



Feb. 2012 Fiscal Year H1 (March 2011 – August 2011)
Corporate Presentation

October 20, 2011

Ichigo Group Holdings Co., Ltd. (2337)

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

Laying the Foundation for Stable, Long-Term Growth

- Strengthened Financial Base
 - Robust Balance Sheet
 - Continued Asset Dispositions
 - Corporate Debt Repayment
- Business Update
 - Recent Transactions
 - Deploying Architectural Capabilities to Add Value
 - Asset-Level Value Enhancement
 - REIT M&A
 - REIT Business Growth Strategy
 - On-Going Profitability
 - Share Buybacks

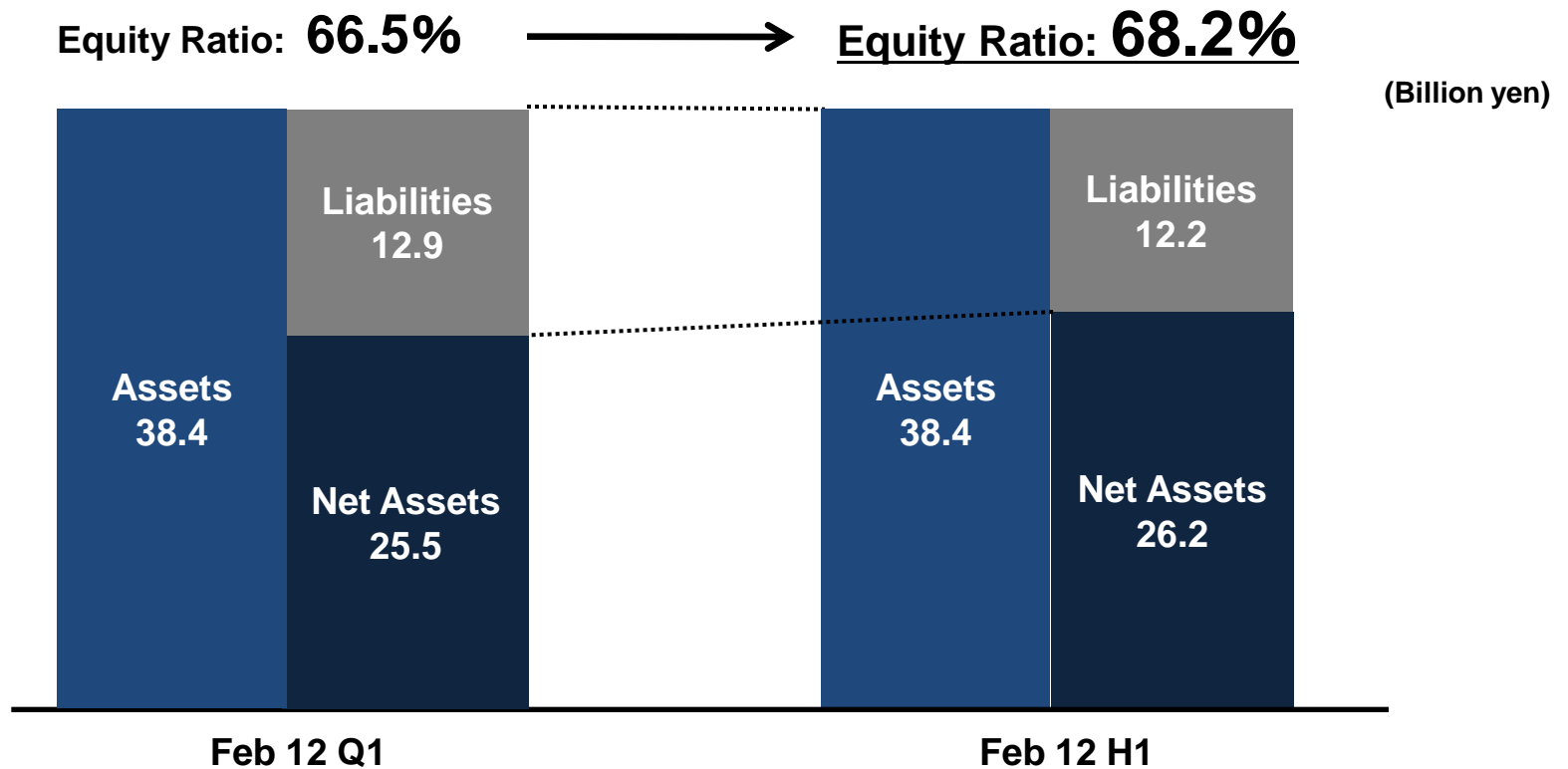
Appendices: Financial & Real Estate Data

Strengthened Financial Base

Robust Balance Sheet

Optimizing Balance Sheet

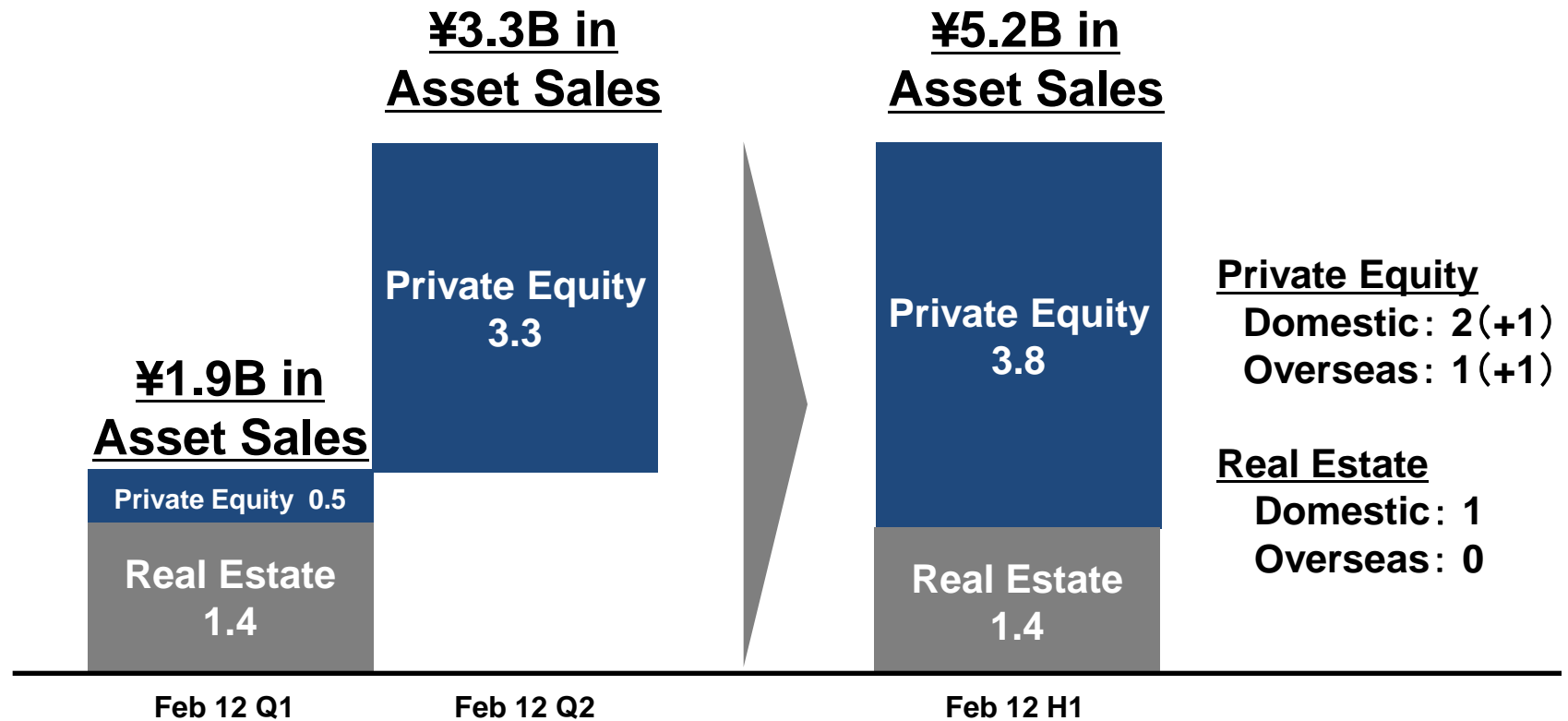
- Continued asset sales and corporate debt repayment
- Investing for growth while controlling risk



Pro Forma basis

Continued Asset Dispositions

Asset sales of ¥3.3 billion during the quarter

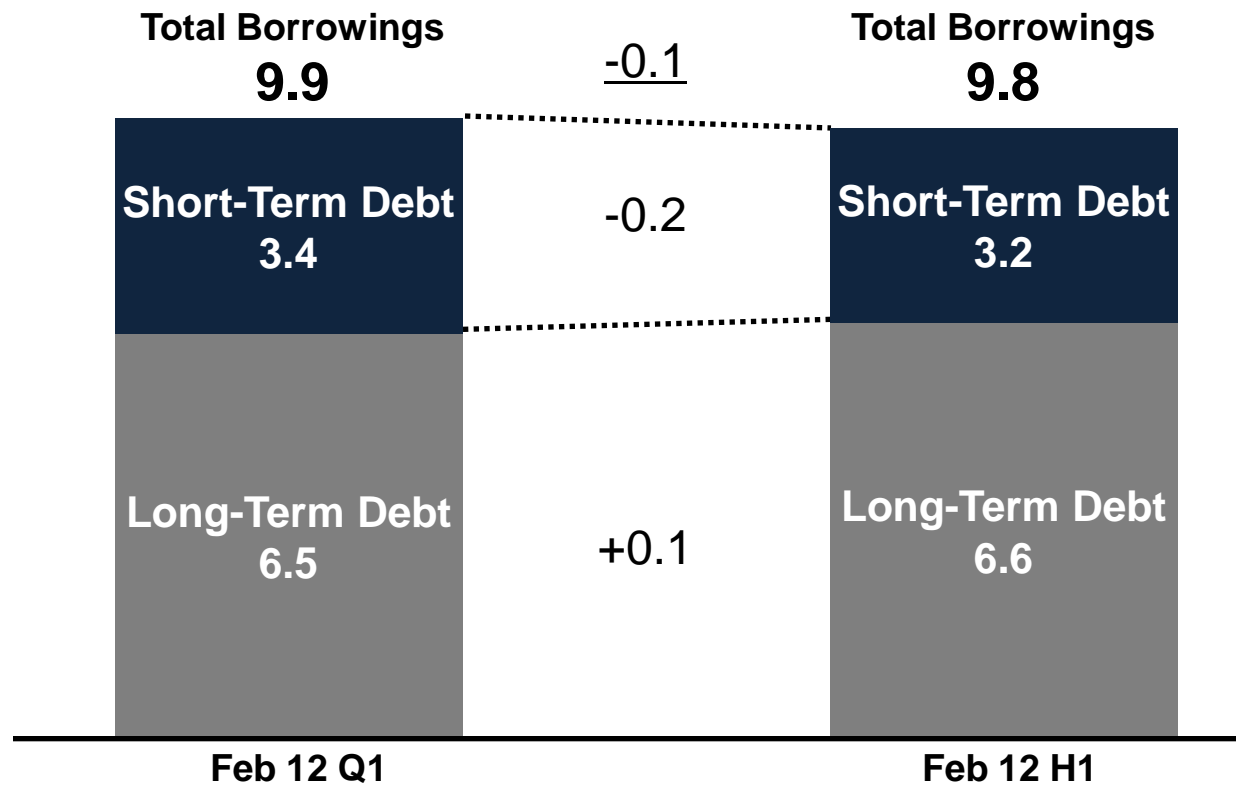


Pro Forma basis

Corporate Debt Repayment

Repaying existing debt and improving long-term debt ratio (67%)

(Billion yen)



Business Update

Recent Transactions

- Administrator for land + ground lease fund in Atsugi, Kanagawa Prefecture [Ichigo Estate, Ichigo Solutions]
- New ¥5B Osaka & Tokyo office fund [Ichigo Real Estate Investment Advisors]
- Rescue AM Mandates [Ichigo Real Estate Investment Advisors]
 - ¥6B Tokyo office AM mandate from major US PE fund
 - Follow-on ¥16B Tokyo, Osaka, and Saitama office and retail rescue AM mandate from the same fund (September 2011)

Asset-Level Value Enhancement

- Active leasing using the Ichigo brand
 - Creating asset-level brochures to build strong brand name
 - Web-based targeting of overseas tenants and investors
- Building value at our retail assets
 - PR through major media
 - Competitive differentiation via attractive events

■ Distinctive branding



PR through Major TV program (Matsudo Nanbu Wholesale Market)



K-Pop Concert (Miyako City)



REIT M&A

- Acquired 100% shares of Fund Creation REIT Advisers (“FCRA”) (August 15, 2011)
 - Asset management company of FC Residential REIT (8975) (“FCR”)
 - FCR will merge with Ichigo REIT (8983) on November 1, 2011
 - Post-merger REIT will be called Ichigo Real Estate Investment Corporation (8975)
 - Ichigo REIT Management will absorb FCRA via merger on the same day
- Cash deployed is ¥82 million (no net cash outlay as FCRA has financial assets of ¥255 million)
- Accelerate the growth of REIT business
 - M&A as a growth strategy of Ichigo REIT
 - Secure stable income from the growth of Ichigo REIT
 - Accelerate branding and recognition of Ichigo as a full-service real estate asset manager

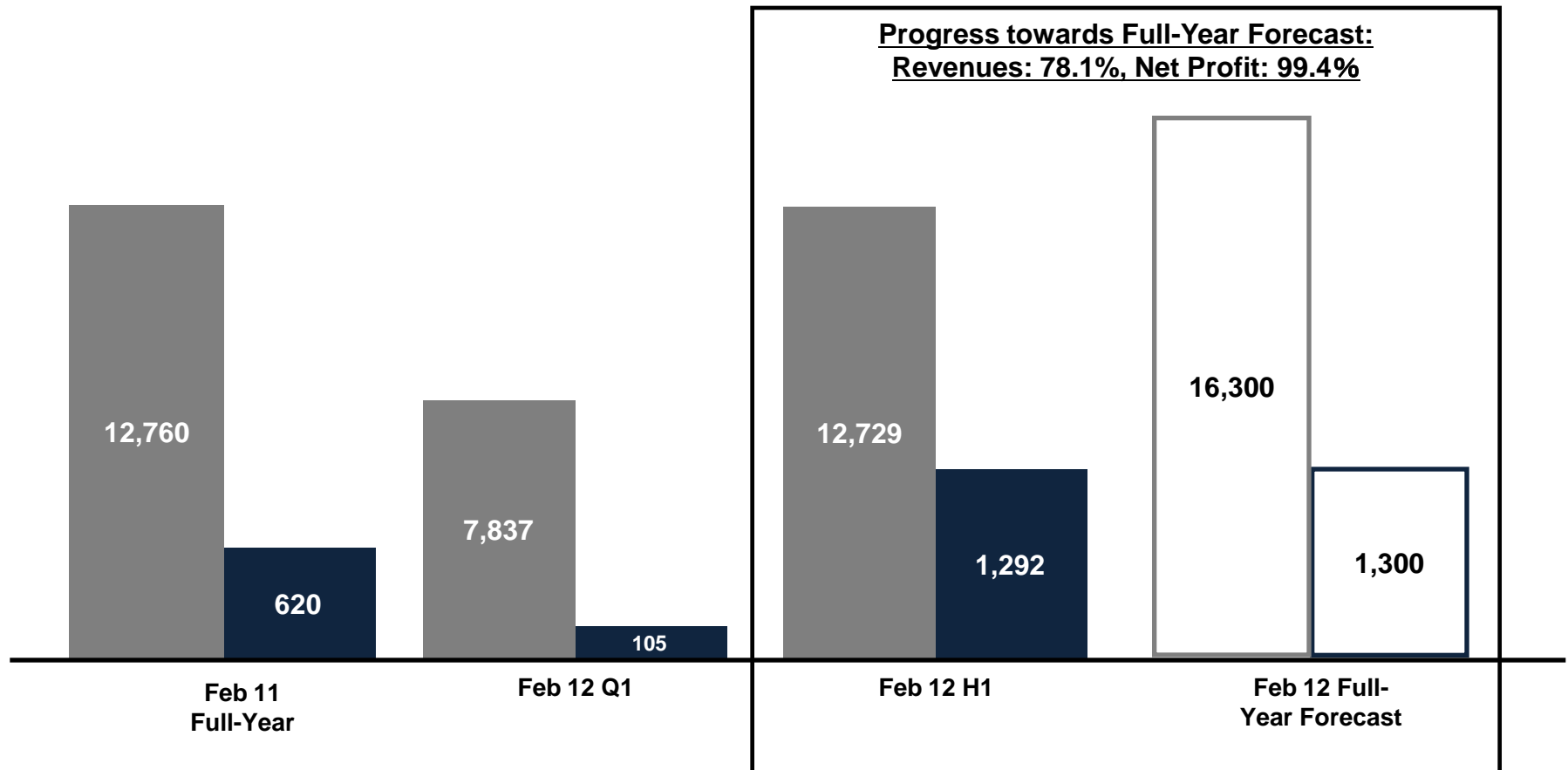
REIT Business Growth Strategy

- FC Residential and Ichigo REIT merger
 - Further growth of Ichigo REIT
 - More diversified portfolio of office and residential properties
 - Will increase scale and expected to improve unit liquidity
 - Comprehensive J-REIT providing both stability and growth
 - More stable portfolio of office and residential properties of different asset characteristics
 - Increase profitability by value enhancement and other internal growth strategies
 - Strategic use of “negative goodwill”
 - Enables portfolio optimization without impacting dividends
 - Secure stable dividend payments
- First J-REIT merger of equals, building Ichigo brand as a growing market presence

On-Going Profitability

- Revenues (Cumulative)
- Net Profit/Loss (Cumulative)

(Million yen)



Share Buybacks

- 1st Share Buyback and Cancellation (FY2012)
 - Number of shares bought back: 38,307 shares (initial plan: 50,000 shares)
 - Number of shares cancelled: 38,547 shares (includes 240 shares previous to buyback)
 - Fell 11,693 shares short relative to initial buyback plan
- 2nd Share Buyback and Cancellation (FY2012)
 - Summary
 - Total Amount: Up to ¥616,930,000 (61,693 shares) [50,000 shares, plus the 11,693 share shortfall in the 1st share buyback]
 - Buyback Method: In-market purchases via trust bank
 - 41,693 shares will be cancelled if all 61,693 shares are bought back (leaving 20,000 shares to fund stock option plan)
 - All the shares bought back will be cancelled if not all 61,693 shares are bought back
 - Issued 20,000 stock options to directors and employees linked to the share buyback
 - Issued with the condition that the full amount of 61,693 shares is bought back
 - Aligns the interests of directors and employees with shareholders

Appendix: Pro Forma Financial Data

Pro Forma Disclosure to Improve Transparency

- 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 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 11	Feb 12 Q1	Feb 12 H1	Change (QoQ)
Total Assets	39,915	38,350	38,384	34
Cash and Cash Equivalents	7,093	6,710	8,403	1,693
Investment (Real Estate)	6,419	7,388	7,829	441
Investment (Domestic companies)	984	783	791	8
Investment (Overseas companies)	7,198	7,123	4,869	-2,254
Real Estate Held for Sale	11,177	9,402	9,406	4
Other	7,044	6,943	7,086	143
Liabilities	14,205	12,853	12,205	-648
Interest-Bearing Debt	10,783	9,935	9,810	-125
Other	3,422	2,918	2,395	-523
Net Assets	25,709	25,497	26,179	682

*Pro Forma definition on p.18

P&L (Pro Forma)

	Feb 11	Feb 12 Q1	Feb 12 Q2	Feb 12 H1 Cumulative		<u>Breakdown</u>	(Million yen)
							Feb 12 H1 Cumulative
Revenues	7,842	1,996	1,493	3,489	→	Revenues	3,489
Cost of Revenues	4,102	1,187	555	1,741		Real Estate Management Fees	1,012
Gross Profit	3,740	809	938	1,748	↘	Advisory Fees	8
SG&A	2,603	696	810	1,506		Rental Income	894
Operating Profit	1,137	113	128	242		Real Estate Sales / Dividends	222
Non-Operating Gain (Loss), net	265	30	-28	2		Securities Sales / Dividends	594
Recurring Profit	1,402	143	100	244		Building Maintenance Fees	721
Extraordinary Gain (Loss), net	1,273	-32	1,092	1,060		Other	39
Pre-tax Profit	2,675	111	1,192	1,303		Gross Profit	1,748
Tax	42	27	20	47		Real Estate Management Fees	924
Minority Interests	2,013	-22	-15	-37		Advisory Fees	8
Net Profit	620	105	1,187	1,292		Rental Income	509
						Real Estate Sales / Dividends	222
						Securities Sales / Dividends	406
						Building Maintenance Fees	167
						Other	-488

*Pro Forma definition on p.18

Appendix: Consolidated Financial Data

Balance Sheet (Consolidated)

(Million yen)

	Feb 11	Feb 12 Q1	Feb 12 H1	QoQ change
Total Assets	98,653	95,596	85,197	-10,399
Cash and Cash Equivalents	12,343	11,670	12,339	669
Operating Investments in Securities	8,035	5,223	5,584	361
Real Estate Held for Sale	68,823	67,164	57,713	-9,451
Fixed Assets	3,178	3,121	3,112	-9
Investments in Securities	5,682	5,753	3,599	-2,154
Other	592	2,665	2,850	185
Liabilities	70,881	67,967	56,882	-11,085
Interest-Bearing Debts (excl. Non-Recourse Loans)	10,782	9,934	9,810	-124
Non-Recourse Loans	51,913	49,964	40,217	-9,747
Other	8,186	8,069	6,855	-1,214
Net Assets	27,771	27,629	28,315	686
Shareholders Equity	25,514	25,399	25,945	546
Minority Interests and Other	2,257	2,230	2,370	140

Breakdown of Assets (Consolidated)

(Million yen)

	Feb 11			Feb 12 Q1			Feb 12 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	12,343	-	-	11,670	-	-	12,339	-	-	-
Operating Investments in Securities	8,035	0	8,035	5,223	0	5,223	5,584	0	5,584	361
Domestic Real Estate	2,684	0	2,684	2,656	0	2,656	3,113	0	3,113	457
Listed Domestic Companies	0	0	0	0	0	0	0	0	0	0
Unlisted Domestic Companies	2,701	0	2,701	104	0	104	102	0	102	-2
Listed Overseas Companies	1,448	0	1,448	1,261	0	1,261	1,215	0	1,215	-46
Unlisted Overseas Companies	1,201	0	1,201	1,202	0	1,202	1,152	0	1,152	-50
Reference: Allow ance for Bad Debts for Operating Investments in Securities	-3,358	-	-3,358	-1,294	-	-1,294	-1,278	-	-1,278	16
Operating Investments in Securities less Allow ance for Bad Debts for Operating Investments in Securities	4,677	-	4,677	3,929	-	3,929	4,306	-	4,306	377
Real Estate Held for Sale	68,823	53,948	14,875	67,164	51,998	15,166	57,713	42,533	15,180	14
Domestic Real Estate	68,823	53,948	14,875	67,164	51,998	15,166	57,713	42,533	15,180	14
Overseas Real Estate	0	0	0	0	0	0	0	0	0	0
Investments in Securities	5,682	0	5,682	5,753	0	5,753	3,599	0	3,599	-2,154
Domestic Companies	523	0	523	493	0	493	509	0	509	16
Overseas Companies	4,842	0	4,842	4,954	0	4,954	2,796	0	2,796	-2,158
Others	317	0	317	306	0	306	293	0	293	-13
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	5,567	-	5,567	5,639	-	5,639	3,484	-	3,484	-2,155
Tangible Assets	3,178	-	-	3,121	-	-	3,112	-	-	-
Other Assets	4,065	-	-	4,073	-	-	4,243	-	-	-
Total Assets	98,653	-	25,119	95,596	-	24,734	85,197	-	22,970	-1,764

P&L (Consolidated)

	Feb 11	Feb 12 Q1	Feb 12 Q2	Feb 12 H1 Cumulative	Full-Year Forecast	Progress
Revenues	12,760	7,837	4,892	12,729	16,300	78.1%
Cost of Revenues	8,805	6,959	3,948	10,908	—	—
Gross Profit	3,954	877	943	1,821	—	—
SG&A	2,603	695	810	1,506	—	—
Operating Profit	1,351	181	133	315	1,000	31.5%
Non-Operating Gain (Loss), net	266	30	-28	2	—	—
Recurring Profit	1,616	211	105	317	700	45.3%
Extraordinary Gain (Loss), net	1,273	-30	1,091	1,062	—	—
Pre-tax Profit	2,889	181	1,197	1,378	—	—
Tax	41	27	19	47	—	—
Minority Interests	2,227	48	-9	39	—	—
Net Profit	620	105	1,187	1,292	1,300	99.4%

Breakdown

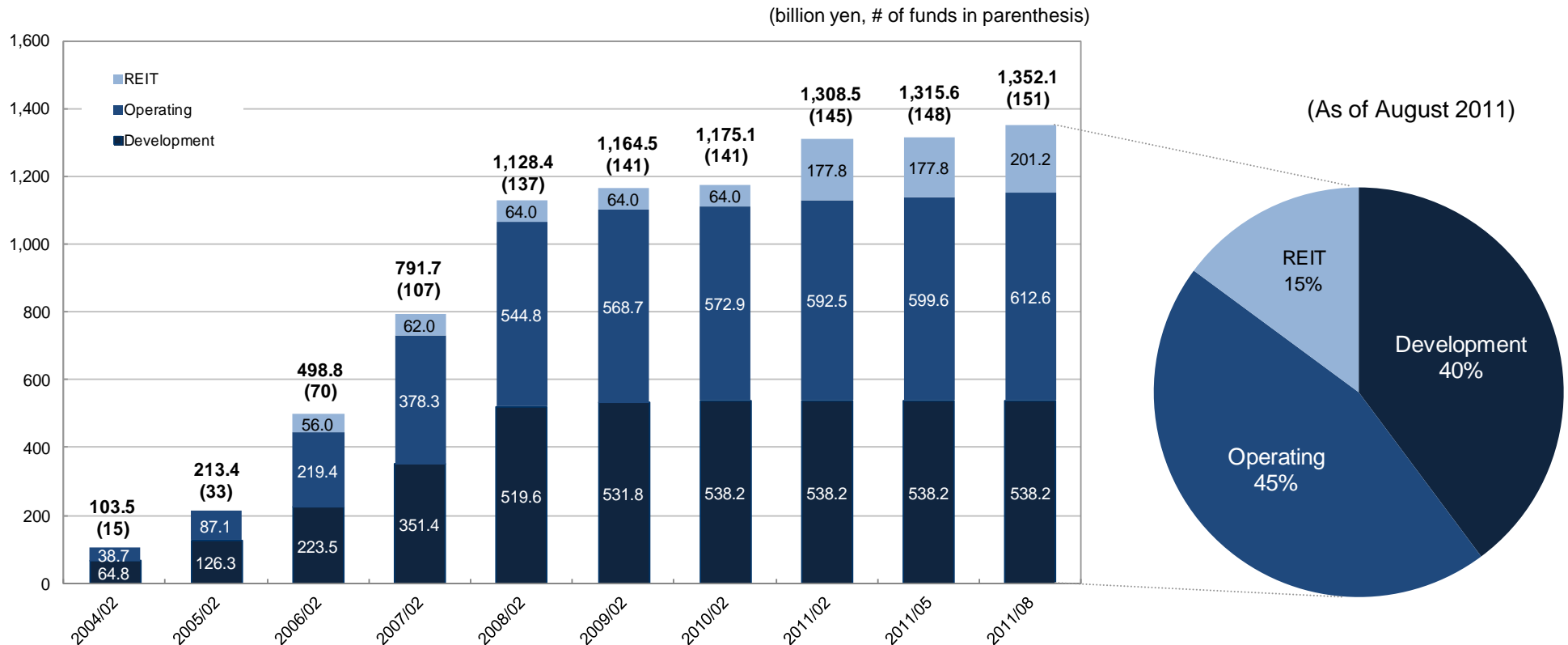
(Million yen)

	Feb 12 H1 Cumulative
Revenues	12,729
Real Estate Management Fees	868
Advisory Fees	8
Rental Income	2,906
Real Estate Sales / Dividends	7,638
Securities Sales / Dividends	594
Building Maintenance Fees	695
Other	20
Gross Profit	1,821
Real Estate Management Fees	785
Advisory Fees	8
Rental Income	937
Real Estate Sales / Dividends	112
Securities Sales / Dividends	406
Building Maintenance Fees	141
Other	-568

Appendix: Real Estate Data

Cumulative Assets Under Management

- Historic cumulative AUM exceeds ¥1.3 trillion
- Strong long-term track record of managing real estate for clients



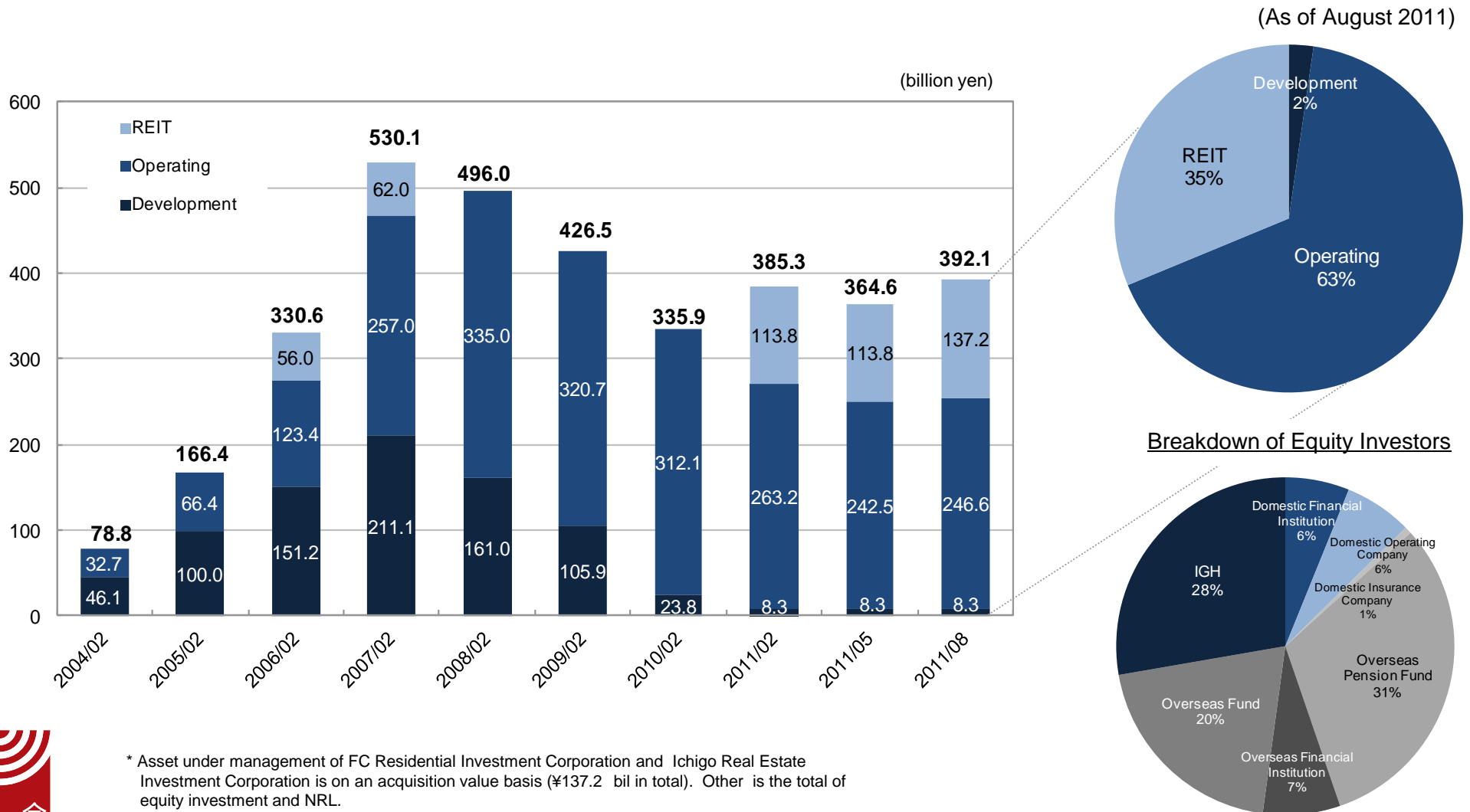
* Asset under management of FC Residential Investment Corporation and Ichigo Real Estate Investment Corporation is on an acquisition value basis (¥137.2 bil in total). Other is the total of equity investment and NRL.

Assets Under Management

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

Assets Under Management

Growing AUM with new AM mandates and REIT acquisition



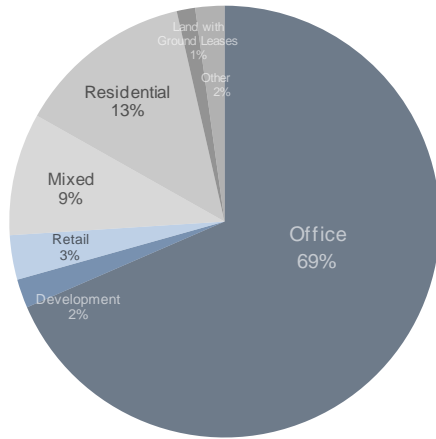
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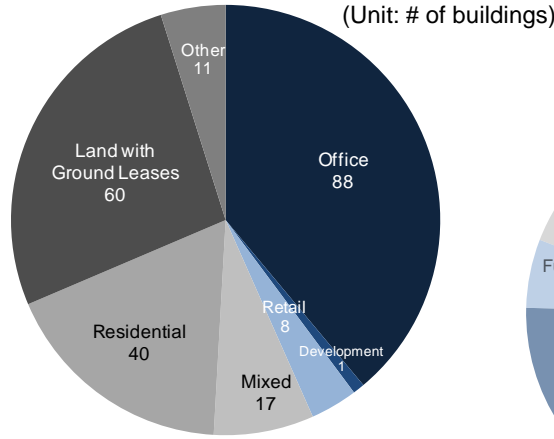
Real Estate Portfolio

Mainly office, although significant track record across a wide variety of asset types

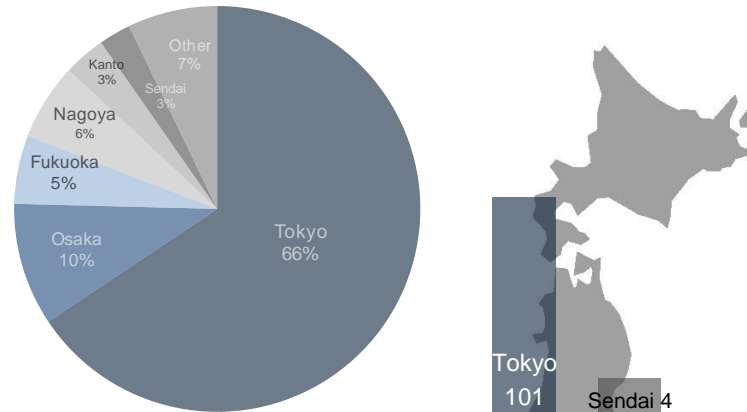
AUM by Type



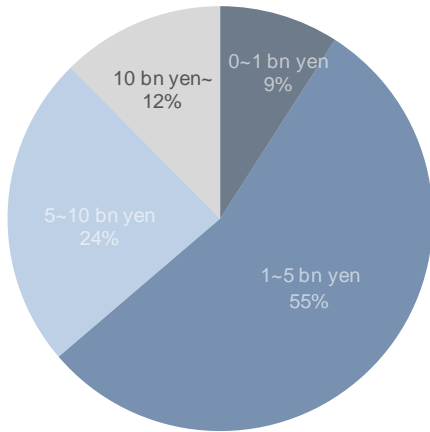
of Properties by Type



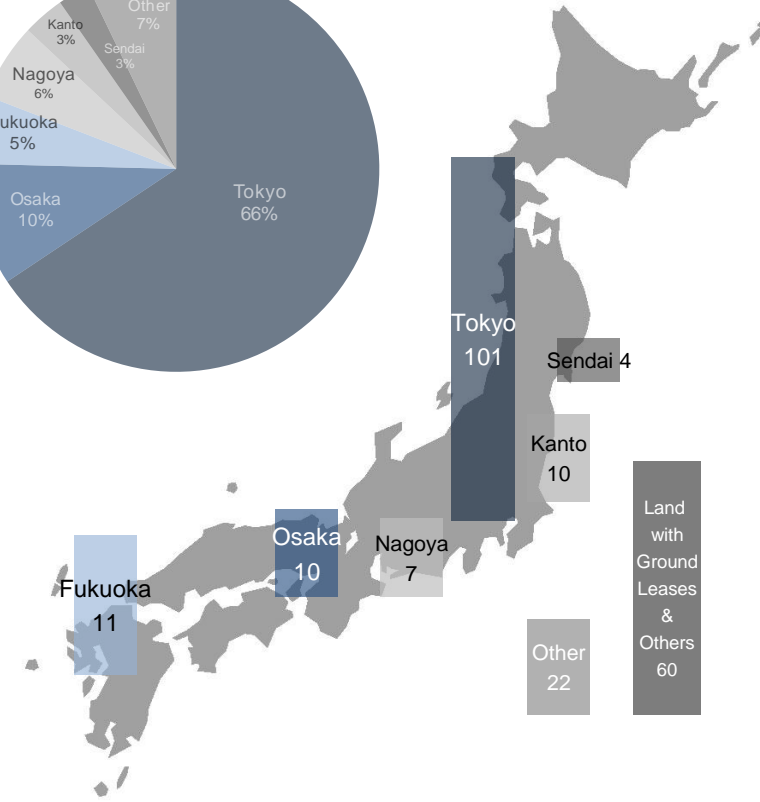
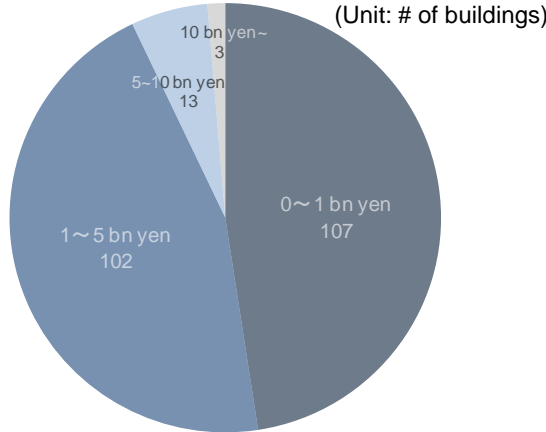
AUM by Location



AUM by Size



of Properties by Size



(As of August 2011)

(Unit: # of buildings)

(Unit: # of buildings)



IGH Real Estate Cap Rates

Continually mark assets to market and eliminate unrealized losses from balance sheet

(As of August 2011)

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) NOI / Acquisition value	Cap rate (current) NOI / Book value after write-down
Tokyo	145,059	128,370	6,140	5.2%	6.0%
Outside Tokyo	59,095	45,169	3,078	5.9%	7.7%
Total	204,154	173,539	9,218	5.4%	6.6%

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) NOI / Acquisition value	Cap rate (current) NOI / Book value after write-down
Tokyo	3,809	2,934	242	6.9%	7.9%
Outside Tokyo	8,503	5,746	596	6.5%	10.1%
Total	12,312	8,680	838	6.6%	9.4%

*Cap rate calculation excludes one development asset (c. ¥700M) 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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