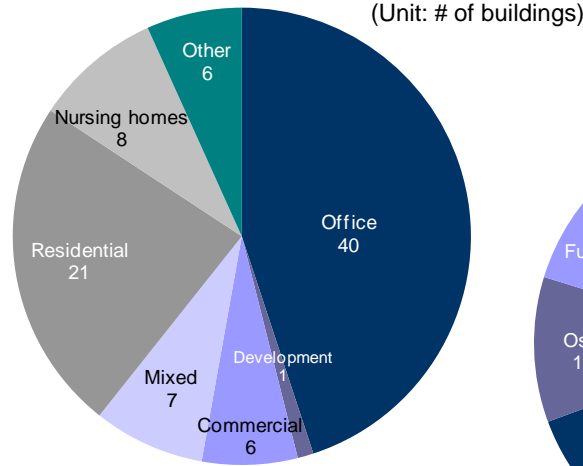
# Real Estate Portfolio

- Mainly Office, although Significant Track Record across a Wide Variety of Asset Types
- Particular Experience in Managing Small & Mid-Size Assets from ¥1 - 5 billion in Tokyo

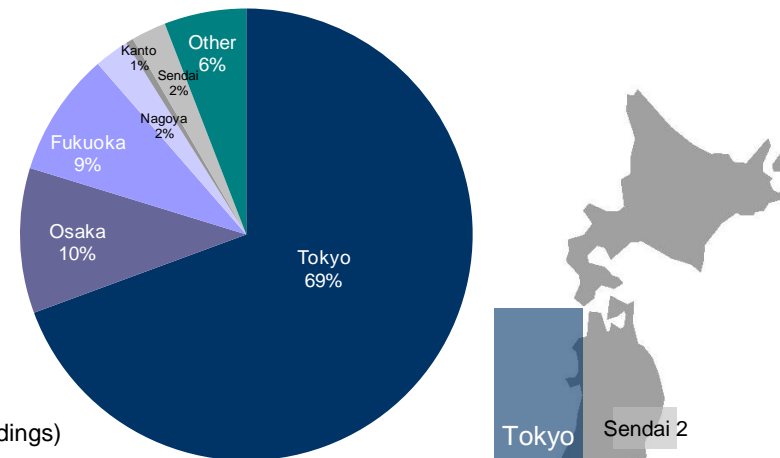
**AUM by Type**



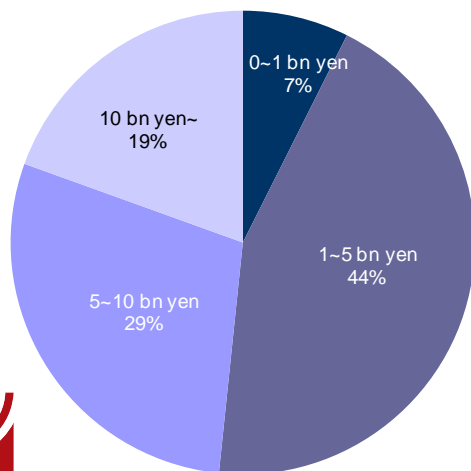
**# of Properties by Type**



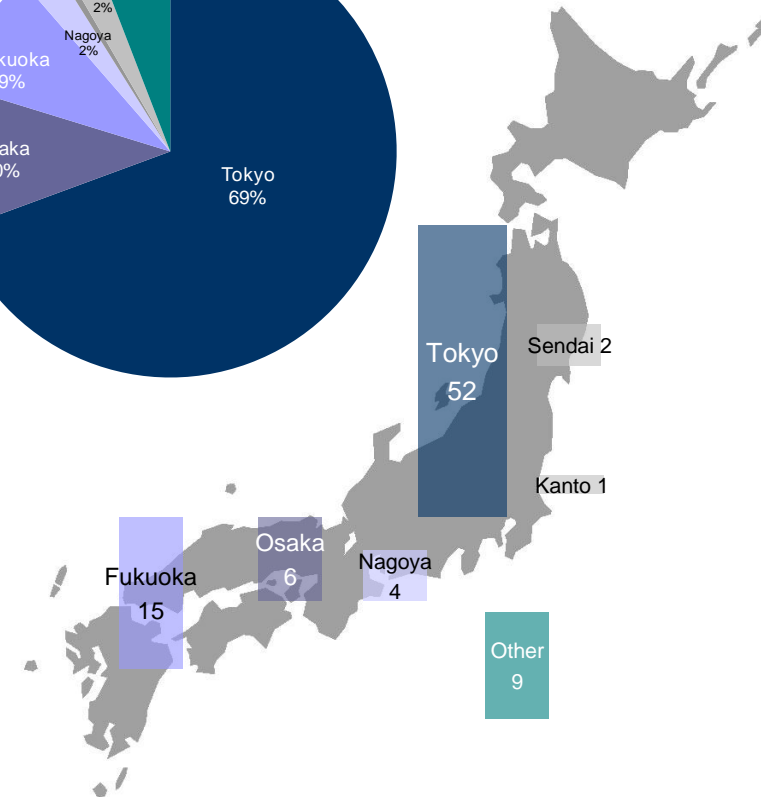
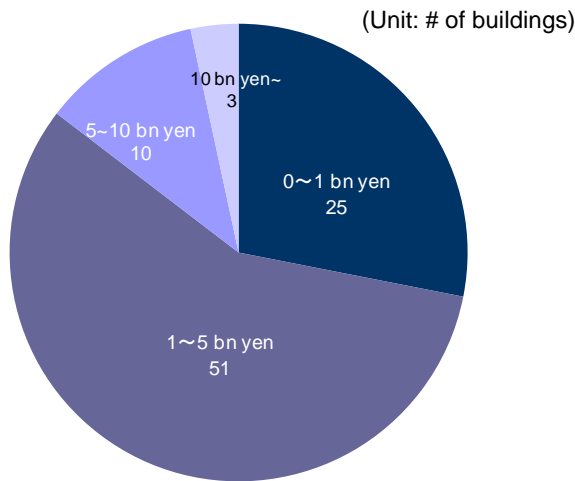
**AUM by Location**



**AUM by Size**



**# of Properties by Size**





# IGH Real Estate Cap Rates

- Cap Rates Increased Due to Early Adoption of Lower of Cost or Market Rule
- Continually Mark Assets In-line with Current Market Pricing and Eliminate Any Unrealized Losses from B/S

(As of August 2010)

## Real Estate Investments held by Funds (SPCs)

(Million yen, except for percentage data)

Location	Acquisition value	Book value (after write-down)	NOI (current)	Cap rate (at acquisition)	Cap rate (current)
				NOI / Acquisition value	NOI / Book value after write-down
Tokyo	166,430	142,089	7,487	5.2%	6.2%
Outside Tokyo	60,113	43,826	3,216	5.6%	8.1%
<b>Total</b>	<b>226,543</b>	<b>185,915</b>	<b>10,703</b>	<b>5.3%</b>	<b>7.0%</b>

## Real Estate Investments directly held by IGH

(Million yen, except for percentage data)

Location	Acquisition value	Book value (after write-down)	NOI (current)	Cap rate (at acquisition)	Cap rate (current)
				NOI / Acquisition value	NOI / Book value after write-down
Tokyo	7,083	4,587	343	5.5%	7.2%
Outside Tokyo*	8,493	5,737	579	6.3%	9.8%
<b>Total</b>	<b>15,576</b>	<b>10,324</b>	<b>922</b>	<b>6.0%</b>	<b>8.8%</b>

\*Cap rate calculation excludes one development asset (c. JPY800MM) which is not currently generating NOI

NOI (Net Operating Income)

NOI = rental income – management costs (taxes, property management fees and repairs)

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These materials are also based upon information available as of August 31, 2010, and contain forward-looking statements pertaining to the Company's expectations, targets, plans and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information available as of this date. Actual operating results or developments concerning the Company may differ substantially from those indicated by forward-looking statements. The information enclosed is also subject to revision without prior notice.



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