

[Provisional Translation Only]

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

Representative: Scott Callon, Chairman and Representative Statutory Executive Officer

Inquiries: Minoru Ishihara, Executive Vice President & Statutory Executive Officer

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

Merger of Consolidated Subsidiaries

Ichigo Group Holdings (“Ichigo”) today decided to merge its three facility management subsidiaries, Takara Building Maintenance Co., Ltd. (“TBM”), Nichibei Building Services Co., Ltd. (“NBS”), and Nichibei Security Services Co., Ltd. (“NSS”).

1. Purpose of the Merger

This merger brings together the three firms’ distinctive know-how in building management, staffing services, construction, and security services to form a comprehensive facility management company. The merged firm will commence the management of properties owned and managed by Ichigo by setting up a Tokyo branch, while maintaining the existing Tokatsu area covered by NBS/NSS by setting up a Matsudo branch.

2. Merger Overview

(1) Schedule

Approval of Board of Directors	April 18, 2013 (subject to change)
Execution Date of the Merger Agreement	April 18, 2013 (subject to change)
Effective Date of Merger	June 1, 2013 (subject to change)

Note: The merger is conditional upon regulatory authority approval.

(2) Method

This will be a merger by absorption. NBS and NSS will be dissolved, and TBM will be the surviving corporation.

(3) Payment and Merger Consideration

There will be no payment or merger consideration because each subsidiary is 100% owned by Ichigo Group Holdings Co., Ltd.

3. Subsidiaries Overview

(1) Overview of the Surviving Corporation

Takara Building Maintenance (TBM)

Company Name	Takara Building Maintenance Co., Ltd.
Address	4-10-1 Nakanedai, Ryugasaki, Ibaraki
Representative	Yasutoyo Senda President & Representative Director
Business	Building management and staffing services
Paid-in Capital	10 million yen
Date of Incorporation	April 20, 1981
# of Shares Outstanding	20,000 shares
Fiscal Year-End	February
Shareholder	Ichigo Group Holdings Co., Ltd. 100%

(2) Overview of the Absorbed Corporations

Nichibei Building Services (NBS)

Company Name	Nichibei Building Services Co., Ltd.
Address	5 Nishimabashisaiwaicho, Matsudo, Chiba
Representative	Shoyo Ishimatsu President & Representative Director
Business	Building maintenance, fire protection, building cleaning
Paid-in Capital	16 million yen
Date of Incorporation	September 3, 1970
# of Shares Outstanding	79 shares
Fiscal Year-End	February
Shareholder	Ichigo Group Holdings Co., Ltd. 100%

Nichibei Security Services (NSS)

Company Name	Nichibei Security Services Co., Ltd.
Address	5 Nishimabashisaiwaicho, Matsudo, Chiba
Representative	Shoyo Ishimatsu President & Representative Director
Business	Security services
Paid-in Capital	10 million yen
Date of Incorporation	August 25, 1975
# of Shares Outstanding	399 shares
Fiscal Year-End	February
Shareholder	Ichigo Group Holdings Co., Ltd. 100%

(3) Relationship Between TBM, NBS, and NSS

Each corporation is a 100% subsidiary of Ichigo.

4. Financial Overview for the Last Three Fiscal Periods

(1) Financial Overview of the Surviving Corporation

Takara Building Maintenance (TBM)

(Million yen)

Fiscal Year End	February 2010	February 2011	February 2012
Revenues	1,406	1,477	1,483
Operating profit	174	180	165
Recurring profit	229	178	171
Net profit	188	31	94
Net Profit per Share (yen)	9,412.86	1,597.83	4,724.36
Dividends per Share (yen)	4,400	-	30,000
Total Assets	1,230	1,235	704
Net Assets	794	826	320
Net Assets per Share (yen)	39,720.86	41,318.69	16,043.05

(2) Financial Overview of the Absorbed Corporations

Nichibei Building Services (NBS)

(Million yen)

Fiscal Year End	August 2010	August 2011	February 2012
Revenues	322	328	165
Operating profit	6	8	-5
Recurring profit	4	12	-1
Net profit	2	8	-35
Net Profit per Share (yen)	74.57	256.94	-452,720.68
Dividends per Share (yen)	-	-	-
Total Assets	124	128	102
Net Assets	72	80	45
Net Assets per Share (yen)	2,257.71	2,514.65	570,139.33

(Note) NBS changed its fiscal year-end from August to February in 2012.

Nichibei Security Services (NSS)

(Million yen)

Fiscal Year End	March 2010	March 2011	February 2012
Revenues	179	178	157
Operating profit	-2	2	-2
Recurring profit	1	4	1
Net profit	1	3	-16
Net Profit per Share (yen)	30.66	135.44	-40,879.10
Dividends per Share (yen)	-	-	-
Total Assets	92	83	49
Net Assets	41	44	27
Net Assets per Share (yen)	2,068.08	2,203.52	69,541.35

(Note) NSS changed the fiscal-year-end from March to February in 2012.

5. Overview of the Post-Merger Subsidiary

Company Name	Takara Building Maintenance Co., Ltd.
Address	4-10-1 Nakanedai, Ryugasaki, Ibaraki
Representative	Yasutoyo Senda President & Representative Director
Business	Comprehensive Facility Management (Building management, Staffing services, Security services)
Paid-in Capital	10 million yen
Fiscal Year-End	February

6. Earnings Forecast

The merger involves 100% owned subsidiaries and therefore will have a minimal impact on the consolidated earnings forecast.

(Note) Forward-looking statements contained in this material are based on judgments obtained from information that was available to Ichigo Group Holdings as of the announcement date. However, these statements involve risks and uncertainties. Therefore, please note that actual earnings may differ significantly from the described earnings projection as a result of various factors.