



Supplementary Materials for the Nov. 2013 Public Offering

November 2013

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

# Public Offering (PO) Summary

<b>Issuing Company</b>	Ichigo Group Holdings Co., Ltd.
<b>Listed Market</b>	Tokyo Stock Exchange JASDAQ Standard (2337)
<b>Type of Offering</b>	Public Offering in Japan
<b>Number of Shares</b>	Number of shares offered in the Public Offering: 40,650,000 shares
<b>Over-Allotment (Upper Limit)</b>	6,090,000 shares
<b>Lock-Up (Issuing Company)</b>	Lock-up starts from the Pricing Date until the 90th day from the Delivery Date
<b>Lock-Up (Major Ichigo Shareholders)</b>	Lock-up starts from the Pricing Date until the 90th day from the Delivery Date
<b>Joint Lead Managers</b>	SMBC Nikko Securities Inc. Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.

Offering Schedule (assuming November 27, 2013 as the Pricing Date)						
November - December, 2013						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
11/10	11	12	13	14	15 Issuance Resolution Date	16
17	18	19	20	21	22	23
24	25 ← Period to Evaluate Market Demand →	26	27 Pricing Date	28 ← Subscription Period →	29	30
12/1	2	3	4 Payment Date	5 Delivery Date	6	7
8	9	10	11	12	13	14

Issuance Resolution Date:

Book Building Period:

Pricing Date:

Subscription Period:

Payment Date:

Delivery Date:

Friday, November 15

Monday, November 25 - Pricing Date

Wednesday, November 27 - Monday, December 2

Thursday, November 28 – Friday, November 29 <sup>(Note)</sup>

Wednesday, December 4 <sup>(Note)</sup>

Thursday, December 5 <sup>(Note)</sup>



(Note) Assuming the earliest possible Pricing Date

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# Reasons for Public Offering

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- Accelerate Growth
  - ✓ Expand Tokyo area real estate investments and earnings into the 2020 Olympics
  - ✓ Accelerate Ichigo REIT (8975) growth to increase stable AM fees
  - ✓ Significantly increase EPS and ROE
- Expand Megasolar Business into a Major Earnings Driver
  - ✓ Fixed price purchase contracts guaranteed for 20 years generate significant long-term profitability for megasolar power producers. Get Big Fast.
- Increase Share Liquidity to Boost Institutional Investor Demand
- Lower Cost of Debt to Drive Higher Earnings
  - ✓ Deploy strengthened equity base to push down cost of debt
  - ✓ Seek credit rating, expand uncollateralized debt, lengthen debt maturities, and pursue bond issuance to diversify funding base

# Use of Funds

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- Net Proceeds Scenario
  - ✓ Net proceeds from PO 14.9 billion yen (9% of shares outstanding)
  - ✓ Maximum proceeds from over-allotment (green shoe)  
2.2 billion yen (1% of shares outstanding)

## **Total Net Proceeds 17.1 billion yen**

- Use of Funds – Fund Growth
  - ✓ Expand Megasolar Business
    - 2.5 billion yen by Feb 2014 and the remainder by Feb 2015
  - ✓ Expand Ichigo REIT Asset Warehousing to Accelerate REIT and AM Fee Growth
    - 6.1 billion yen (3.6 billion yen by Feb 2014 and 2.5 billion yen by Feb 2015)
  - ✓ Expand Value Add and Prime Location Real Estate Activity
    - 4.2 billion yen (1.0 billion yen by Feb 2014 and 3.1 billion yen by Feb 2015)

## 2014 H1 Performance: Operating Profit 3.2X, Net Profit 5.1X Y-on-Y

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(Million yen)

	Feb 13 H1 Cumulative	Feb 14 H1 Cumulative	Growth
<b>Revenues</b>	<b>7,637</b>	<b>20,586</b>	<b>2.7X</b>
<b>Operating Profit</b>	<b>694</b>	<b>2,243</b>	<b>3.2X</b>
<b>Recurring Profit</b>	<b>617</b>	<b>2,157</b>	<b>3.5X</b>
<b>Net Profit</b>	<b>535</b>	<b>2,755</b>	<b>5.1X</b>

# Expand Megasolar Business

**7 billion yen** planned  
in 2014 and 2015

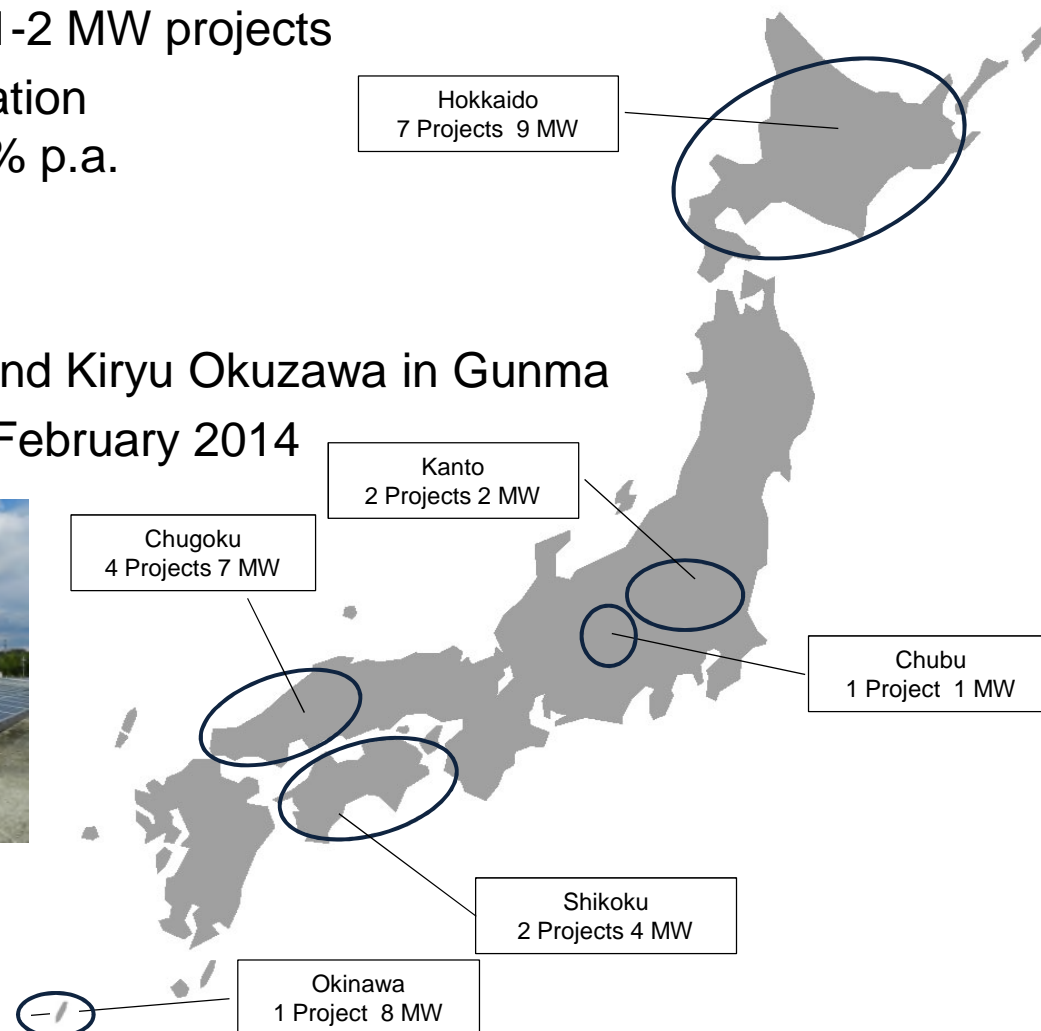
- ❑ Currently Developing 17 Megasolar Projects (30 MW Total Output) that Qualify for a 20-year Fixed Tariff of 42 yen/kWh
  - ✓ Diversified portfolio of primarily 1-2 MW projects
  - ✓ 2 power plants currently in operation generating ongoing ROI of 17.2% p.a.
- ❑ Power Production Schedule
  - ✓ 2 power plants in operation:  
Higashi-Okinosu in Tokushima and Kiryu Okuzawa in Gunma
  - ✓ Expect 11 MW in production by February 2014



■ Ichigo ECO Tokushima  
Higashi-Okinosu Power Plant (Tokushima)



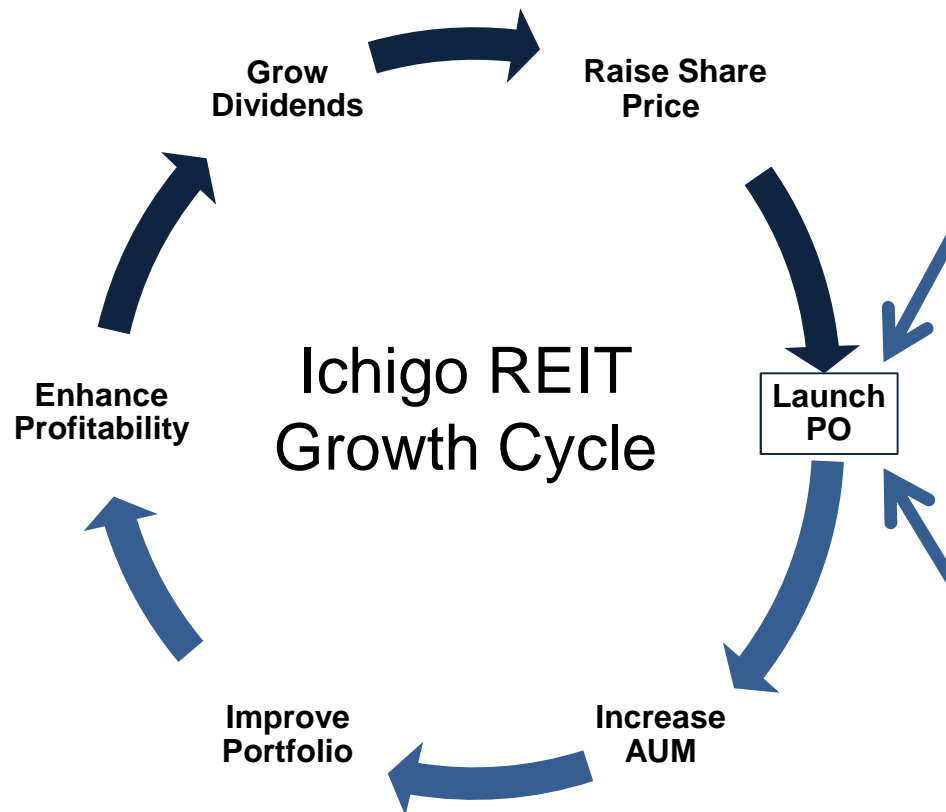
■ Ichigo ECO Kiryu Okuzawa Power  
Plant (Gunma)



# Ichigo REIT and AM Fee Growth

**6 billion yen** planned  
in 2014 and 2015

Second Ichigo REIT Growth PO of 2013 announced on 2013/11/15  
Stable and Secure AM Fee Earnings Stream



Ichigo REIT 1<sup>st</sup> PO



Ichigo REIT 2<sup>nd</sup> PO





## Accelerate Growth Investments

- ✓ 2020 Tokyo Olympics is a real estate demand-driver and value-driver for Tokyo
- ✓ Continue expansion of Ichigo Estate business, which is generating an ongoing ROI of 37.5% p.a. via exclusive sourcing, prime locations, long-term debt, and significant borrowing capability made possible by its high operational value-add (10 asset portfolio, 12.5 billion yen value, 1.5 billion yen equity)
- ✓ Grow portfolio of prime location, station-front assets where Ichigo sourcing or value-add capability generate compelling economics





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Ichigo Group is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions as well as working with organizations to invest in low-carbon technologies.

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