



[Provisional Translation Only]

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

May 12, 2011

Ichigo Group Holdings Co., Ltd. (JASDAQ, 2337)
1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Scott Callon, Chairman and Representative Statutory Executive Officer

Notice of the Eleventh Annual General Meeting of Shareholders

Dear Shareholders:

We are pleased to invite you to attend the Eleventh Annual General Meeting of Shareholders of Ichigo Group Holdings Co., Ltd. ("the Company") to be held per the below.

If you are unable to attend the meeting, you may exercise your voting rights via postal mail or the internet. We would appreciate it if you could review the Reference Materials for the Annual General Meeting of Shareholders attached below and cast your vote by returning the enclosed voting form or by accessing our voting website (<http://www.evote.jp>) no later than Friday, May 27, 2011, 6:30 p.m. JST.

- 1. Date and Time** Saturday, May 28, 2011 at 10:00 a.m.
- 2. Place** Dai-ichi Hotel Tokyo, Fourth Floor, Primavera
1-2-6 Shimbashi, Minato-ku, Tokyo
- 3. Agenda of the Meeting**

Matters to be Reported

1. Details of the business report, the consolidated financial statements, and the results of the audit of consolidated financial statements by the Independent Auditor and the Company's Audit Committee for the eleventh term (from March 1, 2010 to February 28, 2011)
2. Report on the financial statements for the eleventh term (from March 1, 2010 to February 28, 2011)

Matters to be Resolved

- Proposal 1** Election of 10 Directors

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- * If you attend the meeting in person, please submit the enclosed voting form at the venue's reception.
 - * Please note that any amendments to the Reference Materials for the Annual General Meeting of Shareholders and the business report, financial statements and consolidated financial statements will be posted on our website (<http://www.ichigo-holdings.co.jp>).

Voting via the Internet

1. Handling of Concurrent Votes via Postal Mail and via the Internet

If you cast multiple votes by using both the postal voting form and the Internet voting site, only the vote casted on the Internet will be deemed as effective.

2. Handling of Concurrent Votes on the Internet

If you cast multiple votes on the Internet voting site, only the last vote will be deemed to be effective, whether from a PC or a mobile phone.

3. Voting via the Internet

If you vote via the Internet, please review the following matters. If you attend the meeting, voting via postal mail (voting form) or via the Internet is unnecessary.

(1) Voting Website

- (i) You can only exercise your voting rights via the Internet by accessing and using the designated website (<http://www.evotep.jp/>) from a PC or mobile phone (i-mode, EZweb or Yahoo! Keitai*). Please note that the website is not available from 2 a.m. to 5 a.m. JST daily.
(*i-mode, EZweb, and Yahoo! are the trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation, and Yahoo! Inc., U.S.A., respectively.)
- (ii) Please note that if you use a firewall, have antivirus software installed, or use a proxy server, etc., there may be technical difficulties in exercising your voting rights via the internet.
- (iii) To exercise your voting rights from a mobile phone, you must be able to use i-mode, EZweb or Yahoo! Keitai. To ensure security, you may not be able to vote from your mobile phone if the phone does not support encrypted transmission (SSL transmission) and mobile phone information transmission.
- (iv) We will accept votes submitted via the Internet up until 6:30 p.m. JST on Friday, May 27, 2011, but we would appreciate your promptness in voting. Please contact the help desk below if you have any questions.

(2) How to Vote via the Internet

- (i) Please access our voting website (<http://www.evotep.jp/>), and use the log-in ID and password shown on the enclosed voting form. Follow the on-screen instructions to indicate your consent or dissent
- (ii) To prevent unauthorized access (impersonation) and tampering of votes by any third party, please note that you will be required to change the temporary password on the voting website.
- (iii) We will inform you of your new login ID and temporary password for each Annual General Meeting of Shareholders.

(3) Fees for Accessing the Voting Website

Please note that you will bear expenses such as dial-up Internet access fees and telephone charges incurred by accessing the voting website. Please also note that you will bear expenses for the use of a mobile phone to cast your vote such as packet communication fees and other charges.

4. How to Receive Notices of our Future Annual General Meetings of Shareholders

You can be notified by e-mail starting from the next Annual General Meeting of Shareholders so please apply to receive such notification by accessing the voting website on your PC. (Please note that you may not apply for such notification by mobile phone nor can you designate your mobile phone e-mail address as the receiving address.)

Enquiries concerning the System

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)
Toll-free telephone (within Japan): 0120-173-027 (9:00 a.m. to 9:00 p.m. JST)

To Institutional Investors

You may use the electronic proxy-voting platform of the Tokyo Stock Exchange for electronic voting for the Annual General Meeting of Shareholders of the Company.

Business Report

[From March 1, 2010]
[To February 28, 2011]

I. Current Condition of the Company

1. Business Conditions in the Current Fiscal Year

(1) Progress and Business Results

Despite some continued downward pressures on developed market economies, deflation, and volatility in global financial markets, currencies, and oil prices, economic conditions in Japan began to improve gradually during the current fiscal year, with a recovery in corporate profits supported by growing emerging economies and the positive effects from a series of financial measures from the Japanese government. The Japanese real estate market also began to show signs of recovery, supported by enhanced bank credit lines, improved liquidity of properties due to J- REIT mergers and a buoyant J-REIT market, the real estate investment needs of foreign investors, and the Bank of Japan establishment of an asset purchase fund, including J-REITs, as part of a comprehensive package of monetary easing.

Taking these positive changes as a growth opportunity, the Company has continued to strengthen its finances and improve its profitability to drive on-going stable financial performance. Specifically, the Company has taken the following actions:

- Launched a major new fund in the current fiscal year
- Enhanced relationships with key financial institutions via “rescue AM” transactions where the Company is brought in to replace an existing asset manager that has had a performance problem
- Refinanced a large number of its real estate funds
- Executed strategic M&A, buying first Takara Building Maintenance to build synergies in its core real estate management business, and then JAPAN OFFICE ADVISORS (currently Ichigo REIT Management) the asset manager of JAPAN OFFICE Investment Corporation (currently Ichigo Real Estate Investment Corporation, TSE Code: 8983) to re-enter the REIT business
- Established Ichigo Estate to develop new business in mid- and small-sized properties and ground leases
- Disposed non-core assets such as Thunder Sky Battery and paid down corporate debt
- Extended the tenor of corporate short-term debt
- Reduced costs and enhanced management efficiency
- Took steps to liquidate an overseas subsidiary and exit non-core businesses

Now that the details of the overseas subsidiary liquidation have been largely finalized, the associated extraordinary losses of approximately ¥700 million and ¥1,900 million were recorded in the third and fourth quarters of the current year, respectively. The total hit to net profit from exiting this non-core business, ex-minority interests, is ¥2,400 million.

As a result, the Company recorded revenues of ¥12,760 million in the current fiscal year (down 39.6% year-on-year); an operating profit of ¥1,351 million (up 21.9% year-on-year); a recurring profit of ¥1,616 million (up 182.0% year-on-year); and a net profit of ¥620 million (down 65.7% year-on-year). The Company has thus returned to profitability for two consecutive fiscal years and fully expects that its strong financial base and new revenue structure will support the Company's profitability into the future.

In pursuit of excellence in asset management as the core company of the Ichigo Group, the Company changed its name to Ichigo Group Holdings during the current fiscal year, and our exchange listing venue also changed from Hercules on the Osaka Securities Exchange (OSE) to JASDAQ (Standard) due to JASDAQ's merger with the OSE.

(2) Capital Expenditure

There were no material investments in capital expenditures in the current fiscal year.

(3) Financing

In order to further strengthen its financial base, the Company has been reducing its corporate debt, refinancing from short-term to long-term borrowing, and conducting new financing with Japan's "megabanks." The Company decreased interest-bearing corporate debt by ¥2.9 billion in the current fiscal year, and long-term borrowing as a proportion of total borrowing increased to 57.6% (up 42.5% year-on-year) and short-term borrowing decreased to 42.4% (down 42.5% year-on-year). In addition, the Company newly borrowed ¥1.8 billion and ¥950 million from Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd., respectively.

(4) Business Transfers, Absorption-Type Splits or Incorporation-Type Splits

N/A

(5) Transferred Businesses from Other Companies

N/A

(6) Succeeding to Rights and Obligations relating to the Business of Other Companies by Absorption-Type Merger or Absorption-Type Split

N/A

(7) Acquisition and Disposition of Shares and Other Interests in Other Companies and Stock Acquisition Rights, etc.

The Company acquired all shares of Takara Building Maintenance Co., Ltd. on March 18, 2010, making it a 100% subsidiary. In addition, the Company acquired all shares of JAPAN OFFICE ADVISORS, Inc. (currently Ichigo REIT Management Co., Ltd.) on January 11, 2011, making it a 100% subsidiary.

2. Assets and Earnings in the Past Three Fiscal Years

Category	Eighth term (Year ending February 29, 2008)	Ninth term (Year ending February 28, 2009)	Tenth term (Year ending February 28, 2010)	Eleventh term (Year ending February 28, 2011- Current fiscal year)
Revenues (million yen)	70,833	50,444	21,112	12,760
Recurring Profit (Recurring Loss) (million yen)	13,637	(54,115)	573	1,616
Net Profit (Net loss) (million yen)	5,505	(48,171)	1,807	620
Net Profit per Share (Net loss per share) (yen)	10,386.15	(73,934.36)	1,771.74	317.64
Total Assets (million yen)	264,681	140,875	100,268	98,653
Net Assets (million yen)	76,583	12,945	23,523	27,771
Net Assets per Share (yen)	98,325.93	11,518.77	11,711.48	10,920.79

(Note) Net Profit per share (Net loss per share) is calculated based on the average number of shares issued during the term. This figure does not include treasury shares.

3. Important Parent Company and Subsidiary Information

(1) Parent Company

N/A

(2) Important Subsidiaries

Name	Capital	Percentage Ownership of Voting Rights	Business Segment
Ichigo Real Estate Investment Advisors Co., Ltd. (Note 1)	¥100 million	100.00%	Real estate asset management
Ichigo REIT Management Co., Ltd. (Note 2)	¥400 million	100.00%	J-REIT management
Ichigo Estate Co., Ltd. (Note 3)	¥30 million	100.00%	Real estate-related new business
Ichigo Solutions Co., Ltd. (Note 4)	¥500 million	100.00%	Dealing in financial instruments and money lending
Ichigo Marché Co., Ltd. (Note 5)	¥95 million	100.00%	Wholesale market operator, real estate leasing
Miyako City Co., Ltd.	¥50 million	100.00%	Mall operator
Takara Building Maintenance Co., Ltd. (Note 6)	¥10 million	100.00%	Building maintenance

(Note) 1. Asset Investment Advisors Co., Ltd. changed its name to Ichigo Real Estate Investment Advisors Co., Ltd., effective September 1, 2010.

2. JAPAN OFFICE ADVISORS, Inc. which became a 100% subsidiary of the Company changed its name to Ichigo REIT Management Co., Ltd., effective January 11, 2011.

3. Ichigo Estate Co., Ltd. was established on January 13, 2011.

4. Asset Financial Solutions Co., Ltd. changed its name to Ichigo Solutions Co., Ltd., effective September 1, 2010.

5. Asset Logistics Co., Ltd. changed its name to Ichigo Marché Co., Ltd., effective September 1, 2010.

6. Takara Building Maintenance Co., Ltd. became a 100% subsidiary of the Company on March 18, 2010.

7. Asset Managers (Asia) Company Limited, an overseas subsidiary, is not included in important subsidiaries due to its scheduled liquidation.

4. Key Business Priorities

Despite some continued downward pressures on the economy, Japan's financial and real estate markets began to show signs of recovery in the current fiscal year. However, with the recent rise in the yen and in oil prices and the East Japan earthquake in March 2011 hitting the Japanese economy hard, future economic and business conditions are uncertain.

Despite this severe business environment, the Company continues to commit itself as its highest priorities as an asset manager to maximizing the value of investor assets and securing further profitable growth. The Company expects to (1) increase its operating profits through higher management fees via the launch of new funds, rescue AM transactions, and growth in the Ichigo J-REIT; (2) obtain new sources of profit through Ichigo Estate; (3) acquire sound businesses via M&A; and (4) continue to cut costs and enhance management efficiency.

The Company also intends to further reinforce corporate governance and compliance to ensure sound management for our shareholders.

5. Key Business Segments

As a long-term Japanese real estate asset manager, the Company is principally engaged in management of privately-offered real estate investment funds and a J-REIT, and also engages in related real estate investment, real estate advisory, property management, and building maintenance, etc.

6. Principal Offices (as of February 28, 2011)

Ichigo Group Holdings Co., Ltd. Ichigo Real Estate Investment Advisors Co., Ltd. Ichigo Estate Co., Ltd. Ichigo Solutions Co., Ltd.	Headquarters: Chiyoda-ku, Tokyo
Ichigo REIT Management Co., Ltd.	Headquarters: Shibuya-ku, Tokyo
Ichigo Marché Co., Ltd.	Headquarters: Chiyoda-ku, Tokyo Office: Matsudo City, Chiba Prefecture
Miyako City Co., Ltd.	Headquarters: Miyazaki City, Miyazaki Prefecture
Takara Building Maintenance Co., Ltd.	Headquarters: Ryugasaki City, Ibaraki Prefecture

(Note) Asset Managers (Asia) Company Limited, an overseas subsidiary, is not included in important subsidiaries due to its scheduled liquidation.

7. Employees (as of February 28, 2011)

(1) Employees of the Company (Group basis)

Number of employees	Increase/decrease from the end of previous fiscal year
167 (371) employees	Increased by 56 (307) employees

(Note) 1. The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo Group to other companies and including workers dispatched from other companies to Ichigo Group) including directors who are also employees.

2. The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.

3. The number of employees increased by 56 for full-time and 307 for non-full-time from the previous fiscal year due to acquisition of Takara Building Maintenance Co., Ltd. and JAPAN OFFICE ADVISORS Inc. (currently Ichigo REIT Management Co., Ltd.)

(2) Employees of the Company (stand-alone basis)

Number of employees	Increase/decrease from the end of previous fiscal year	Average age	Average years of employment
38 (5) employees	Increased by 4 (1) employees	38.7 years old	2.8 years

(Note) 1. The number of employees is the number of full-time employees (excluding workers dispatched from the Company to other companies and including workers dispatched from other companies to Ichigo Group) including directors who are also employees.

2. The average number of non-full-time employees (including part-time and temp employees) is presented in parentheses.

8. Principal Lenders (as of February 28, 2011)

Lenders	Amount
Kansai Urban Banking Corporation	¥5,270 million
Sumitomo Mitsui Banking Corporation	¥1,800 million
Mizuho Bank, Ltd.	¥950 million
Shinsei Bank Limited	¥558 million
The Musashino Bank, Ltd.	¥428 million

(Note) These amounts do not include non-recourse loans held by funds that the Company manages (e.g., *tokumei kumiai* partnerships, etc.)

9. Dividend and Distribution Policy

The Company views generating positive returns for its shareholders one of its most important management priorities, and has a basic principle of carrying out shareholder distributions in line with the Company's financial performance while securing retained earnings to fund stable growth and address any changes in future operating conditions.

Over the current fiscal year, the Company examined a number of shareholder distribution measures, including the resumption of dividends, as well as worked towards the earliest possible resumption of shareholder distributions. This effort included the reduction of capital and capital reserves earlier this year that cleared the net loss carry forwards that arose during the financial crisis, securing stable profitability, and monetizing its balance sheet. As a result, the Company has decided to buy back and cancel shares in order to enhance value per share and shareholder returns.

In light of the above priority given to share buybacks and cancellation in its shareholder distribution policy in this period, the Company has chosen not to pay a current dividend, but will continue to strive to increase shareholder returns by securing a profitable earnings structure and stable profitability and cash flows for the benefit of all shareholders.

10. Other Material Matters Regarding the Company

Share Buyback and Share Cancellation

At the Board of Directors meeting held on April 15, 2011, the Company approved a resolution to conduct a share buyback and cancellation pursuant to the provisions of Article 156, 165, and 178 of the Companies Act.

(1) Reason for Share Buyback and Cancellation

In seeking the earliest possible contribution to shareholder returns, the Company is committed to secure stable profitability, withdraw from non-core private equity businesses both in and out of Japan, monetize its assets, and clear the net loss carry forwards that arose during the financial crisis. Given the positive financial results of the fiscal year ending February 2011 and greater visibility on available capital to return to shareholders, the Company has decided to buy back and cancel shares in order to enhance value per share and shareholder returns.

(2) Summary of Buyback

Type of Shares:	Ordinary shares
Total No. of Shares:	Up to 50,000 shares (2.1% of the total number of shares outstanding excluding treasury shares)
Total Amount:	Up to 500,000,000 yen
Buyback Period:	April 22, 2011 – July 21, 2011
Buyback Method:	In-market purchases via trust bank

(3) Summary of Share Cancellation

Type of Shares:	Ordinary shares
Total No. of Shares:	50,240 shares (expected)

(2.2% of the total number of shares outstanding including treasury shares)

All the shares acquired via the buyback specified in section 2 above and all of the 240 treasury shares are to be cancelled.

Cancellation Date: August 19, 2011

(Reference Information)

Shareholding as of April 14, 2011

Total Number of shares outstanding: 2,336,559 shares

Number of treasury shares included: 240 shares

II. Matters Regarding the Current Status of the Company

1. Matters Regarding Shares in the Company (as of February 28, 2011)

- (1) Number of Authorized Shares: 2,750,000 shares
- (2) Total Number of Shares Issued: 2,336,559 shares
(Including treasury stock of 240 shares)

(Note) The total number of shares issued has increased by 586,284 shares as a result of the exercise of March 17, 2012 Convertible Notes.

- (3) Number of Shareholders: 21,935
- (4) Major Shareholders (top 10)

Name	Investment in the Company	
	Number of shares held (shares)	Shareholding ratio (%)
ICHIGO TRUST	1,615,814	69.16%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	48,286	2.06%
JFE & CO - SPECIAL CUSTODY ACCOUNT FOR THE BENEFIT OF CUSTOMERS	36,418	1.55%
OSAKA SECURITIES FINANCE COMPANY, LTD.	16,824	0.72%
MELLON BANK TREATY CLIENTS OMNIBUS	14,818	0.63%
YOICHI AOYAMA	10,732	0.45%
CBNY-FORUM FUNDS-ABSOLUTE OPPORTUNITIES FUND	10,597	0.45%
DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	10,429	0.44%
J. P. MORGAN CLEARING CORP-SEC	6,860	0.29%
MONEX, INC.	6,234	0.26%
TOTAL	1,777,012	76.06%

(Note) The shareholding ratio is calculated excluding treasury stock (240 shares).

2. Stock Acquisition Rights (aka Stock Options)

(1) Stock Acquisition Rights Issued as Consideration for Execution of Duties by Officers of the Company (as of February 28, 2011)

Number		9th Stock Acquisition Right Plan	
Date of resolution		July 14, 2009	
Number of stock acquisition rights		12,000 units	
Type and number of shares		12,000 common shares (1 share per unit)	
Issue Price		No payment is required in exchange for stock acquisition rights	
Amount due upon exercise of each stock acquisition right		¥13,381 per share	
Period for exercise of rights		August 15, 2011 – August 14, 2016	
Exercise Conditions		(Note)	
Holding by Directors	Directors (excluding External Directors)	Number of stock acquisition rights:	10,000 units
		Number of shares:	10,000 shares
		Number of holders:	4
	External Directors	Number of stock acquisition rights:	500 units
		Number of shares:	500 shares
		Number of holders:	4
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	1,500 units
		Number of shares:	1,500 shares
		Number of holders:	2

(Note) Exercise Conditions

- (i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, advisor or employee of the Company, or director, statutory executive officer, auditor or employee of the Company's subsidiaries and other similar positions; except for retirement due to expiration of term, mandatory retirement and other cases approved by the Board of Directors.
- (ii) Pledges and other disposition of stock acquisition rights are not permitted.
- (iii) When a person who is allotted stock acquisition rights becomes deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between the Company and recipient of stock acquisition rights pursuant to the resolution of the Company's Board of Directors.

(2) Stock Acquisition Rights Issued for the Consideration for Execution of Duties by Employees during the Current Fiscal Year

N/A

(3) Other Material Matters regarding Stock Acquisition Rights

Exercise and redemption of the March 17, 2012 Convertible Notes were fully completed during this fiscal year.

3. Officers of the Company

(1) Corporate Directors (as of February 28, 2011)

Position	Name	Responsibility and other business affiliations
Director	Scott Callon	Chairman of the Board of Directors, Chairman of Nominating Committee, Chairman of Compensation Committee, Vice-Chairman of Compliance Committee Chairman & Representative Statutory Executive Officer of Ichigo Group Holdings Co., Ltd. Partner and Chief Executive Officer of Ichigo Asset Management, Ltd.
Director	Kenji Iwasaki	Nominating Committee Member, Compensation Committee Member, Vice-Chairman of Compliance Committee President & Representative Statutory Executive Officer of Ichigo Group Holdings Co., Ltd.
Director	Takuma Hasegawa	President & Representative Director of Ichigo Estate Co., Ltd.
Director	Kazuya Sahashi	Executive Vice President & Statutory Executive Officer of Ichigo Group Holdings Co., Ltd.
Director	Minoru Ishihara	Compliance Committee Member Senior Executive Managing Director & Statutory Executive Officer of Ichigo Group Holdings Co., Ltd. Senior Managing Director of Ichigo Real Estate Investment Advisors Co., Ltd. Senior Managing Director of Ichigo REIT Management Co., Ltd. President & Representative Director of Ichigo Marché Co., Ltd.
External Director	Samuel T. W. Chu	Nominating Committee Member, Compensation Committee Member Chairman of International Business Communications, Inc., Taipei, Taiwan
External Director	Katsu Fujita	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Chairman of Compliance Committee Member of Conciliation of Civil Affairs, Tokyo District Court
External Director	Hidenao Toyoshima	Audit Committee Member Head of Toyoshima Law Office, Statutory Auditor of Saitama Resona Bank, Ltd., External Director for San-Ai Co., Ltd, External Director of Aisin Co., Ltd., Statutory Auditor of SHUFU TO SEIKATSU SHA CO. LTD., External Director of SC Investment Co., Ltd., External Director of Nissin Servicer Co., Ltd., External Director of Taiko Denki Co., Ltd., External Director of KOYO Shoji Corporation, substitute Statutory Auditor of Takasago Thermal Engineering Co., Ltd., External Auditor of ZERO START COMMUNICATIONS Co., Ltd., and External Auditor of Ginza Kimuraya.
External Director	Katsuhiko Hattori	Nominating Committee Member, Compensation Committee Member Vice President & Representative Director of Contec Co., Ltd.
External Director	Tetsuya Fujita	Audit Committee Member, Compliance Committee Member Auditor of St. Thomas University

(Note) 1. Mr. Katsu Fujita of the Audit Committee has served as the head of the division in charge of finance and accounting for nine years and thus has extensive knowledge of the finance and accounting fields.

2. The Company has registered with Osaka Securities Exchange that Messrs. Samuel T. W. Chu, Katsu Fujita, Hidenao Toyoshima, Katsuhiko Hattori, and Tetsuya Fujita are independent directors.

(2) Statutory Executive Officers (as of February 28, 2011)

Position	Name	Responsibility and other business affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall group management Partner and Chief Executive Officer of Ichigo Asset Management, Ltd.
President & Representative Statutory Executive Officer	Kenji Iwasaki	Overall group management
Executive Vice President & Statutory Executive Officer	Wataru Orii	Business Development President & Representative Director of Ichigo REIT Management Co., Ltd.
Executive Vice President & Statutory Executive Officer	Kazuya Sahashi	Finance, Strategic Investment & International
Senior Executive Managing Director & Statutory Executive Officer	Minoru Ishihara	Administration, Environmental & Architectural Solutions Senior Managing Director of Ichigo Real Estate Investment Advisors Co., Ltd. Senior Managing Director of Ichigo REIT Management Co., Ltd. President & Representative Director of Ichigo Marché Co., Ltd.
Senior Statutory Executive Officer	Akio Nakajima	Real Estate President & Representative Director of Ichigo Solutions Co., Ltd.
Senior Statutory Executive Officer	Takashi Minamikawa	Accounting & Business Planning
Statutory Executive Officer	Hiroto Tasaki	Real Estate Solutions
Statutory Executive Officer	Shoyo Ishimatsu	Development & CRE Solutions
Statutory Executive Officer	Xu Zhijun	International Business
Statutory Executive Officer	Kenji Goto	Strategic Investment

(3) Directors and Executive Officers who Retired during the Current Fiscal Year

Name	Retirement Date	Position, responsibility, and other business affiliations at retirement
Susumu Ueda	May 29, 2010	Statutory Executive Officer, J-SOX
Yukihiro Ogasawara	October 20, 2010	Senior Statutory Executive Officer, Real Estate & Osaka Branch
Takuma Hasegawa	January 13, 2011	Executive Vice President & Statutory Executive Officer, Real Estate

(4) Total Remuneration Paid to Directors and Statutory Executive Officers

Category	Number of recipients	Amount paid
Directors (of whom are External Directors)	9 (5)	¥164 million (¥38 million)
Statutory Executive Officers	9	¥10 million
Total (of whom are External Directors)	18 (5)	¥174 million (¥38 million)

(Note) 1. As of the end of the term, there are ten Directors (including five External Directors) and eleven Statutory Executive Officers (four of whom are also Directors), resulting in a total of seventeen officers. Since those who are both a Statutory Executive Officer and a Director do not receive Statutory Executive

Officer's remuneration, the total amount and number of recipients are shown in the row of Directors and not in the row of Statutory Executive Officers.

2. The number of recipients does not include one Statutory Executive Officer who is also a Director but did not receive remuneration.
3. The difference between the total number of {one Director who is also a Statutory Executive Officer, plus the above Directors and Statutory Executive Officers} and the total number of Directors is because the number of officers stated above includes two Statutory Executive Officers who are not Directors and who have resigned.
4. The amount paid includes remuneration as stock options of ¥31 million for Directors (of which ¥1 million is for External Directors).
5. In addition, the Company paid ¥65 million as employee compensation to eight Statutory Executive Officers. The amount includes remuneration in the form of stock options of ¥4 million.

(5) Policy on Determining Remuneration for Directors and Statutory Executive Officers

(i) Basic Policy

Remuneration for Directors and Statutory Executive Officers of the Company is determined based on the duties of each person, contribution to the Company, base compensation, prior experience, etc.

(ii) Specific Policies

- Remuneration for Directors

Remuneration for Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Director, while the performance-based bonus is based on the Company's performance.

- Remuneration for Statutory Executive Officers

Remuneration for Statutory Executive Officers consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Statutory Executive Officer, whereas the performance-based bonus is based on the performance of the Company and the department and individuals for which each Statutory Executive Officer is responsible.

- Stock Options

Stock options are granted to Directors and Statutory Executive Officers to strengthen their motivation to improve performance for the benefit of shareholders. These stock options are granted in addition to the remuneration described above.

(6) Outside Offices Held

(i) Positions in Other Companies and the Relationship between the Company and these Other Companies

- Samuel T. W. Chu, External Director, is also Founder and Chairman and Chief Executive Officer of International Business Communications, Inc., Taiwan. The Company has no relationship with International Business Communications, Inc., Taiwan.
- Hidenao Toyoshima, External Director, is also Head of Toyoshima Law Office. The Company has no relationship with Toyoshima Law Office.
- Katsuhiko Hattori, External Director, is also Vice President & Representative Statutory Executive Officer of Contec Ltd. The Company has no relationship with Contec Co., Ltd.

(ii) Positions as External Directors in Other Companies

- Katsu Fujita, External Director, is a Member of Conciliation of Civil Affairs, Tokyo District Court. The Company has no relationship with the Tokyo District Court.
- Hidenao Toyoshima, External Director, is a Statutory Auditor of Saitama Resona Bank, Ltd., an External Director for San-ai Co., Ltd, an External Director of Aishin Co., Ltd., a Statutory Auditor of SHUFU TO SEIKATSU SHA CO. LTD., an External Director of SC Investment Co., Ltd., an External Director of Nissin Servicer Co., Ltd., an External Director of Taiko Denki Co., Ltd., an External Director of KOYO Shoji Corporation, a substitute Statutory Auditor of Takasago Thermal Engineering Co., Ltd., an External Auditor of ZERO START COMMUNICATIONS Co., Ltd., and an External Auditor of Ginza Kimuraya. The Company has no relationship with the above-mentioned companies.
- Tetsuya Fujita, External Director, is Auditor of St. Thomas University. The Company has no relationship with St. Thomas University.

(iii) Relationship with the Company or Related Entities of the Company

The five External Directors, to the best of the Company's knowledge, have no spouse or relatives in the third degree or closer who are Statutory Executive Officers of the Company or related entities of the Company.

(iv) Principal Activities in the Current Fiscal Year

		Activities
External Director	Samuel T. W. Chu	Attended 13 out of 13 meetings (attendance rate: 100%) of the Board of Directors held in the current fiscal year. Also attended 8 out of 8 meetings (attendance rate: 100%) of the Nominating Committee held in the current fiscal year and attended 6 out of 6 meetings (attendance rate: 100%) of the Compensation Committee held in the current fiscal year. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
External Director	Katsu Fujita	Attended 13 out of 13 meetings (attendance rate: 100%) of the Board of Directors held in the current fiscal year. Also attended 8 out of 8 meetings (attendance rate: 100%) of the Nominating Committee held in the current fiscal year and attended 6 out of 6 meetings (attendance rate: 100%) of the Compensation Committee held in the current fiscal year. Also attended 15 out of 15 meetings (attendance rate: 100%) of the Audit Committee held in the current fiscal year. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
External Director	Hidenao Toyoshima	Attended 8 out of 13 meetings (attendance rate: 61.5%) of the Board of Directors held in the current fiscal year. Also attended 15 out of 15 meetings (attendance rate: 100%) of the Audit Committee held in the current fiscal year. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
External Director	Katsuhiko Hattori	Attended 12 out of 13 meetings (attendance rate: 92.3%) of the Board of Directors held in the current fiscal year. Also attended 8 out of 8 meetings (attendance rate: 100%) of the Nominating Committee held in the current fiscal year and attended 6 out of 6 meetings (attendance rate: 100%) of the Compensation Committee held in the current fiscal year. Also attended 6 out of 6 meetings (attendance rate: 100%) of the Audit Committee held in his tenure in the current fiscal year. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
External Director	Tetsuya Fujita	After becoming a Director, attended 9 out of 9 meetings (attendance rate: 100%) of the Board of Directors held in the current fiscal year. After becoming a member of the Audit Committee, attended 9 out of 9 meetings (attendance rate: 100%) of the Audit Committee held in the current fiscal year. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.

(v) Outline of Limited Liability Agreement with External Directors

The Company has entered into agreements to limit liability under Article 423, paragraph 1 of the Company Law pursuant to the provisions of Article 427, paragraph 1 thereof in order to retain talented persons as External Directors.

The extent of liability for compensation under the agreements is the minimum limited liability amount as defined in Article 425, paragraph 1 of the Company Law; provided that the liability is limited only when the External Directors have performed their duties in good faith and without gross negligence.

4. Independent Auditor

(1) Grant Thornton Taiyo ASG

(2) Amount of Fees for the Independent Auditor

- | | |
|--|--------------|
| (i) Amount of fees for the Independent Auditor for the current fiscal year | |
| Amount of fees for services provided for in accordance with Article 2, paragraph 1 of the Certified Public Accountants Law (Law No. 103 of 1948) | ¥107 million |
| (ii) Total money and other financial benefits payable by the Company and subsidiaries to the Independent Auditor | ¥144 million |

(Note) Audit agreements between the Company and the Independent Auditor do not clearly itemize the amounts of audit fees for the audits under both the Company Law and the Financial Instruments and Exchange Law, and, as a matter of practicality, the Company is not able to itemize them. Therefore, the amount of fees for the Independent Auditor for the current fiscal year shows the total amount.

(3) Policy for the Determination of Removal or Non-Reappointment of the Independent Auditor

If there is any reasonable doubt about the Independent Auditor performing its duties, the Audit Committee will consider the removal or non-reappointment of the Independent Auditor based on the facts. If the Audit Committee determines that the removal or non-reappointment is appropriate, it will propose the same to the Annual General Meeting of Shareholders pursuant to the Regulations of the Audit Committee.

5. Structure to Ensure Appropriate Business Activity

【1】 Basic View on Internal Control System

The Company, pursuant to the Company Law, has set forth a “Basic Policy for the Establishment of Structure of Internal Controls,” established the required internal regulations, ensured the legality and efficiency of the business of the Company, and established an appropriate risk management system. The Company will strive to improve and reinforce these systems through continuous review.

(1) Internal Control to Ensure that Statutory Executive Officers Execute Their Duties in Conformity with Laws and Regulations and the Articles of Incorporation

(i) Corporate Governance

- The Board of Directors determines material matters regarding management and supervises the execution of duties by Statutory Executive Officers pursuant to laws and regulations, the Articles of Incorporation, the resolutions of the Annual General Meeting of Shareholders, the Regulations of the Board of Directors, the Ichigo Group’s Code of Corporate Ethics, the Ichigo Group’s Code of Conduct, the Regulations of Administrative Authority and other rules. The Board of Directors has established the Proposal and Reporting Standards to the Board of Directors and makes decisions on the execution of business to be determined by the Board of Directors pursuant to the Standards.
- The Statutory Executive Officers make decisions on the execution of business that are delegated by the Board of Directors, and perform their duties pursuant to these decisions, the resolution of the Board of Directors and internal regulations.
- In order for the Board of Directors to supervise the execution of duties by Statutory Executive Officers, the Statutory Executive Officers report on the status of the execution of business to the Board of Directors at least once in three months. Statutory Executive Officers monitor and supervise the execution of each other’s duties.
- The status of the execution of duties by Statutory Executive Officers will be audited by the Audit Committee.

(ii) Compliance

- The Company has established the Ichigo Group's Code of Corporate Ethics and the Ichigo Group's Code of Conduct which provide rules and regulations for action to be taken by officers and employees including Directors and Statutory Executive Officers.
- The Company has established the Compliance Committee to deliberate major issues regarding compliance. The Compliance Committee is independent from the Statutory Executive Officers.
- The Company has appointed the head (Chairman & Representative Statutory Executive Officer and President & Representative Statutory Executive Officer), statutory executive officers (Senior Executive Managing Director & Statutory Executive Officer, Administration), and staff in charge of compliance management (Legal & Compliance) to promote compliance.
- The Company maintains an internal reporting system whereby Directors, Statutory Executive Officers, and employees may report any questionable acts in terms of compliance through internal reporting contacts or outside lawyers.

(iii) Structure to Ensure Appropriate Financial Reports

- The Company has established internal systems to ensure lawful, appropriate financial reports by establishing internal regulations and by complying with Financial Instruments and Exchange Act, accounting standards and other related laws and regulations.
- The head (President & Representative Statutory Executive Officer), statutory executive officers (Senior Executive Managing Director & Statutory Executive Officer, Administration), and staff in charge of J-SOX (Internal Audit Department) promote and establish an internal structure which complies with J-SOX.

(iv) Internal Audit

The Company has established the Internal Audit Department which reports directly to the Audit Committee. A person separately designated by the Audit Committee or the Internal Audit Office conducts an internal audit of business with respect to compliance with laws and regulations, the Articles of Incorporation, internal regulations, and the appropriateness of the execution of duties, and reports the results of such audit to the Audit Committee, the President & Representative Statutory Executive Officer, and the Board of Directors. The Internal Audit Office reports on the correction to and the improvement of matters indicated at the internal audit to the Audit Committee, the Chairman & Representative Statutory Executive Officer, the President & Representative Statutory Executive Officer, and the Board of Directors.

(v) Rejection of Anti-Social Forces

- In order to prevent anti-social forces from entering into the real estate and financial markets, the Company has established the Ichigo Group's Code of Corporate Ethics which prohibits interaction with anti-social forces in cooperation and coordination with the Police Department and other institutions.
- The Company has appointed statutory officers (Senior Executive Management Officer & Statutory Executive Officer, Administration) and staff (Legal & Compliance) to eliminate interaction with anti-social forces by enhancing coordination and cooperation with the Police Department, lawyers, and other external experts; become a member of police-related institutions; gather information; screen business counterparties; include provisions against anti-social forces in agreements, etc.

(2) Systems Regarding the Retention and Control of Information in the Execution of Duties by Statutory Executive Officers

The Company properly retains and manages documents and other information in the execution of duties by the Statutory Executive Officers with due care and in compliance with laws and regulations and internal regulations.

(3) Regulations and Other Systems regarding Risk Management

- (i) The Company controls the risk management of each department, establishes basic policies on risk management, and determines the execution of risk management and other material matters through the Business Management Department. The Business Management Department also supports each department in establishing a risk management system and establishes a company-wide, cross-departmental risk management system.
- (ii) The Company, in order to enhance its risk management, has appointed a risk management head (Chairman &

Representative Statutory Executive Officer), statutory officers (Senior Managing Director & Statutory Executive Officer, Administration), and staff in charge of compliance (Legal & Compliance).

(iii) Statutory Executive Officer and staff in charge of compliance ensure risk management of material matters that involve management decisions. These require approvals from the President & Representative Statutory Executive Officer and a division head & Statutory Executive Officer.

(iv) With respect to natural disasters and other risk management systems, the Company is establishing systems with the cooperation of each department, primarily driven by the Business Management Department. The Company has established a system which creates a task force, prevents an expansion of damage, and allows for speedy recovery in the event of crisis.

(4) System to Ensure Effective Execution of Duties by Statutory Executive Officers

(i) The Board of Directors authorizes the Statutory Executive Officers to make certain discretionary for the appropriate and agile execution of duties. In addition, in order to comprehensively discuss material management matters which require approvals from the President & Representative Statutory Executive Officer and a division head & Statutory Executive Officer, the Statutory Executive Officer who is in charge of Accounting & Business Planning convenes meetings including Statutory Executive Officers and ensures a smooth execution of duties.

(ii) The Company creates a mid-term management plan, an annual President's objective, annual Group target, and annual division targets based on Ichigo Group principles. The Statutory Executive Officer who is in charge of business planning ensures effective and efficient management by charting the progress against these objectives.

(5) When the Audit Committee Requires Directors and Employees to Assist in the Performance of its Duties

When required by the Audit Committee, Directors and Employees assist in the performance of its duties.

(6) The Independence of Directors and Employees from Statutory Executive Officers

Directors and employees who assist in the performance of the duties of the Audit Committee report to the Audit Committee. The appointment, transfer, appraisal, and disposition of the relevant employees requires the consent of the Audit Committee. This ensures independence from the Statutory Executive Officers. Other matters regarding the independence of such Directors and employees from the Statutory Executive Officers are pursuant to the internal regulations as separately provided.

(7) System of Reports by Statutory Executive Officers and Employees to the Audit Committee and Other Systems regarding Reports to the Audit Committee

(i) The Audit Committee Member may attend the meetings of the Board of Directors, the Compliance Committee, and other important meetings and hear the status of the execution of duties by Statutory Executive Officers, inspect related materials, and ask for explanations and reports at the meetings.

(ii) All Statutory Executive Officers, heads of departments, and other staff members must explain and report to the Audit Committee and Audit Committee Members as required.

(iii) Statutory Executive Officers and employees immediately report to the Audit Committee Members

1. the details of decisions which may have a material impact on finance and business (including matters regarding compliance or risk management)
2. matters that damage the establishment of internal compliance systems
3. matters that affect the operation of internal reporting systems
4. other matters that the Audit Committee recognizes as material enough to be reported

(8) Other Systems to Ensure Effective Audits by the Audit Committee

(i) The Internal Audit Office works closely with the Audit Committee and the Audit Committee Members by

discussing the internal audit plan, conducting internal audits, and reporting the results to the President & Representative Statutory Executive Officer, the Audit Committee and the Audit Committee Members. Audit Committee Members and the Internal Audit Office also work closely with the independent auditor and exchange opinions about matters on internal audit.

- (ii) The Audit Committee or the Audit Committee Member designated by the Audit Committee may, if it deems necessary, retain any lawyers, certified public accountants, consultants and other outside advisors at the Company's cost without prior approval from the Board of Directors or the Statutory Executive Officers.
- (iii) The Audit Committee Member designated by the Audit Committee reports the status of the execution of duties by the Audit Committee to the Board of Directors at least once every three months.

(9) System to Ensure Appropriate Business by the Company and its Subsidiaries

- (i) Ichigo Group subsidiaries share the Ichigo Group's management philosophy, code of corporate ethics, and code of conduct.
- (ii) The Company's subsidiaries, pursuant to internal regulations, are managed and controlled by the divisions that are in charge of managing subsidiaries, which are also responsible for providing advice on matters of each company's corporate governance, compliance, and risk management.
- (iii) The Audit Committee works closely with Group companies by holding liaison meetings with the auditors of the Group companies to exchange opinions about material matters on internal audit.
- (iv) The business activities of the Company's subsidiaries are subject to an internal audit by the Internal Audit Office to the extent that they do not conflict with laws and regulations.

【2】 Policies Against Anti-Social Forces

The Company has a policy against anti-social forces included in Ichigo Group's Code of Corporate Ethics, as well as established an internal system against anti-social forces based on its Basic Policies on Internal Control System.

(1) Responsible Departments and Persons

The Company has appointed the Statutory Executive Officer (Administration) as a responsible manager and Legal & Compliance as a responsible department which handle against claims from anti-social forces in cooperation with relevant departments.

The Company also has former prosecutors and judges as external directors or advisors who help supervise the Company's anti-social forces system.

(2) Cooperation and Coordination with External Experts

The Company has established a system against anti-social forces system in cooperation and coordination with external experts such as the Organized Crime Investigation Division of Tokyo Metropolitan Police Department, the Marunouchi Police Department, and external lawyers, and is a member of associations to combat anti-social forces in Tokyo and Osaka to receive guidance and share information.

(3) Collection and Management of Information on Anti-Social Forces

The Head of Legal & Compliance is responsible for managing information on anti-social forces gathered in and outside of the Company, and uses such information to ensure transaction counterparties are not anti-social forces.

(4) No Acceptance of Anti-Social Forces

The Company shall not accept any claims from anti-social forces but shall reject them with a firm attitude, in cooperation and coordination with external experts.

(5) Implementation of Provisions Against Anti-Social Forces

The Company shall set forth provisions against anti-social forces in standard written agreements, and terminate contracts if the counterparty is discovered to be an anti-social force.

(6) Anti-Social Forces Training

Directors and employees of the Company check their behavior based on the Compliance Check List submitted to

Legal & Compliance on a monthly basis. This Compliance Check List contributes to raise awareness and check behavior of directors and employees and reinforce understanding of procedures against anti-social forces and money laundering. Guidance from external experts is also delivered to all directors and employees promptly to raise awareness and prevent anti-social forces.

6. Policy on Corporate Control (Takeover Defenses)

The Company has not adopted any takeover defense, poison pill, or any other policy with respect to persons who would seek to control decisions on the Company's financial and business policies.

Consolidated Balance Sheet

(as of February 28, 2011)

(Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	87,215	Current Liabilities	35,417
Cash and cash equivalents	12,343	Trade notes and accounts payable	47
Trade notes and accounts receivable	696	Short-term borrowings	1,293
Operational investments in loans	1,135	Corporate bonds (due within one year)	400
Operational investments in securities	8,035	Non-recourse bonds (due within one year)	1,280
Real estate for sale	68,823	Long-term loans (due within one year)	2,874
Others	780	Long-term non-recourse loans (due within one year)	25,243
Less: allowance for doubtful accounts	-4,600	Income taxes payable	99
Fixed Assets	11,438	Accrued bonuses	24
Tangible assets	3,178	Other current liabilities	4,155
Buildings	1,504	Long Term Liabilities	35,463
Land	1,568	Long-term borrowings	6,215
Others	105	Long-term non-recourse loans	25,390
Intangible assets	2,009	Long-term security deposits received	3,392
Goodwill	1,970	Negative goodwill	451
Others	39	Other long-term liabilities	13
Investments and Other Assets	6,249	Total liabilities	70,881
Investments in securities	5,682	Net Assets	
Long-term loans receivable	14	Shareholders' Equity	25,644
Other investments	684	Capital	18,078
Less: allowance for doubtful accounts	-131	Capital reserve	2,447
		Retained earnings	5,155
		Treasury stock	-36
		Revaluation and adjustment	-130
		Unrealized gain on other securities, net	362
		Foreign currency translation adjustment	-492
		Stock acquisition rights	80
		Minority interests	2,177
Total assets	98,653	Total net assets	27,771
		Total liabilities and net assets	98,653

(Amounts less than one million yen have been rounded off.)

Consolidated Income Statement

〔 From March 1, 2010
To February 28, 2011 〕

(Million yen)

Item	Amount	
Revenues		12,760
Cost of revenues		8,805
Gross profit		3,954
SG&A		2,603
Operating profit		1,351
Non-operating profit		
Interest income	35	
Dividend income	11	
Earnings of affiliates	466	
Amortization of negative goodwill	90	
Currency gain	2	
Unrealized gain on derivatives	28	
Others	58	694
Non-operating expenses		
Interest on debt	340	
Others	87	428
Recurring profit		1,616
Extraordinary gain		
Gain on sales of investments in securities	1,476	
Gain on sales of equity holdings in affiliates	2,344	
Others	181	4,002
Extraordinary Loss		
Shutdown cost of subsidiary	2,643	
Others	86	2,730
Profit before income taxes		2,889
Income taxes		41
Gain on minority interests		2,227
Net profit		620

(Amounts less than one million yen have been rounded off.)

Consolidated Statement of Changes in Shareholders' Equity

〔 From March 1, 2010 〕
〔 To February 28, 2011 〕

(Million yen)

	Shareholders' Equity				
	Common stock	Capital reserve	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of February 28, 2010	23,138	4,055	-6,461	-36	20,695
Changes in the fiscal year					
Issuance of new shares	2,395	2,395			4,790
Transfer to capital reserve	-7,454				-7,454
Transfer from capital		7,454			7,454
Transfer to retained earnings		-11,457			-11,457
Transfer from capital reserve			11,457		11,457
Change in consolidated subsidiaries			-461		-461
Net profit			620		620
Other		0	0		0
Changes in items other than shareholders' equity					-
Total changes	-5,059	-1,607	11,616	-	4,949
Balance as of February 28, 2011	18,078	2,447	5,155	-36	25,644

	Revaluation and adjustment			Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain on other securities, net	Foreign currency translation adjustment	Total revaluation and adjustment			
Balance as of February 28, 2010	1,252	-1,452	-200	32	2,995	23,523
Changes in the fiscal year						
Issuance of new shares						4,790
Transfer to capital reserve						-7,454
Transfer from capital						7,454
Transfer to retained earnings						-11,457
Transfer from capital reserve						11,457
Change in consolidated subsidiaries						-461
Net profit						620
Other						0
Changes in items other than shareholders' equity	-890	959	69	47	-818	-700
Total changes	-890	959	69	47	-818	4,248
Balance as of February 28, 2011	362	-492	-130	80	2,177	27,771

(Amounts less than one million yen have been rounded off.)

Notes to the Consolidated Financial Statements

1. Material Matters for Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

(i) Consolidated Subsidiaries

- | | |
|---------------------------------------|--|
| - Number of consolidated subsidiaries | 52 companies |
| - Major consolidated subsidiaries | Ichigo Real Estate Investment Advisors Co., Ltd.
Ichigo REIT Management Co., Ltd.
Ichigo Estate Co., Ltd.
Ichigo Solutions Co., Ltd.
Ichigo Marché Co., Ltd.
Miyako City Co., Ltd.
Takara Building Maintenance Co., Ltd. |

Ichigo REIT Management Co., Ltd. and Takara Building Maintenance Co., Ltd., all shares of which the Company acquired during the fiscal year, have been included in the scope of consolidation.

Ichigo Estate Co., Ltd. which was newly established during the fiscal year has been included in the scope of consolidation.

Two investment associations in which the Company newly invested during the fiscal year have been included in the scope of consolidation.

One investment association has been included in the scope of consolidation because the Company added to its investment during the fiscal year.

Two investment associations have been excluded from the scope of consolidation because the Company sold all of its investment during the fiscal year.

Three investment associations have been excluded from the scope of consolidation because they were dissolved during the fiscal year.

Six investment associations have been excluded from the scope of consolidation because they no longer qualify as being important during the fiscal year.

Asset Investment Advisors Co., Ltd. changed its name to Ichigo Real Estate Investment Advisors Co., Ltd., effective September 1, 2010.

Asset Financial Solutions Co., Ltd. changed its name to Ichigo Solutions Co., Ltd., effective September 1, 2010.

Asset Logistics Co., Ltd. changed its name to Ichigo Marché Co., Ltd., effective September 1, 2010.

(ii) Major Non-Consolidated Subsidiaries

N/A

(iii) Reason Why Some Companies Were Not Classified as Subsidiaries in Spite of the Company Possessing a Majority of their Voting Rights

- Name of company
Albatross
- Reason why not classified as subsidiary
Shares are held solely for operational investment purposes.

(iv) Special Purpose Companies Subject to Disclosure

Ichigo Group holds preferred shares of three special purpose companies (pursuant to Japan's Asset Liquidation Law) related to its real estate investment and management business. Ichigo Group expects to earn returns on these investments via rental income and capital gains. If a loss occurs in the future, the loss is limited to the amount of preferred shares. One of the Company's employees holds a position as a director of one of the special purpose companies. The Company does not have voting rights in any of the special purpose companies.

The description of the companies and the details of transactions are per the following:

(Million yen)

	Transaction amount / outstanding amount as of the end of February 2011	Profit / Loss	
		Item	Amount
Management	-	Asset management fee, etc	68
Investment in equities	1,316	Dividend, etc.	-

The below chart shows assets and liabilities of the aforementioned funds.

(Million yen)

Assets		Liabilities and Net Assets	
Real Estate	12,509	Debts and others	9,557
Other	741	Deposits payable	4,244
		Other	-551
Total	13,250	Total	13,250

(2) Application of Equity Method

(i) Affiliates under Equity Method

Number and names of affiliates accounted for under the equity method: 2 companies, Financia CI, Corp. & CITIC International Assets Management Limited

Jia Sheng Holdings Limited has been excluded from the scope of equity method because the Company sold a part of its investment during the fiscal year.

Two investment associations have been excluded from the scope of equity method because the Company sold all of its investment in the partnerships.

Two investment associations have been excluded from the scope of equity method because they were dissolved or liquidated during the fiscal year.

Three investment associations have been excluded from the scope of affiliation via the equity method because they no longer qualified as important during the fiscal year.

(ii) Non-Consolidated Subsidiaries under Equity Method

N/A

(iii) Major Non-Consolidated Subsidiaries not under Equity Method

N/A

(iv) Affiliates not under Equity Method

N/A

(v) Reason Why Some Companies Were Not Classified as Affiliates despite the Company Possessing 20% or 50% or More of Their Voting Rights

- Company
Upfront Technology Co., Ltd. and one other company
- Reason not classified as affiliates
Shares are held solely for operational investment purposes.

(3) Fiscal Year of Consolidated Subsidiaries

Fiscal year dates of consolidated subsidiaries are as follows:

January 31	13 companies
February 28	15 companies
December 31	24 companies

For subsidiaries whose fiscal year ends December 31 or January 31, financial data as of that date have been used. However, necessary adjustments for consolidation have been made with respect to significant transactions which occurred by the consolidated fiscal year date of February 28.

(4) Accounting Standards

(i) Valuation of Material Assets

a. Other Securities

- With available market quotations Carried at fair value on the consolidated fiscal year date (unrealized gain or loss is included directly in net assets and the cost of other securities sold is calculated by the moving average method).
- Without available market quotations Moving average cost method

However, investments in investment associations are detailed in (v) Other Material Matters for Preparation of Consolidated Financial Statements, d. Investment associations.

b. Derivatives

Mark-to-market

c. Inventories

- Real estate for sale: Stated at cost determined by the individual cost method

Some consolidated subsidiaries amortize real estate for sale in the same way as that of property and equipment.

(ii) Depreciation and Amortization Methods for Material Depreciable Assets

- Tangible assets: Straight-line method (in principal)

Useful lives: Buildings and structures 3–50 years

(iii) Accounting Standards for Material Allowances

- a. Allowance for Doubtful Accounts Reserved for based on the historical experience of bad debts with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.
- b. Allowance for Bonus Reserved for based on an estimated amount for the current fiscal year.
- c. Allowance for Loss from Liquidation Reserved for based upon an estimated amount of loss that may arise in relation to the liquidation of affiliates.

(Additional Information)

The Company recorded a loss of ¥2,643 million in the current fiscal year related to liquidation of a consolidated subsidiary, Asset Managers (Asia) Company Limited.

The amount of the above loss expected to arise in the future is recorded as an allowance in the following items:

Items	Sub-items	Amount (Million yen)
Estimated amount to be realized at the time of liquidation in the “foreign currency translation adjustment”	Foreign currency translation adjustment	1,117
Estimated amount of loss associated with other liquidation items	“Others” in Current Liabilities	144
Total		1,261

(iv) Material Hedge Accounting

a. Hedge accounting method

In principle, the Company adopts the deferral hedge accounting method. However, with respect to certain foreign currency forward contracts, interest rate swaps, and interest rate caps which meet certain criteria, the Company may use another appropriate method.

b. Hedging instruments and hedged items

Hedging instruments Interest rate swaps, and interest rate caps.

Hedged items Borrowings.

c. Hedging policy

The Company hedges the risk from changes in foreign exchange rates and interest rates in its operating and financing activities based on internal policies.

d. Evaluation method of effectiveness of hedging activities.

The Company evaluates the effectiveness of hedging activities by reference to the accumulated gain or loss on the hedging instruments and related hedged items for a period from the commencement of the hedges to the time of evaluation.

(v) Other Material Matters for Preparation of Consolidated Financial Statements

a. Consumption tax

Consumption taxes are excluded from the relevant revenue, costs, or expenses.

Non-deductible consumption taxes are generally accounted for as periodic costs in the current fiscal year; however, certain items paid in connection with the acquisition of assets are amortized based on the straight-line method over five years.

b. Operational investments

Operational investments which are conducted by the Company as operations of the real estate fund business and the M&A business are classified as "operational investments in securities" and "operational investments in loans" within current assets. Gains and losses arising from operational investments are shown under operating income and expense.

Although the Company may control the decision-making body of investment vehicles or hold significant influence over them by holding shares, shares are held solely for operational investment purposes and the Company has no intention of holding them as subsidiaries or affiliates. Therefore such investment vehicles are excluded from subsidiaries or affiliates.

c. Investment associations

The Company accounts for investments in investment associations as "operational investments in securities" and "investments in securities" (the "investments in associations"). Such investments are recorded at the time the investments are made. Gains and losses distributed from the investment associations are recorded as Revenues and the investments in associations increase or decrease by the same amount. Refunds received from the investment associations are credited to the Investments in associations.

d. Consolidated tax treatment

The Company qualified for consolidated tax treatment from this fiscal year.

(5) Valuation of Assets and Liabilities of Consolidated Subsidiaries

All of the assets and liabilities of consolidated subsidiaries are evaluated at fair value.

(6) Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are amortized over 5 and 20 years in accordance with the actual condition of subsidiaries using the straight-line method.

2. Changes in Material Matters for Preparation of Consolidated Financial Statements

(1) Changes in Scope of Consolidation and Application of Equity Method

Specified in Note 1. (1) and (2).

(2) Changes in Accounting Policy

Accounting treatment on Adoption of "Accounting Standard for Business Combination

Starting from the current interim period, the Company adopted the "Accounting Standard for Business Combination" (Financial Accounting Standard No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statement" (Financial Accounting Standard No. 22, December 26, 2008), "Partial Amendment of Financial Accounting Standard for Research and Development Cost, etc." (Financial Accounting Standard No. 23, December 26, 2008), "Accounting Standard for Separation of Business, etc." (Financial Accounting Standard No. 7, December 26, 2008), "Accounting Standard for Application of Equity Method" (Financial Accounting Standard No. 16, December 26, 2008), "Application Guidelines for Accounting Standard for Corporate Combinations and Accounting Standard for Separation of Business" (Application Guidelines for Financial Accounting Standard No. 10, December 26, 2008).

(3) Changes in Presentation

(Consolidated Balance Sheet)

“Allowance for Doubtful Accounts” in the Extraordinary Losses (9 million yen in the current fiscal year) which was presented in a separate item in the previous fiscal year is presented as “Others” in the Extraordinary Losses.

3. Notes to Consolidated Balance Sheet

(1) Investments in Securities

Those related to non-consolidated subsidiaries and affiliates are as follows:

Investments in securities ¥1,986 million

(2) Assets Provided as Collateral

- Assets Provided as Collateral

Cash and cash equivalents	¥1,220 million
Real estate assets for sale	¥9,683 million
Investments in securities	¥105 million
Total	<u>¥11,010 million</u>

- Secured obligations

Short-term borrowings	¥1,158 million
Long-term loans (due within one year)	¥2,760 million
Long-term borrowings	¥6,088 million
Total	<u>¥10,006 million</u>

(Note) In addition to the above, the Company provided ¥108 million of cash and cash equivalents and ¥331 million of investments in securities to secure bank guarantees for ¥400 million of corporate bonds (due within one year).

(3) Non-Recourse Loans and Non-Recourse Bonds

Non-recourse loans and non-recourse bonds are borrowings and corporate bonds whose funds for repayment are limited only to the underlying real estate and profits from such real estate. The lender has no recourse to the Company in the event of a failure of payment.

Debts whose funds for repayment are likely to fall short are presented excluding such shortfall on the consolidated balance sheet. Debts, valuation account, and amounts recorded in consolidated balance sheet are as follows:

(Million yen)

	Debts	Valuation	Amounts recorded in consolidated balance sheet
Non-recourse bonds (due within one year)	1,280	-	1,280
Long-term non-recourse loans (due within one year)	28,625	-3,382	25,243
Long-term non-recourse loans	25,648	-258	25,390
Total	55,554	-3,640	51,914

Assets provided as collateral and secured obligations with respect to the non-recourse loans and non-recourse bonds are as follows:

- Assets Provided as Collateral

Cash and cash equivalents	¥5,377 million
Real estate for sale	¥ 57,649 million
Operating Loans	¥ 300 million
Total	<u>¥ 63,327 million</u>

- Secured obligations	
Non-recourse bonds (due within one year)	¥1,280 million
Long-term non-recourse loans (due within one year)	¥28,625 million
Long-term non-recourse loans	¥25,648 million
Total	¥55,554 million

(4) Breakdown of Operational Investments in Securities and Operational Investments in Loans

Shares	¥2,309 million
Bonds	¥3,889 million
Investments in <i>tokumei kumiai</i> partnerships	¥1,836 million
Total	¥8,035 million

(Note) Investments in *tokumei kumiai* partnerships include securities under Article 2 of the Financial Instruments and Exchange Law or rights which are deemed to be securities.

4. Notes to Consolidated Statement of Changes in Shareholders' Equity

(1) Type and Number of Shares Issued and Type and Number of Treasury Stock

	Number of shares at the end of previous fiscal year	Increase in shares during the current fiscal year	Decrease in shares during the current fiscal year	Number of shares at the end of the current fiscal year
Shares issued				
Common stock	1,750,275	586,284	—	2,336,559
Total	1,750,275	586,284	—	2,336,559
Treasury stock				
Common stock	240	—	—	240
Total	240	—	—	240

(Note) Details of increased number of common shares issued

Increase by the exercise of March 17, 2012 Convertible Notes: 586,284 shares

(2) Stock Acquisition Rights

Category	Stock acquisition rights	Type of shares	Number of shares to be issued				Balance at the end of the current fiscal year)
			As of the end of the previous fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	As of the end of the current fiscal year	
The Company	Stock acquisition rights attached to March 17, 2012 Convertible Notes	Common stock	586,284	—	586,284	—	—
	9th stock acquisition right plan	Common stock	18,679	—	1,595	17,084	¥80 million
Total		—	604,963	—	587,879	17,084	¥80 million

(3) Distribution of Retained Earnings

(i) Amount of Dividends Paid

N/A

(ii) Dividends whose Record Date is in the Current Fiscal Year but the Effective Date is in the Next Fiscal Year

N/A

5. Notes on Financial Instruments

(1) Matters Concerning Status of Financial Instruments

(i) Policies on Financial Instruments

Ichigo Group finances its necessary operating capital mainly via bank loans and corporate bonds in light of new investment and asset disposition plans. Short-term excess funds are managed in liquid financial instruments such as bank deposits, and short-term working capital is financed via bank loans. As Company policy, derivatives transactions are used for the purpose to avert risks mentioned below. Speculative derivatives transactions are not conducted.

(ii) Details and Risks of Financial Instruments

Notes receivable and accounts receivable are operating receivables that are exposed to customer credit risks. Foreign currency-denominated financial instruments in overseas business operations are exposed to currency risks.

Operational investments in securities include investments in corporate equities both inside and outside of Japan and domestic real estate funds, and investments in securities mainly take the form of equity and are typically investments in companies with which the Company has a business relationship. All of these investments are exposed to issuer credit risk, interest rate risk and price fluctuation risks. Financial instruments denominated in foreign currencies are exposed to currency risk.

Most of notes payable and accounts payable are operating payables that are due within three months and denominated in Japanese yen.

Corporate bonds, non-recourse bonds, other borrowings, and non-recourse loans are for the purpose of financing investments and capital expenditures, and are expected to be redeemed or repaid within approximately four years after the fiscal year end. Floating-rate loans are exposed to interest rate risk, a part of which is hedged utilizing derivatives transactions (e.g., interest rate swaps and interest rate caps). Please refer to (iv) Material Hedge Accounting, (4) Accounting Standards of 1. Material Matters for Preparation of Consolidated Financial Statements for method, objects, policies, and evaluation of effectiveness of hedging activities.

(iii) Risk Management of Financial Instruments

a) Management of Credit Risk

Operating receivables exist mainly at subsidiaries. Responsible departments monitor the collection status pursuant to the designated procedure for mitigation of collection risk. Other operating receivables arise irregularly, e.g., at a time of investment monetization, the responsible department determines the execution of the transaction based on the term needed for disposition and credit worthiness of the counterparty, and monitors the receivable until it is collected in accordance with the agreement. The Company monitors operational investments in securities and investments in securities with respect to the financial status of the issuers and reviews holding policies, as necessary and appropriate.

b) Management of Market Risk

The Company utilizes interest rate swaps and interest rate caps for the purpose of reducing interest rate risk on interest payables. The Company monitors operational investments in securities and investments in securities, which have market risks (e.g., real estate funds) or are denominated in foreign currencies regularly for the impact from the market value and currency rate and review the holding policies as necessary. Derivative transactions are executed and controlled in the Finance Department in accordance with the designated procedure.

c) Management of Liquidity Risk

The Company establishes and updates its funding plan as necessary based on new investment and disposition plans established by the responsible departments, as well as manages liquidity risk by maintaining short-term liquidity.

d) Supplement to Matters Concerning Market Values of Financial Instruments

Market values of financial instruments include prices based on the market price as well as prices calculated based on rational assumptions if the market price is not available. Such prices may fluctuate, since they reflect the fluctuating variables and assumptions in the calculation process.

(2) Adjustments to Market Values of Financial Instruments

Amounts recorded on the consolidated balance sheet for market values and their differences are shown below. (Note that there are no differences recorded for this fiscal year.) Those which were deemed difficult to obtain the market value are not included in the table below (Refer to Note 2).

(Million yen)

	Amount Recorded on Consolidated Balance Sheet	Market Value	Difference
(1) Cash and cash equivalents	12,343	12,343	-
(2) Notes Receivables and Accounts Receivable (*1)	560	560	-
(3) Operating Loans (*1)	361	361	-
(4) Operating investments in securities(*1)	1,448	1,448	-
(5) Investments in securities (*1)	626	626	-
(6) Long-Term Loans (*1)	4	4	0
Total Assets	15,344	15,344	0
(1) Notes Payable and Accounts Payable	47	47	-
(2) Short-Term Borrowings	1,293	1,293	-
(3) Corporate Bonds (due within one year)	400	400	-
(4) Non-Recourse Bonds (expected to be repaid within one year)	1,280	1,280	-
(5) Long-Term Loans (due within one year)	2,874	2,874	-
(6) Non-Recourse Bonds (due within one year)	25,243	25,243	-
(7) Corporate Tax Payable	99	99	-
(8) Long-Term Corporate Debt	6,215	6,215	0
(9) Long-Term Non-Recourse Loans	25,390	25,546	155
Total Debt	62,843	62,999	156
Derivatives Transactions (*2)	(10)	(10)	-

(*1) Excluding allowance for doubtful accounts which are recorded separately.

(*2) Receivables and payables arisen from derivatives transactions are shown in net. Items which consist of the total net payable are shown in brackets.

(Note) 1. Calculation Method of Market Value of Financial Instruments and Matters Concerning Securities and Derivatives Transactions

Assets

(1) Cash and cash equivalents

Carried at book value because of the market value's closeness to book value due to a short settlement period.

(2) Notes Receivables and Accounts Receivable

Carried at market value which is the book value less any provision for loan losses.

(3) Operating Loans Receivable

Generally, loans are carried at book value because of the market value's closeness to book value due to a short settlement period. Certain debts such as loans with default risk are carried at book value less the estimated doubtful accounts.

(4) Operational investments in securities and (5) investments in securities

The market values of equities are the last traded exchange price, and bonds are the last-traded exchange price or dealer-indicated price.

(6) Long-Term Loans

The market values of long-term loans are calculated based on the present value of the total amount of the principal using an interest rate expected for similar new loans. Certain debts such as loans with default risk are at book value less the estimated doubtful accounts.

Debt

(1) Notes Payable and Accounts Payable, (2) Short-Term Loans, (3) Corporate Bonds with Maturity within 1 Year, (5) Long-Term Loans with Maturity within 1 Year, and (7) Corporate Tax Payable

Carried at book value because of the market value's closeness to book value due to a short settlement period.

(4) Non-Recourse Corporate Bonds with Maturity within 1 Year and (6) Non-Recourse Corporate Bonds with Maturity within 1 Year

Carried at book value because of the market value's closeness to book value due to a short settlement period.

Borrowings deemed to be short in repayment proceed is presented based on the discounted current value deducted with the shortage amount due to its closeness to the market value as of the fiscal year end.

(8) Long-Term Loans

Floating-rate borrowings among long-term borrowings are carried at book value because of the market value's closeness to the book value due to the floating-rate nature of the debt. The market values of fixed-rate borrowings are calculated based on the present value of the total amount of the principal using an interest rate expected for similar new loans.

(9) Long-Term Non-Recourse Loans

Floating-rate borrowings among long-term borrowings are carried at book value because of the market value's closeness to the book value due to the floating-rate nature of the debt. The market values of fixed-rate borrowings are calculated based on the present value of the total amount of the principal using an interest rate expected for similar new loans.

Derivative Transactions

Please refer to (i) Valuation Standards and Methods for Material Assets, (4) Accounting Standards of 1. Material Matters for Preparation of Consolidated Financial Statements.

(Note) 2. Financial Instruments for which it is Difficult to Obtain Market Values

(Million yen)

Classification	Amount Recorded in Consolidated Balance Sheet
(1) Operational investments in securities	3,228
(2) Investments in securities	4,970
(3) Long-term security deposits received	3,392

(1) Operational investments in securities are not subject to the market value disclosure despite being investment securities, since they are not priced in the market and it is difficult to estimate their market values.

(2) Investments in securities are not subject to the market value disclosure despite being securities of affiliates and non-listed securities, since they are not priced in the market, it is hard to estimate its future cash flows, and it is difficult to estimate their market values.

(3) Long-term security deposits received which are security deposits received from tenants of rental properties are not subject to the market value disclosure, since it is deemed highly difficult to estimate a reasonable cash flow since they are not priced in the market and it is difficult to know in advance the security deposit period.

(Additional Information)

The Accounting Standard for Financial Instruments (Accounting Standards No. 10 dated March 10, 2008) and Application Guidelines for Disclosure of Market Values of Financial Instruments (Accounting Standards No. 19 dated March 10, 2008) have been applied starting this fiscal year.

6. Notes on Rental Properties

Omitted due to the small total amount of leased properties

(Additional Information)

The Accounting Standard for Disclosure of Market Values of Leased Properties (Accounting Standards No. 20 dated November 28, 2008) and Application Guidelines for Disclosure of Market Values of Leased Properties (Accounting Standards No. 23 dated November 28, 2008) have been applied starting this fiscal year.

7. Per Share Data

(1) Net assets per share	¥10,920.79
(2) Net profits per share	¥317.64
(3) Net profits per share (fully diluted)	¥265.56

8. Material Subsequent Events

N/A

Parent Balance Sheet
(as of February 28, 2011)

(Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	15,566	Current Liabilities	8,443
Cash and cash equivalents	3,391	Short-term borrowings	1,293
Receivables	166	Short-term borrowings from affiliates	2,809
Operating loans	646	Corporate bonds (due within one year)	400
Operating investment in securities	6,911	Non-recourse loans (due within one year)	300
Real estate held for sale	7,188	Long-term loans (due within one year)	2,793
Short-term loans to affiliates	3,461	Accounts payable	203
Advance payment	40	Expenses payable	133
Other	379	Income taxes payable	20
Allowance for doubtful accounts	-6,618	Advances received	157
Fixed Assets	20,993	Deposits received	13
Tangible assets	35	Deposits guaranteed	301
Buildings	19	Other	18
Machinery and equipment	16	Fixed Liabilities	5,580
Intangible assets	21	Long-term borrowings	5,570
Software	20	Other	10
Other	0	Total liabilities	14,024
Investments and other assets	20,936	Net assets	
Investment in securities	819	Shareholders' equity	22,831
Investment in securities of subsidiaries and affiliates	12,244	Capital	18,078
Investment in securities of other affiliates	6,961	Additional paid-in capital	2,447
Corporate bonds of affiliates	650	Capital reserve	2,395
Long-term investments in loans	10	Other additional paid-in capital	52
Long-term loans to affiliates	281	Retained earnings	2,341
Other	94	Other retained earnings	2,341
Allowance for doubtful accounts	-125	Carried forward retained earnings	2,341
		Treasury stock	-36
		Revaluation and adjustment	-376
		Valuation adjustment in other securities	-376
		Acquisition rights	80
		Total net assets	22,535
Total assets	36,560	Total liabilities and net assets	36,560

(Amounts less than one million yen have been rounded off.)

Parent Income Statement

〔 From March 1, 2010 〕
〔 To February 28, 2011 〕

(Million yen)

Item	Amount	
Revenues		4,639
Cost of revenues		1,495
Gross profit		3,143
SG&A		1,409
Operating profit		1,734
Non-operating profit		
Interest income	21	
Dividend income	173	
Currency gain	5	
Unrealized gain on derivatives	28	
Others	47	277
Non-operating expenses		
Interest on loans	343	
Interest on bonds	45	
Others	79	468
Recurring Loss		1,543
Extraordinary gain		
Gain on sales of investment in securities	808	
Others	78	886
Extraordinary Loss		
Unrealized loss on affiliate shares	106	
Extraordinary operating loss	44	
Others	37	187
Pre-tax Profit		2,241
Tax		-99
Net Profit		2,341

(Amounts less than one million yen have been rounded off.)

Statement of Parent Changes in Shareholders' Equity

〔 From March 1, 2010
To February 28, 2011 〕

(Million yen)

	Shareholders' Equity							Total shareholders' equity
	Common stock	Capital surplus			Retained earnings		Treasury stock	
		Capital reserve	Other capital surplus	Total capital surplus	Carried forward retained earnings	Total retained earnings		
Balance at February 28, 2010	23,138	4,055	-	4,055	-11,457	-11,457	-36	15,699
Changes in the fiscal year								
Issuance of new shares	2,395	2,395		2,395				4,790
Transfer to other capital surplus	-7,454	-4,055		-4,055				-11,509
Transfer from capital			7,454	7,454				7,454
Transfer from capital reserve			4,055	4,055				4,055
Transfer to retained earnings			-11,457	-11,457				-11,457
Transfer from other capital surplus					11,457	11,457		11,457
Net profit					2,341	2,341		2,341
Other			0	0	0	0		0
Changes in items other than shareholders' equity (net)								
Changes in the current fiscal year	-5,059	-1,660	52	-1,607	13,799	13,799	-	7,131
Balance at February 28, 2011	18,078	2,395	52	2,447	2,341	2,341	-36	22,831

	Revaluation and adjustment		Stock acquisition rights	Total net assets
	Unrealized gain on other securities, net	Total revaluation and adjustment		
Balance at February 28, 2010	-15	-15	32	15,716
Changes in the fiscal year				
Issuance of new shares				4,790
Transfer to other capital surplus				-11,509
Transfer from capital				7,454
Transfer from capital reserve				4,055
Transfer to retained earnings				-11,457
Transfer from other capital surplus				11,457
Net profit				2,341
Other				0
Changes in items other than shareholders' equity (net)	-360	-360	47	-312
Changes in the current fiscal year	-360	-360	47	6,818
Balance at February 28, 2011	-376	-376	80	22,535

(Amounts less than one million yen have been rounded off.)

Notes to Financial Statements

1. Material Accounting Policies

(1) Valuation Standards and Method for Securities

- (i) Shares in subsidiaries and affiliates: Moving average cost method
- (ii) Other Securities
 - Shares with market value: Mark-to-market on the last date of fiscal year (valuation difference is reported as a component of shareholders' equity and cost of revenues is calculated with moving average cost method)
 - Shares without market value: Moving average cost method. The valuation for investment associations is noted in (11) Investment Associations.
- (iii) Derivatives: Mark-to-market
- (iv) Inventory
 - Real estate assets for sale: Individual cost method (the amount on balance sheet is written down to reflect declines in profitability)

(2) Depreciation Method for Property and Equipment

- (i) Tangible assets Declining-balance method
 - However, the Company adopts the straight-line method for buildings (excluding accompanying facilities).
 - Useful lives are as follows:
 - Buildings 10-18 years
 - Machinery and equipment 4-15 years
- (ii) Intangible assets Straight-line method
 - Useful life is as follows:
 - Software 5 years

(3) Amortization of Deferred Assets

- (i) Delivery cost of shares Full amount is recorded as cost.
- (ii) Issuance cost of corporate bonds Full amount is recorded as cost.

(4) Accounting Standards for Allowances

Allowance for doubtful accounts

The allowance is provided for doubtful accounts based on the historical experience for normal receivables and an estimate of the collectability for receivables from companies which are experiencing financial difficulties.

(5) Hedge Accounting Method

- (i) Hedge accounting method
 - In principle, the Company adopts the deferral hedge accounting method. However, with respect to some interest rate swaps which meet certain criteria, the Company uses an alternative accounting method, as reasonable and appropriate.

(ii) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Borrowings

(iii) Hedging Policy

The Company uses derivative financial instruments in its financing activities to hedge possible future movements in interest rates.

(iv) Assessment of Hedge Effectiveness

The Company omits evaluating hedge effectiveness since it only applies to interest rate swaps which meet certain criteria.

(6) Material Changes in Presentation

(i) Consumption Tax

Consumption taxes are excluded from the relevant revenue, costs or expenses. Non-deductible consumption taxes are generally accounted for as expenses depreciated equally over five years.

(ii) Operating Investments

Operating investments in securities are included in operating investments in securities and operating loans in current assets, separate from non-operating investments. Profits and losses incurred from operating investments are recorded as operating profits and losses. Operating investments in which the Company has a control stake are not considered as subsidiaries or affiliates since the Company does not have an intention to control management.

(iii) Investment Associations

Assets held by investment associations are categorized as operating investments in securities and investment in securities of other affiliates (“Investments in investment associations”) in proportion to the holding percentage. Profits on dividends are recorded as revenues and an adjustment to Investments in investment associations. Redemption of principle is recorded as a decrease of Investments in investment associations.

(iv) Consolidated Tax Treatment

The Company qualified for consolidated tax treatment starting this fiscal year.

2. Balance Sheet

(1) Assets Provided as Collateral and Secured Obligations

Assets provided as collateral are as follows:

Cash and cash equivalents	¥1,220 million
Operating loans	¥300 million
Real estate assets for sale	¥6,421 million
Investments in securities	¥105 million
Shares of affiliated companies	¥4,081 million
Investments in other affiliated companies	¥2,844 million
Total	<u>¥14,973 million</u>

Secured obligations are as follows:

Short-term borrowings	¥1,158 million
Non-recourse bonds (due within one year)	¥300 million
Long-term borrowings (due within one year)	¥2,698 million
Long-term borrowings	¥5,200 million
Total	<u>¥9,356 million</u>

Note: Other than the items above, cash and cash equivalents of ¥108 million and investment in securities of ¥331 million are pledged with respect ¥400 million of bonds due within one year.

(2) Accumulated Depreciation of Tangible Assets ¥62 million

(3) Contingent Liabilities

The Company guarantees the following companies' borrowings from financial institutions.

Amethyst LLC	¥820 million
La Gare Shimbashi LLC	¥560 million
Takara Building Maintenance Co., Ltd.	¥167 million
Total	<u>¥1,547 million</u>

(4) Debts to Affiliates (excluding items separately indicated)

Short-term debt to affiliates	¥2,506 million
Other short-term debt to affiliates	¥84 million

3. Income Statement

Transactions with affiliates

Revenues	¥2,683 million
Cost of sales	¥6 million
Non-operational transactions	¥47 million

4. Statement of Changes in Shareholders' Equity

Number of treasury shares at the end of the fiscal year: 240

5. Tax Effect

(1) Breakdown of Cause of Deferred Tax Assets and Liabilities

Deferred tax assets	
Maximum amount of allowance for doubtful accounts	¥2,743 million
Write-down of operating investments in securities	¥67 million
Write-down of inventories	¥824 million
Write-down of investments in real estate	¥4,943 million
Write-down of investments in securities	¥610 million
Write-down of securities of affiliates	¥2,498 million
Loss carried forward	¥5,862 million
Other	¥1,388 million
Subtotal	<u>¥18,938 million</u>
Allowance for valuation	<u>- ¥18,938 million</u>
Deferred tax assets	¥ - million

6. Related Party Transactions

(Million yen)

Type	Name	Voting Rights Held (%)	Connection with the Related Party	Transaction Type	Transaction Amount	Account	Balance Outstanding
Subsidiary	Ichigo Real Estate Investment Advisors Co., Ltd.	100	Service contract; Provide managerial guidance	Management administration fee	491	-	-
Subsidiary	Ichigo Solutions Co., Ltd.	100	Financing; Service contract; Provide managerial guidance	Loan (Provided) (Note 2)	2,500	Short-Term Loans to Affiliates	-
				Interest received	2	"Others" in Current Assets	-
				Borrowing (Note 1)	2,377	Short-term Borrowings from Affiliates	949
				Interest paid	38	Receivables	10
Subsidiary	Ichigo REIT Management Co., Ltd.	100	-	Borrowing (Note 1)	1,000	Short-Term Borrowings from Affiliates	1,000
				Interest paid	0	Receivables	0
Subsidiary	Miyako City Co., Ltd.	100	Financial support	Loan (Provided) (Note 2)	-	Long-term borrowings from affiliates	281
				Corporate bond purchase	100	Affiliates' Corporate Bonds	650
				Interest received	1	"Others" in Current Assets	0
Subsidiary	Takara Building Maintenance Co., Ltd.	100	-	Underwrite corporate bonds (Note 7)	167	-	-
				Borrowing (Note 1)	1,420	Short-Term Borrowings from Affiliates	710
				Interest paid	10	Receivables	4
Subsidiary	Asset Managers CCBS Holdings Limited	70	-	Transfer of security (Note 4)	1,406	-	-
Subsidiary	A. F. Co., Ltd.	100	Financial support	Loans (Note 2)	-	Short-Term Borrowings from Affiliates	1,207
				Interest received	-	"Others" in Current Asset	66
Subsidiary	Cronos LLC	100	-	Collateral provision (Note 5)	686	-	-
				Guarantee of liabilities (Note 8)	390	-	-
Subsidiary	Eomer LLC	0 (Note 9)	-	Collateral provision (Note 5)	800	-	-
Subsidiary	La Gare Shimbashi LLC	0 (Note 9)	-	Underwrite corporate bonds (Note 7)	560	-	-
Subsidiary	Amethyst LLC	0 (Note 9)	-	Collateral provision (Note 3)	820	-	-
				Guarantee of liabilities (Note 3)	820	-	-

Subsidiary	Blazing Sky LLC	0 (Note 9)	Financial support	Loan (Note 2)	-	Short-Term Borrowings from Affiliates	2,253
				Interest received	69	"Others" in Current Asset	-
Major shareholder	Ichigo Trust (IT)	69.16% Owner of the Company	-	Issuance of corporate bonds to IT	7,400	Corporate Bonds	-
				Issuance of corporate bonds to IT	300	Non-Recourse Corporate Bonds (with maturity within 1 year)	300
				Interest paid to IT	28	Payables	1
				Collateral received from IT (Note 6)	3,605	-	-

(Note) 1. The interest rate on borrowings and corporate bonds is determined in consideration of the market interest rate.

2. The interest rate on loans is determined in consideration of the market interest rate.
3. The company has pledged real estate for sale as collateral for non-recourse loans secured from financial institutions.
4. The transfer price is determined based on the market value of the securities.
5. The Company has accepted real estate for sale as collateral for long-term borrowings from banks.
6. The Company has accepted securities as collateral for long-term borrowings from banks.
7. The Company jointly guarantees long-term borrowing from banks
8. The Company has received a joint guarantee for long-term borrowing from banks
9. The voting right is stated as 0%; however, 100% of controlling rights is held by a subsidiary fully owned by the Company. Therefore, the company is treated as a subsidiary of the Company, pursuant to Treatments of standards of control and influence of investment associations (Accounting Standards No. 20, September 8, 2006).
10. The above transaction amounts do not include consumption taxes. The balances at the end of term include consumption taxes.

7. Per Share Data

(1) Net assets per share	¥9,611.18
(2) Net profits per share	¥1,198.83
(3) Net profits per share (fully diluted)	¥1,002.26

8. Material Subsequent Events

N/A

Auditor's Report on the Consolidated Financial Statements

Report of Independent Auditors

April 14, 2011

To the Board of Directors of Ichigo Group Holdings Co., Ltd.

Grant Thornton Taiyo ASG

Satoru Endo, CPA, Designated and Engagement Partner (seal)

Tsutomu Noheji, CPA, Designated and Engagement Partner (seal)

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

We have audited the consolidated financial statements of Ichigo Group Holdings Co., Ltd., namely the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements for the fiscal year from March 1, 2010 to February 28, 2011 pursuant to Article 444, paragraph 4 of the Company Law. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining on a test basis and assessing the accounting principles used and estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, properties and profit and loss of the Ichigo Group consisting of Ichigo Group Holdings Co., Ltd. and its consolidated subsidiaries for the period for the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or engagement partner.

Auditor's Report on the Financial Statements

Report of Independent Auditors

April 14, 2011

To the Board of Directors of Ichigo Group Holdings Co., Ltd.

Grant Thornton Taiyo ASG

Satoru Endo, CPA, Designated and Engagement Partner (seal)

Tsutomu Noheji, CPA, Designated and Engagement Partner (seal)

Hiroaki Ohkane, CPA, Designated and Engagement Partner (seal)

We have audited the eleventh term financial statements of Ichigo Group Holdings Co., Ltd., namely the balance sheet, the income statement, the statement of changes in shareholders' equity and the notes to the financial statements and schedules for the fiscal year from March 1, 2010 to February 28, 2011 pursuant to Article 436, paragraph 2, item 1 of the Company Law. These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements and schedules.

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. An audit includes examining on a test basis and assessing the accounting principles used and estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and schedules referred to above present fairly, in all material respects, properties and profit and loss for the period for the financial statements and schedules in conformity with accounting principles generally accepted in Japan.

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or engagement partner.

Report of Audit Committee

Audit Report

April 19, 2011

Audit Committee, Ichigo Group Holdings Co., Ltd.

Katsu Fujita, Audit Committee Member (seal)

Hidenao Toyoshima, Audit Committee Member (seal)

Tetsuya Fujita, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the eleventh fiscal year from March 1, 2010 to February 28, 2011. We report the method and results of this audit as follows:

1. Method and Description of Audit

The Audit Committee has received regular reports and has made requests for explanations as necessary from the Directors, Statutory Executive Officers, and employees of the Company regarding the details of resolutions by the Board of Directors with respect to Article 416, paragraph 1, item 1, b and e of the Company Law and the system established under the resolutions (internal control system) and in accordance with audit policy and duties prescribed by the Audit Committee. In cooperation with the Internal Audit Office and other internal control related departments of the Company, the Audit Committee has investigated the process and details of decision-making at important meetings, the details of principal-approved documents and other material documents relating to the execution of business, the execution of duties by Statutory Executive Officers and employees and reviewed the Company's business and assets. With respect to subsidiaries, we have communicated and exchanged information with directors and auditors of subsidiaries and received business reports from subsidiaries as necessary.

In addition, we have supervised and verified that the Independent Auditor was independent and conducting an appropriate audit and received reports on the execution of duties from the Independent Auditor and requested explanations as necessary. We have also received a report from the Independent Auditor that the structure to ensure appropriate performance of duties (matters described in Article 131, each item of the Company Calculation Rules) has been established pursuant to laws and regulations including the Standards for Quality Control of Audits (issued by Business Accounting Council on October 28, 2005) and that management structures have been properly established within the audit firm.

By these methods, we have reviewed the Company's own business report, financial statements (balance sheet, income statement, statement of changes in shareholders' equity and notes) and their schedules, along with the Company's consolidated financial statements (including the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated notes).

2. Results of Audit

(1) Audit Results of Business Report

- 1 We note that the business report and its schedules present the Company's status correctly pursuant to all laws and regulations and the Articles of Incorporation.
- 2 We note that there has been no misconduct with respect to the execution of duties by Directors and Statutory Executive Officers, nor have we discovered any material facts which violate laws and regulations or the Articles of Incorporation.
- 3 We note that the details of the resolution by the Board of Directors with respect to the internal control system are reasonable. Also, there is nothing material to be pointed out with respect to the execution of duties on the internal control system by Statutory Executive Officers.

(2) Audit Results of Financial Statements and their Schedules

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo ASG, were reasonable.

(3) Audit Results of Consolidated Financial Statements

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo ASG, were reasonable.

3. Subsequent Events

At the Board of Directors meeting held on April 15, 2011, the Company approved a resolution to conduct a share buyback and cancellation pursuant to the provisions of Article 156, 165, and 178 of the Companies Act, as follows.

(Note) All members of the Audit Committee are External Directors as provided in Article 2, item 15 and Article 400, paragraph 3 of the Company Law.

Reference Materials for the Annual General Meeting of Shareholders

Proposal 1 Election of 10 Directors

The terms of office of all ten Directors will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of the following ten Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	History, position, and responsibility in the Company (Positions at other companies)	Number of Company's shares held
1	Scott Callon (Note 2) (December 6, 1964)	<p>April 1988 MIPS Computer Systems, Inc.</p> <p>September 1991 Asia-Pacific Research Center, Stanford University</p> <p>March 1994 Visiting researcher, Research Institute of Capital Formation, Japan Development Bank</p> <p>August 1994 Tokyo Branch, Bankers Trust Asia Securities Co., Ltd.</p> <p>March 1997 Morgan Stanley Securities Co., Ltd.</p> <p>June 2000 Representative of resident officers, Representative office in Japan, Prudential PLC</p> <p>May 2001 Representative Director, PCA ASSET Management Limited of the Prudential plc Group</p> <p>April 2002 Morgan Stanley Securities Co., Ltd.</p> <p>January 2003 Head of Equities, Morgan Stanley Securities Co., Ltd.</p> <p>May 2006 Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. (current)</p> <p>October 2008 Chairman & Representative Statutory Executive Officer of the Company (current)</p> <p>November 2008 Director, Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee of the Company (current)</p> <p>(Positions at other companies) Partner and Chief Executive Officer, Ichigo Asset Management, Ltd.</p>	0
2	Kenji Iwasaki (April 10, 1968)	<p>April 1992 Joined Fujita Corporation</p> <p>May 2001 Joined the Company</p> <p>May 2004 Director, General Manager of Fund Business Division, Merchant Banking Group of the Company</p> <p>May 2005 Representative Director and Vice President of the Company</p> <p>May 2007 Director, Chairman of Nominating Committee and Chairman of Compensation Committee of the Company</p> <p>October 2008 President & Representative Statutory Executive Officer (current)</p> <p>November 2008 Vice Chairman of Compliance Committee (current)</p> <p>May 2009 Director, Member of Nominating Committee and Member of Compensation Committee (current)</p>	1,679

No.	Name (Date of birth)	History, position, and responsibility in the Company (Positions at other companies)	Number of Company's shares held
3	Minoru Ishihara (October 5, 1967)	<p>April 1990 Joined Hazama Corporation</p> <p>October 2005 Joined Creed Corporation</p> <p>May 2007 Joined the Company as Head of Human Resources and General Administration department</p> <p>March 2008 Executive Officer and Head of Human Resources and General Administration department of the Company</p> <p>October 2008 Chief Administrative Officer & Statutory Executive Officer and Head of Business Management of the Company</p> <p>November 2008 Director, Asset Investment Advisors Co., Ltd. (currently Ichigo Real Estate Investment Advisors Co., Ltd.)</p> <p>May 2009 Senior Managing Director & Statutory Executive Officer (Administration) and Member of Compliance Committee of the Company</p> <p>October 2009 Senior Managing Director (Administration), Asset Investment Advisors Co., Ltd. (currently Ichigo Real Estate Investment Advisors Co., Ltd.) (current)</p> <p>November 2009 President & Representative Director, Asset Logistics Co., Ltd.(currently Ichigo Marché Co., Ltd.) (current)</p> <p>May 2010 Director, Senior Managing Director & Statutory Executive Officer (Administration) and Member of Compliance Committee of the Company</p> <p>January 2011 Senior Executive Managing Director & Statutory Executive Officer (Administration, Environmental & Architectural Solutions) and Member of Compliance Committee of the Company (current)</p> <p> Senior Managing Director (Administration), Ichigo REIT Management Co., Ltd. (current)</p> <p>April 2011 President & Representative Director, Miyako City Co., Ltd. (current)</p> <p>(Positions at other companies)</p> <p>Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd.</p> <p>Senior Managing Director (Administration), Ichigo REIT Management Co., Ltd.</p> <p>President & Representative Director, Ichigo Marché Co., Ltd.</p> <p>President & Representative Director, Miyako City Co., Ltd.</p>	141

No.	Name (Date of birth)	History, position, and responsibility in the Company (Positions at other companies)	Number of Company's shares held
4	Katsu Fujita (June 30, 1944)	<p>April 1968 Joined The Long-Term Credit Bank of Japan, Limited (current Shinsei Bank, Limited)</p> <p>June 1995 Director, General Manager of Information System Group and Manager of System Planning of The Long-Term Credit Bank of Japan, Limited</p> <p>June 1997 Senior Managing Director and Director of Finance & Accounting Division, Ishihara Sangyo Kaisha, Ltd.</p> <p>June 2002 Executive Managing Director and Director of Corporate Planning & Administration Division, Ishihara Sangyo Kaisha, Ltd.</p> <p>October 2007 Member of Conciliation of Civil Affairs, Tokyo District Court (current)</p> <p>May 2008 External Director, Chairman of Nominating Committee and Chairman of Compensation Committee of the Company</p> <p>November 2008 External Director, Chairman of Audit Committee, Member of Nominating Committee, Member of Compensation Committee & Member of Compliance Committee of the Company (current)</p> <p>(Positions at other companies) Member of Conciliation of Civil Affairs, Tokyo District Court</p>	166
5	Katsuhiko Hattori (December 26, 1938)	<p>April 1964 Joined Fujitagumi Corporation (now Fujita Corporation)</p> <p>April 2001 Executive Managing Director, General Sales Manager and General Manager of Environment Creation Business Division, Fujitagumi Corporation</p> <p>October 2002 Representative Director and President, AC Real Estate Corp.</p> <p>May 2006 Senior Advisor of the Company</p> <p>May 2006 Executive Officer and Vice President, Vedior Contec Ltd. (currently Contec Co., Ltd.)</p> <p>December 2009 Executive Vice President & Director, Contec Ltd. (current)</p> <p>May 2009 External Director, Member of Nominating Committee, Member of Audit Committee, and Member of Compensation Committee of the Company</p> <p>May 2010 External Director, Member of Nominating Committee, and Member of Compensation Committee (current) of the Company</p> <p>(Positions at other companies) Executive Vice President & Director, Contec Ltd.</p>	207

No.	Name (Date of birth)	History, position, and responsibility in the Company (Positions at other companies)	Number of Company's shares held
6	Tetsuya Fujita (March 26, 1954)	<p>April 1976 Joined Taisho Marine and Fire Insurance Co., Ltd. (now Mitsui Sumitomo Insurance Co., Ltd.)</p> <p>April 2001 Executive Director, Taisho Marine & Fire Insurance (Malaysia) Bhd. (now MSIG Insurance (Malaysia) Bhd)</p> <p>April 2002 Board Director, Skandia Life Insurance (Japan) (currently Tokyo Marine Nichido Financial Life Insurance Co., Ltd.)</p> <p>October 2006 Executive Director, AXA Life Insurance Co., Ltd.</p> <p>April 2007 Representative President & CEO, AXA Financial Life Insurance Co., Ltd. (currently AXA Life Insurance Co., Ltd.)</p> <p>October 2009 Senior Advisor, AXA Life Insurance Co., Ltd.</p> <p>May 2010 External Director, Member of Audit Committee, and Member of Compliance Committee of the Company (current)</p> <p>February 2011 Auditor, St. Thomas University (current)</p> <p>March 2011 President, Remark Japan Co., Ltd. (current)</p> <p>(Positions at other companies) Auditor, St. Thomas University President, Remark Japan Co., Ltd.</p>	16
7	Maki Kumagai (February 11, 1974)	<p>April 2000 Qualified as Attorney at Law, joined Mitsui, Yasuda, Wani & Maeda</p> <p>May 2003 Seconded to International Legal Affairs Bureau, Ministry of Foreign Affairs</p> <p>May 2005 Joined Mitsui Company</p> <p>January 2008 Appointed Partner, Mitsui Company (current)</p> <p>(Positions at other companies) Partner, Mitsui Company</p>	0
8	Noriko Kawate (February 22, 1976)	<p>April 1999 Joined International Dept., Deloitte Touche Tohmatsu LLC</p> <p>July 2001 Qualified as Certified Public Accountant</p> <p>August 2004 Joined Cast & Itoga (Currently Soga, Uryu, Itoga)</p> <p>November 2004 Qualified as Certified Tax Accountant</p> <p>February 2008 President, CLEA Consulting Co., Ltd. (current)</p> <p>January 2009 Joined Gracia Corporation (current)</p> <p>(Positions at other companies) President, CLEA Consulting Co., Ltd. Employee of Gracia Corporation</p>	0
9	Rob Crawford (Note 3) (November 3, 1972)	<p>August 1995 Assistant Language Teacher, JET Program of Council of Local Authorities for International Relations</p> <p>August 1998 Joined Marakon Associates</p> <p>August 2000 Joined Prudential Corporation Asia</p> <p>December 2005 Qualified as ACCA Chartered Certified Accountant</p> <p>July 2006 Joined Ichigo Asset Management, Ltd. as Partner</p> <p>December 2008 Moved to Ichigo Asset Management International Pte. Ltd. (current)</p> <p>(Positions at other companies) Partner, Ichigo Asset Management International Pte. Ltd.</p>	0

No.	Name (Date of birth)	History, position, and responsibility in the Company (Representation of other companies)	Number of Company's shares held
10	Makoto Fukuhara (June 26, 1958)	<p>February 1984 Joined Digital Equipment Corporation (currently Hewlett-Packard Company)</p> <p>July 1988 Joined The First Boston Corporation (currently Credit Suisse (USA), Inc.)</p> <p>July 1992 Joined CS First Boston Japan Limited (currently Credit Suisse Securities (Japan) Limited)</p> <p>September 1994 Moved to CS First Boston (Singapore) Limited (Currently Credit Suisse (Singapore) Limited)</p> <p>May 1995 Joined NM Rothschild Japan (currently Rothschild Japan K.K.)</p> <p>June 1996 Joined Smith Barney, Tokyo Branch (currently Citigroup Global Markets Japan Inc.)</p> <p>May 1997 Joined Credit Suisse First Boston, Tokyo Branch (currently Credit Suisse Securities (Japan) Limited)</p> <p>May 1999 Joined Warburg Pincus Japan Ltd.</p> <p>December 2000 Appointed Partner, Warburg Pincus Japan Ltd.</p> <p>February 2003 Joined Askul Corporation as Statutory Executive Officer</p> <p>February 2004 Appointed Senior Executive Director, World Logi Co., Ltd.</p> <p>May 2005 Joined Deutsche Securities Ltd. (currently Deutsche Securities Inc.)</p> <p>October 2007 Joined Permira Advisers KK</p> <p>March 2011 Joined Ichigo Asset Management, Ltd. as Executive Vice President & Partner (current)</p> <p>(Positions at other companies) Executive Vice President & Partner, Ichigo Asset Management, Ltd.</p>	0

- (Note)
1. There is no special relationship between the Company and any of the candidates for Directors.
 2. The name of Mr. Scott Callon, candidate for Director, is written as “Callon Scott Anderberg” under Japan’s official name registration.
 3. The name of Mr. Rob Crawford, candidate for Director, is written as “Crawford Robert Shinjin Colton” under Japan’s official name registration.
 4. Mr. Katsu Fujita, Mr. Katsuhiko Hattori, Mr. Tetsuya Fujita, Ms. Maki Kumagai, Ms. Noriko Kawate, Mr. Rob Crawford, and Mr. Makoto Fukuhara are candidates for External Director. They meet the requirements for Independent Director under the requirements of the Osaka Securities Exchange. The Company intends to register Mr. Katsu Fujita, Mr. Katsuhiko Hattori, Mr. Tetsuya Fujita, Ms. Maki Kumagai, and Ms. Noriko Kawate to the Osaka Securities Exchange as Independent Directors.
 5. The Company’s reasons for proposing Mr. Katsu Fujita, Mr. Katsuhiko Hattori, Mr. Tetsuya Fujita, Ms. Maki Kumagai, Ms. Noriko Kawate, Mr. Rob Crawford, and Mr. Makoto Fukuhara as candidates for External Directors are as follows:
 - (i) The Company proposes Mr. Katsu Fujita as a candidate for External Director based upon his extensive knowledge and experience in the sales and management departments of a leading bank and in corporate management. He assumed the position as an External Director of the Company in May 2008, and his term of office will have been three years at the close of this General Meeting of Shareholders.
 - (ii) The Company proposes Mr. Katsuhiko Hattori as a candidate for External Director based upon his extensive knowledge and experience in the sales and management departments of a leading construction firm and in corporate management. He assumed the position as an External Director of the Company in May 2009, and his term of office will have been two years at the close of this General Meeting of Shareholders.

- (iii) The Company proposes Mr. Tetsuya Fujita as a candidate for External Director based upon his extensive knowledge and experience working for a leading insurance company and a leading life insurance company. He assumed the position as an External Director of the Company in May 2010, and his term of office will have been one year at the close of this General Meeting of Shareholders.
 - (iv) The Company proposes Ms. Maki Kumagai as a candidate for External Director based upon her expertise and experience in legal advisory for institutional clients in finance law and corporate governance.
 - (v) The Company proposes Ms. Noriko Kawate as a candidate for External Director based upon her experience in statutory audit at a major auditing firm and her experience in accounting and tax advisory as a certified public accountant and tax accountant.
 - (vi) The Company proposes Mr. Rob Crawford as a candidate for External Director based upon his expertise and experience in corporate analysis in the equity investment management area and in corporate value enhancement, as well as to promote positive cooperation within the Ichigo Group.
 - (vii) The Company proposes Mr. Makoto Fukuhara as a candidate for External Director based upon his expertise and experience in corporate analysis in the equity investment management area and in corporate value enhancement, as well as to promote positive cooperation within the Ichigo Group.
6. No candidate for External Director has been involved in inappropriate conduct while serving as a Director in other companies over the past five years
7. The independence of the candidates for External Directors is as follows:
- (i) No candidate for External Director has managed operations (as defined in Article 2, paragraph 3, item 6 of the Enforcement Regulations of the Company Law; hereinafter the same) of the Company or its related entities (as defined in Article 2, paragraph 3, item 19 thereof; hereinafter the same) in the past.
 - (ii) No candidate for External Directors has received, nor will they receive, a large amount of money or other financial compensation (excluding any remuneration as a Director or Advisor before assuming the position of External Director) from the Company or related entities.
 - (iii) No candidate for External Directors is the spouse of, nor are they within three degrees of consanguinity related to the management of the Company or related entities.
8. In order to retain External Directors of high quality, the Company has entered into limited liability agreements with Mr. Samuel T. W. Chu, Mr. Katsu Fujita, Mr. Hidenao Toyoshima, Mr. Katsuhiko Hattori, and Mr. Tetsuya Fujita. The extent of liabilities for compensation under the agreements is the minimum limited liability amount as defined in Article 425, paragraph 1 of the Company Law; provided that the liability is limited only when the External Directors have performed their duties which cause liability in good faith and without gross negligence. If the re-appointments as External Directors of Mr. Katsu Fujita, Mr. Katsuhiko Hattori, and Mr. Tetsuya Fujita and appointments as External Directors of Ms. Maki Kumagai, Ms. Noriko Kawate, Mr. Rob Crawford, and Mr. Makoto Fukuhara are approved, the Company will enter into a new limited liability agreement with equivalent terms with each of them.