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

May 13, 2016

**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)

Representative: Scott Callon, Chairman and Representative Statutory Executive Officer

## **Materials for the Sixteenth Annual Shareholder Meeting**

Dear Shareholders:

We are pleased to invite you to attend the Sixteenth Annual Shareholder Meeting of Ichigo Inc. (“the Company”).

**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 Shareholder Meeting attached below and cast your vote by returning the enclosed voting form or by accessing our voting website (<http://www.evotep.jp>) no later than Friday, May 27, 2016, 6:30 p.m. JST.**

**1. Date and Time** Sunday, May 29, 2016 at 10:00 a.m.

**2. Place** La Rose, Fifth Floor, Dai-ichi Hotel Tokyo  
1-2-6 Shimbashi, Minato-ku, Tokyo

### **3. Agenda of the Meeting**

#### **Matters to be Reported**

- a. Details of the Business Report, the Consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements by the Independent Auditor and the Company’s Audit Committee for the Sixteenth Term (from March 1, 2015 to February 29, 2016)
- b. Report on the Financial Statements for the Sixteenth Term (from March 1, 2015 to February 29, 2016)

#### **Matters to be Resolved**

**Proposal 1** Amendments to Articles of Incorporation

**Proposal 2** Election of 9 Directors

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\* Should you attend the meeting, please submit the enclosed voting form at the venue’s reception.

Please note that any amendments to the Reference Materials for the Annual Shareholder Meeting and the business report, financial statements, and consolidated financial statements will be posted on our website at (<http://www.ichigo.gr.jp/english>).

## **Additional Accounting Notes**

As of this fiscal year, notes to the consolidated and parent financial statements which had previously been included as part of these Materials for the Sixteenth Annual Shareholder Meeting have been disclosed separately on our website at [www.ichigo.gr.jp/library/english](http://www.ichigo.gr.jp/library/english)

### **Voting via the Internet**

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

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

#### **2. Handling of Concurrent Votes on the Internet**

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

##### **a. 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, smart phone, 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, please 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, 2016, but we would appreciate your promptness in voting. Please contact the help desk below if you have any questions.

##### **b. How to Vote via the Internet**

- (i) Please access our voting website (<http://www.evotep.jp/>), and use the log-in ID and temporary 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 third parties, please note that you will be required to change the temporary password on the voting website.
- (iii) We will inform you of a new login ID and temporary password for each Annual Shareholder Meeting.

##### **c. Fees for Accessing the Voting Website**

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

#### **4. How to Receive Email Notices of Future Annual Shareholder Meetings**

For those interested in receiving notices of future Annual Shareholder Meeting, please apply online via the voting website on your PC or smart phone. (Please note that application via conventional mobile phones is not available. Also, a mobile phone email address cannot be registered as the receiving email address.)

##### Inquiries concerning the Voting Process

Help Desk, Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation

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 Shareholder Meeting of the Company.

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## **Business Report**

[ From March 1, 2015 ]  
[ To February 29, 2016 ]

### **I. Current Condition of the Company**

#### **A. Business Conditions in the Current Fiscal Year**

##### **1. Business Results and Progress**

As a result of Japanese government and Bank of Japan policies, corporate earnings and employment conditions in Japan have improved during the current fiscal year. However, as a result of the sharp decline in the price of oil and the slowdown of the Chinese economy, uncertainty over the economic outlook is increasing. In Japan a warm winter also dampened seasonal consumer spending and delayed progress against deflation. With currency movements remaining volatile and corporate earnings growth appearing to slow, the economic outlook for Japan remains unclear.

In the Japanese real estate market, tenants are seeking more room and moving to larger offices, which has led to higher occupancy in Tokyo and other major regional cities as well as higher rents, most notably in central Tokyo. The J-REIT market has become significantly more diversified: despite a decrease in the value of office-related transactions, J-REITs have been actively acquiring hotel assets due to expectations for strong growth in hotel rates. In addition, there have been several IPOs of new healthcare REITs on the back of growing social demand for healthcare facilities.

With respect to the clean energy market, corporations with approvals to build solar power plants who lack the capability to comply with the Ministry of Economy, Trade and Industry's revised, stricter requirements to qualify for the 20-year guaranteed feed-in-tariff (FIT) are increasingly considering exiting the market, creating opportunities for the Company to take over their approvals and launch new solar power plants. In addition, since the tax-free period for qualified infrastructure funds has been extended to 20 years, operators of utility-scale solar power plants, such as the Company, have a new growth opportunity.

The Company is working to take advantage of this positive business environment to drive higher earnings for its shareholders. Achieving an objective of its Shift Up 2016 Mid-Term Business Plan, the Company moved its listing from JASDAQ to the Tokyo Stock Exchange First Section in November 2015. Furthermore, to support the growth of Ichigo Office REIT (security code 8975) and Ichigo Hotel REIT (security code 3463, IPO November 2015), the Company is actively acquiring real estate assets that will drive on-going growth in its value-add and asset management businesses. With 26 utility-scale solar power plants now operating nationwide, the Company has also turned profitable in its clean energy business.

Specifically, in the past year the Company has executed on the following major initiatives:

- Moved its listing from JASDAQ to the Tokyo Stock Exchange First Section
- Expanded investments for growth (value-add real estate assets, Ichigo Office REIT and Ichigo Hotel REIT bridge funds, etc.)
- Expanded the size and profitability of its clean energy business
- Improved the environmental characteristics of its owned and operated real estate as well as the earthquake resistance and functionality of such assets
- Provided high-quality asset management services and strengthened tenant leasing activities
- Launched a new business to provide real estate asset management services to individuals
- Improved borrowing terms including prolonging borrowing periods and cutting borrowing costs through refinancing existing loans
- Recycled capital and generated profits on asset sales that reflect the Company's value-add

- Implemented numerous measures to strengthen the Ichigo brand

As a result, the Company recorded revenues of ¥49,699 million in the current fiscal year (+16.4% year-on-year); an operating profit of ¥15,417 million (+88.3% year-on-year); a recurring profit of ¥13,889 million (+91.4% year-on-year); and a net income of ¥12,925 million (+91.2% year-on-year).

## 2. Capital Expenditures

During the current fiscal year the Company had capital expenditures of ¥5,996 million to acquire tangible fixed assets, primarily equipment such as solar panels for new solar power plants.

## 3. Financing

In order to further boost its profitability and increase the stability of its financial base, the Company has made significant efforts to lower the cost, diversify the terms, and lengthen the tenor of its borrowings. In the current fiscal year, the balance of interest-bearing corporate debt was ¥104,759 million (+79.6% year-on-year), and the balance of non-recourse loans was ¥59,347 million (+35.1% year-on-year). The interest rates on these corporate and non-recourse loans declined 0.3% and 0.1%, respectively, year-on-year.

The Company continues to have an extraordinarily stable and durable balance sheet, with long-term debt constituting 90.1% of total debt. The Company continued to lengthen its average debt maturity to 8.7 years, and increased the amount borrowed from Japan's megabanks to ¥64,583 million (+¥43,416 million year-on-year).

## 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.

N/A

## B. Earnings and Assets in the Past Three Fiscal Years

	Thirteenth term (Year ending February 28, 2013)	Fourteenth term (Year ending February 28, 2014)	Fifteenth term (Year ending February 28, 2015)	Sixteenth term (Year ending February 29, 2016)
Revenues (million yen)	16,397	35,101	42,705	49,699
Recurring Profit (million yen)	1,734	3,597	7,255	13,889
Net Income (million yen)	1,637	4,526	6,761	12,925
Net Income per Share (yen)	731.98 (3.66)	9.83	13.58	25.86
Total Assets (million yen)	80,428	114,944	172,744	251,757
Net Assets (million yen)	31,066	50,842	58,377	72,166
Net Assets per Share (yen)	12,704.44 (63.52)	97.42	111.54	134.54

(Note 1) Net Income per Share is calculated based on the average number of shares issued during the term. Net

Assets per Share is calculated based on the number of outstanding shares as of the end of the fiscal year. These figures do not include treasury shares.

(Note 2) Net Income and Net Income per Share are calculated as if the split of each of the Company's shares into 200 shares as of September 1, 2013 had been implemented at the beginning of the Fourteenth Term. Similarly, figures in ( ) above are calculated as if the stock split had been implemented at the beginning of the Thirteenth term.

### C. 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.	¥400 million	100.00%	J-REIT and private equity real estate fund asset management
Ichigo Estate Co., Ltd.	¥500 million	100.00%	Real estate business including acquiring, leasing, selling, offering brokerage and advisory services, and managing REIT bridge funds
Ichigo ECO Energy Co., Ltd.	¥100 million	100.00%	Clean energy business generating and supplying solar power, environmental conservation engineering, and consulting
Ichigo Real Estate Services Fukuoka Co., Ltd.	¥50 million	100.00%	Real estate leasing, management, and purchase and sale activity in the Kyushu region
Ichigo Global Capital Co., Ltd.	¥10 million	100.00%	Formation of investment funds for cross-border M&A advisory
Ichigo Marché Co., Ltd.	¥95 million	100.00%	Wholesale market property management
Miyako City Co., Ltd.	¥50 million	100.00%	Large-scale retail store management
Takara Building Maintenance Co., Ltd.	¥10 million	100.00%	Comprehensive facility management

### D. Key Business Priorities

The rise in Japanese real estate prices continues, with cap rates (the yield on a real estate asset) reaching the lowest level since prior to the 2008 Lehman Brothers bankruptcy. Considering how low cap rates already are, the strengthening of the yen, and global investors' low expectations for higher rents and prices in Tokyo relative to other major cities globally, cap rates are thought unlikely to decline much further.

However, with the introduction of the Bank of Japan's negative interest rate policy on February 16, 2016, capital continues to flow into the Japanese real estate market. Monetary easing and low interest rates globally appear likely to continue for the time being, and expectations for increased investment in real estate are high. Real estate cap rates broadly may not have much more room to fall, but in the short term there may be a slight decline in cap rates in regional cities where a relatively high yield may yet be secured, and even over the medium term given the hunger for yield among investors it is reasonable to expect cap

rates to stay around the current low level.

In the context of this supportive business environment, the Company announced its new mid-term business plan Power Up 2019. The key goals of Power Up 2019 are to: 1) drive further sustainable earnings growth in the Company's core businesses; 2) develop new businesses that will be forward growth engines; and 3) deepen the Company's core capabilities and corporate strength.

The Company considers Power Up 2019's KPIs to be commitments to its shareholders, and just as with Shift Up 2016, the Company intends to exceed them.

#### Power Up 2019 Key Initiatives

(1) Core Business Growth

- List the Company's solar assets on the TSE's new Infrastructure Fund Market
- Support the on-going growth of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463)
- Expand the architecture and structural engineering team to deliver real estate that is high-function, safe, secure, and environmentally friendly
- Spin out a dedicated leasing team to drive tenant acquisition and rental income

(2) New Business Creation

- Extend the Company's REIT-focused asset management business into the much larger physical real estate market
- Grow the Company's hotel business synergistically with Ichigo Hotel REIT
- Launch one or more REtech businesses, fusing the Company's Real Estate and IT capabilities

(3) Finance as a Strategic Weapon

- Grow both financial stability and earnings
- De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile

(4) High Capital Efficiency and Organic Growth

- ROE >15%

(5) Best Place to Work

- Support employee health and wellness
- Goal: Japan's number one company in providing opportunities for employees

(6) Global Best Practice Governance and Compliance

#### **E. Key Business Segments (as of February 29, 2016)**

The Company's core activity is to preserve and improve real estate. The Company receives rental income during the period it is carrying out its value-add, along with profits on sale that reflect the real estate's higher value after the value-add is complete. In addition to its value-add activity with respect to mid-size office, hotel, and retail assets, the Company develops and operates solar power plants to supply clean energy and bring productive use to idle land.



## F. Principal Offices (as of February 29, 2016)

Ichigo Inc. Ichigo Real Estate Investment Advisors Co., Ltd. Ichigo Estate Co., Ltd. Ichigo ECO Energy Co., Ltd. Ichigo Global Capital Co., Ltd.	Headquarters: Chiyoda-ku, Tokyo
Ichigo Real Estate Services Fukuoka Co., Ltd.	Headquarters: Fukuoka City, Fukuoka Prefecture
Ichigo Marché Co., Ltd.	Headquarters: Matsudo City, Chiba Prefecture
Miyako City Co., Ltd.	Headquarters: Miyazaki City, Miyazaki Prefecture
Takara Building Maintenance Co., Ltd.	Headquarters: Ryugasaki City, Ibaraki Prefecture

(Note) Ichigo Marché Co., Ltd. moved from Chiyoda-ku, Tokyo to Matsudo City, Chiba Prefecture on September 17, 2015.

## G. Employees (as of February 29, 2016)

### 1. Employees of the Company (Consolidated basis)

Number of employees	Increase/decrease from the end of previous fiscal year
233 (613)	Increase by 15 (-1)

(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 the Company), including directors who are also employees.

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

### 2. Employees of the Company (Parent basis)

Number of employees	Increase/decrease from the end of previous fiscal year	Average age	Average years of employment
78 (1)	Increase by 13 (-)	41.4 years old	4.5 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 the Company) including directors who are also employees.

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

(Note 3) On a year-on-year basis the number of employees increased by thirteen; however, this was mainly due to employees being moved from a subsidiary pursuant to a corporate reorganization.

## H. Principal Lenders (as of February 29, 2016)

Lenders	Amount
Sumitomo Mitsui Banking Corporation	¥36,083 million
Mizuho Bank, Ltd.	¥24,869 million
Kansai Urban Banking Corporation	¥5,385 million
The Tokyo Star Bank, Limited	¥4,866 million
Bank of Tokyo-Mitsubishi UFJ	¥3,630 million

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

## **I. Dividend and Distribution Policy**

The Company views distributions to its shareholders via dividends and share repurchases as one of its most important priorities.

In this fiscal period, the Company decided to pay a special dividend of 1 yen per share in addition to a 2 yen ordinary dividend, as announced on November 10, 2015 in “FY16/2 Dividend Forecast Revisions (Tokyo Stock Exchange First Section Listing Special Dividend).” As a result, the Company is paying 3 yen per share in this fiscal year, a 131 % increase year-on-year.

The Company’s Board of Directors adopted on April 19, 2016 a progressive dividend policy. This policy underscores the Company’s commitment to driving continued organic earnings and dividend growth for its shareholders. Under a progressive dividend policy, the previous year’s dividend becomes the floor for the current year’s dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside dividend protection.

In addition to this progressive dividend policy, the Company is newly setting a minimum DOE (dividend on equity) payout ratio of >3 %. In contrast to a “dividend payout ratio policy,” which calculates dividends based upon annual earnings which can be highly volatile, a DOE policy paying dividends based upon more stable shareholder equity is by its very nature more stable. The Company believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of the Company’s shareholders.

## **J. Other Material Matters Regarding the Company**

On November 17, 2015, the Company moved its listing from JASDAQ to the Tokyo Stock Exchange First Section.

## II. Matters Regarding the Current Status of the Company

### A. Matters Regarding Shares in the Company (as of February 29, 2016)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 502,523,100 shares (including 884,200 treasury shares)
3. Number of Shareholders: 36,024
4. Major Shareholders (Top 10)

Name		
	Number of shares held (shares)	Shareholding ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited)	298,721,200	59.55%
MORGAN STANLEY MUFG SECURITIES CO. LTD	22,626,934	4.51%
BARCLAYS CAPITAL SECURITIES LIMITED (Standing Proxy: Barclays Securities Japan Limited)	20,490,858	4.08%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited)	7,237,800	1.44%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust Account)	7,149,400	1.43%
UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT (Standing Proxy: Citibank Japan Ltd.)	3,669,900	0.73%
BBH(LUX) FOR FIDELITY FUNDS PACIFIC FUND (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2,941,000	0.59%
TRUST & CUSTODY SERVICES BANK, LTD. (Trust Account)	2,748,200	0.55%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2,713,412	0.54%
THE MASTER TRUSTBANK OF JAPAN, LTD. (Trust Account)	2,656,800	0.53%
TOTAL	370,955,504	73.95%

(Note) Shareholding ratio is calculated excluding treasury stock (884,200 shares).

## B. Stock Acquisition Rights (Stock Options)

### 1. Stock Acquisition Rights Issued as Consideration for Execution of Duties by Officers of the Company (as of February 29, 2016)

		<b>9th Stock Acquisition Right Plan</b>	
Date of resolution		July 14, 2009	
Number of stock acquisition rights		566 units <sup>1</sup>	
Type and number of shares		113,200 common shares (200 shares per unit)	
Issue Price		No payment is required in exchange for stock acquisition rights	
Amount due upon exercise of each stock acquisition right		¥13,400 per unit (¥67 per share)	
Period for exercise of rights		August 15, 2011 – August 14, 2016	
Exercise Conditions <sup>2</sup>			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights:	146 units
		Number of shares:	29,200 shares
		Number of holders:	1
	Independent Directors	Number of stock acquisition rights:	0 units
		Number of shares:	0 shares
		Number of holders:	0
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	100 units
		Number of shares:	20,000 shares
		Number of holders:	1

<sup>1</sup> Of the total stock acquisition rights, 246 have been issued to Officers. (1,287 units have been exercised in the fiscal year ending February 2016.)

<sup>2</sup> 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 until the rights are exercised, 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) If a person who is allotted stock acquisition rights should become 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.

(Note) Shares of the Company were split at a rate of 200 shares to one effective September 1, 2013.

		<b>10th Stock Acquisition Right Plan</b>	
Date of resolution		August 8, 2011	
Number of stock acquisition rights		3,296 units <sup>1</sup>	
Type and number of shares		659,200 common shares (200 shares per unit)	
Issue Price		No payment is required in exchange for stock acquisition rights	
Amount due upon exercise of each stock acquisition right		¥11,000 per unit (¥55 per share)	
Period for exercise of rights		August 9, 2013 – August 8, 2018	
Exercise Conditions <sup>2</sup>			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights:	2,208 units
		Number of shares:	441,600 shares
		Number of holders:	2
	Independent Directors	Number of stock acquisition rights:	0 units
		Number of shares:	0 shares
		Number of holders:	0
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	100 units
		Number of shares:	20,000 shares
		Number of holders:	1

<sup>1</sup> Of the total stock acquisition rights, 2,308 units have been issued to Officers. (1,902 units have been exercised in the fiscal year ending February 2016.)

<sup>2</sup> Exercise Conditions

- (i) The Company must fully complete its buyback of either 61,693 shares or 616,930,000 yen as approved by the Company's Board of Directors on August 8, 2011.
- (ii) 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 until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (iii) Pledges and other disposition of stock acquisition rights are not permitted.
- (iv) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (v).
- (v) 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.

(Note) Shares of the Company were split at a rate of 200 shares to one effective September 1, 2013.

		<b>11th Stock Acquisition Right Plan</b>	
Date of resolution		August 24, 2012	
Number of stock acquisition rights		9,085 units <sup>1</sup>	
Type and number of shares		1,817,000 common shares (200 shares per unit)	
Issue Price		No payment is required in exchange for stock acquisition rights	
Amount due upon exercise of each stock acquisition right		¥12,000 per unit (¥60 per share)	
Period for exercise of rights		August 25, 2014 – August 24, 2019	
Exercise Conditions <sup>2</sup>			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights:	6,125 units
		Number of shares:	1,225,000 shares
		Number of holders:	3
	Independent Directors	Number of stock acquisition rights:	0 units
		Number of shares:	0 shares
		Number of holders:	0
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	80 units
		Number of shares:	16,000 shares
		Number of holders:	1

<sup>1</sup> Of the total stock acquisition rights, 6,205 units have been issued to Officers. (510 units have been exercised in the fiscal year ending February 2016.)

<sup>2</sup> Exercise Conditions

- (i) The Company must pay an interim or full-year dividend in the 13<sup>th</sup> fiscal year (March 1, 2012-February 28, 2013)
- (ii) 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 until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.
- (iii) Pledges and other disposition of stock acquisition rights are not permitted.
- (iv) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (v).
- (v) 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.

(Note) Shares of the Company were split at a rate of 200 shares to one effective September 1, 2013.

		<b>12th Stock Acquisition Right Plan</b>	
Date of resolution		January 10, 2014	
Number of stock acquisition rights		1,005,000 units <sup>1</sup>	
Type and number of shares		1,005,000 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		¥337 per unit	
Period for exercise of rights		January 12, 2016 – January 10, 2021	
Exercise Conditions <sup>2</sup>			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights:	233,200 units
		Number of shares:	233,200 shares
		Number of holders:	3
	Independent Directors	Number of stock acquisition rights:	11,500 units
		Number of shares:	11,500 shares
		Number of holders:	3
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	92,000 units
		Number of shares:	92,000 shares
		Number of holders:	8

<sup>1</sup> Of the total stock acquisition rights, 336,700 units have been issued to Directors. (10,600 units have been exercised in the fiscal year ending February 2016.)

<sup>2</sup> 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 until the rights are exercised, 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) If a person who is allotted stock acquisition rights should become 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.

		<b>13th Stock Acquisition Right Plan</b>	
Date of resolution		January 13, 2015	
Number of stock acquisition rights		1,859,200 units <sup>1</sup>	
Type and number of shares		1,859,200 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		¥382 per unit	
Period for exercise of rights		January 14, 2017 – January 13, 2022	
Exercise Conditions <sup>2</sup>			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights:	410,000 units
		Number of shares:	410,000 shares
		Number of holders:	3
	Independent Directors	Number of stock acquisition rights:	24,000 units
		Number of shares:	24,000 shares
		Number of holders:	3
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights:	182,000 units
		Number of shares:	182,000 shares
		Number of holders:	9

<sup>1</sup> Of the total stock acquisition rights, 616,000 units have been issued to Officers.

<sup>2</sup> 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 until the rights are exercised, 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) If a person who is allotted stock acquisition rights should become 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.



		<b>14th Stock Acquisition Right Plan</b>	
Date of resolution		January 13, 2016	
Number of stock acquisition rights		1,500,000 units <sup>1</sup>	
Type and number of shares		1,500,000 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		¥474 per unit	
Period for exercise of rights		January 14, 2018 – January 13, 2023	
Exercise Conditions <sup>2</sup>			
Holding by Officers	Directors (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: holders:	175,000 units 175,000 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: of holders:	32,000 units 32,000 shares 4
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	183,000 units 183,000 shares 10

<sup>1</sup> Of the total stock acquisition rights, 390,000 units have been issued to Officers.

<sup>2</sup> 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 until the rights are exercised, 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) If a person who is allotted stock acquisition rights should become 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

		<b>14th Stock Acquisition Right Plan</b>	
Date of resolution		January 13, 2016	
Number of stock acquisition rights		1,500,000 units <sup>1</sup>	
Type and number of shares		1,500,000 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		¥474 per unit	
Period for exercise of rights		January 14, 2018 – January 13, 2023	
Exercise Conditions <sup>2</sup>			
Holding by Employees	Employees (excluding those who are Directors and Statutory Executive Officers)	Number of stock acquisition rights:	1,110,000 units
		Number of shares:	1,110,000 shares
		Number of holders:	206
Holding by Employees	Directors and Employees of Subsidiaries	Number of stock acquisition rights:	N/A
		Number of shares:	N/A
		Number of holders:	N/A

<sup>1</sup> Of the total stock acquisition rights, 1,110,000 units have been issued to employees.

<sup>2</sup> 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 until the rights are exercised, 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) If a person who is allotted stock acquisition rights should become 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.

3. Other Material Matters regarding Stock Acquisition Rights

N/A

## C. Officers of the Company

### 1. Corporate Directors (as of February 29, 2016)

Position	Name	Responsibility and Other Business Affiliations
Director	Scott Callon	Chairman & Representative Statutory Executive Officer of the Company Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member Chairman of Compliance Committee Partner and Chief Executive Officer of Ichigo Asset Management, Ltd. Independent Director of Chiyoda Co., Ltd.
Director	Kenji Iwasaki	Chairman & Representative Statutory Executive Officer of the Company Chairman of Nominating Committee, Chairman of Compensation Committee, Vice-Chairman of Compliance Committee Chairman & Statutory Executive Officer of Ichigo Real Estate Investment Advisors Co., Ltd.
Director	Takuma Hasegawa	President & Representative Statutory Executive Officer of the Company Chairman & Director of Ichigo ECO Energy Co., Ltd.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Real Estate Services) & COO of the Company Compliance Committee Member Chairman & Representative Director and President of Miyako City Co., Ltd.
Independent Director <sup>3</sup>	Tetsuya Fujita <sup>1</sup>	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member President of ReMark Japan Co., Ltd. Japan Advisor, Laureate International Universities
Independent Director <sup>3</sup>	Maki Kumagai	Nominating Committee Member, Audit Committee Member, Compensation Committee Member Partner of Nijubashi Partners Independent Director, Japan Best Rescue System Co., Ltd.
Independent Director <sup>3</sup>	Noriko Kawate <sup>2</sup>	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President of CLEA Consulting Co., Ltd. Partner, Cast Group
Independent Director <sup>3</sup>	Kenichiro Yoshida	Partner and Executive Vice President of Ichigo Asset Management, Ltd.
Independent Director <sup>3</sup>	Yukio Suzuki	Compliance Committee Member CEO, Belle Investment Research of Japan Inc. Advisor, Deloitte Touche Tohmatsu, LLC Independent Director, Systema Corporation

<sup>1</sup> Mr. Tetsuya Fujita, Audit Committee Member, has served as president of a major property insurance company in addition to having served as internal audit officer at a major life insurance company and is certified as an internal auditor, and thus has extensive knowledge of internal auditing.

<sup>2</sup> Ms. Noriko Kawate, Audit Committee Member, is a Certified Public Accountant as well as a Certified Tax Accountant and thus has extensive knowledge of the finance and accounting fields.

<sup>3</sup> The Company has registered with the Tokyo Stock Exchange that Mr. Fujita, Ms. Kumagai, Ms. Kawate, Mr. Yoshida, and Mr. Suzuki are independent directors.

(Note) The Company has assigned officers and employees to assist the Audit Committee to fulfill its duties. Independent from other officers, these officers proactively collect information and work closely with the Audit

Committee members on a daily basis, and thus the effectiveness of auditing by the Audit Committee is ensured. Since such condition is maintained, the Company does not appoint a fulltime Audit Committee member.

## 2. Statutory Executive Officers (as of February 29, 2016)

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.
Chairman & Representative Statutory Executive Officer	Kenji Iwasaki	Overall Group Management Chairman & Statutory Executive Officer of Ichigo Real Estate Investment Advisors Co., Ltd.
President & Representative Statutory Executive Officer	Takuma Hasegawa	Overall Group Management Chairman & Director of Ichigo ECO Energy Co., Ltd.
Executive Vice President & Statutory Executive Officer & COO	Minoru Ishihara	Real Estate Services Chairman & Representative Director and President of Miyako City Co., Ltd.
Senior Executive Managing Director	Takashi Minamikawa	Finance
Executive Managing Director	Eri Murai	Administration & HR
Executive Managing Director	Go Watanabe	Finance
Senior Statutory Executive Officer	Takeyuki Yoshimatsu	Business Management
Statutory Executive Officer	Katsuhiko Hattori	Engineering
Statutory Executive Officer	Haruki Nakane	Compliance
Statutory Executive Officer	Hiroshi Shimazu	Audit
Statutory Executive Officer	Hisayoshi Towata	Finance
Statutory Executive Officer	Kenichi Nagao	Business Development, Special Projects
Statutory Executive Officer	Masaaki Yajima	Engineering, PM & BM, Planning Executive Vice President of Takara Building Maintenance Co., Ltd.

## 3. Directors and Statutory Executive Officers who Retired during the Current Fiscal Year

N/A

## 4. Outline of Limited Liability Agreement with Independent 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 Independent 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 Independent Directors have performed their duties in good faith and without gross negligence.

## 5. Total Remuneration Paid to Directors and Statutory Executive Officers

	Number of Recipients	Amount Paid
Directors (of whom are Independent Directors)	8 (5)	¥224 million (¥30 million)
Statutory Executive Officers	10	N/A
Total (of whom are Independent Directors)	18 (5)	¥224 million (¥30 million)

(Note 1) As of the end of the term, there are nine Directors (including five Independent Directors) and fourteen Statutory Executive Officers (four of whom are also Directors), resulting in a total of nineteen 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.

(Note 2) The numbers above do not include one Statutory Executive Officer who is also a Director and one Independent Director, as they do not receive remuneration from the Company.

(Note 3) Since there is one director who retired, there is a difference between the twenty officers which is the sum of two officers not receiving remuneration (one who is Director and Statutory Executive Officer, and the one Independent Director) and the eighteen officers in the table above, and the total of nineteen officers as of the end of the current fiscal year.

(Note 4) The amount paid includes remuneration in the form of stock options of ¥30 million for Directors (of which ¥2 million is for Independent Directors) and stock options of ¥16 million for Statutory Executive Officers.

(Note 5) In addition, the Company paid ¥182 million as employee compensation to ten Statutory Executive Officers. This amount includes remuneration in the form of stock options of ¥16 million.

(Note 6) Furthermore, subsidiary companies paid ¥3 million as remuneration to officers.

## 6. Policy on Determining Remuneration for Directors and Statutory Executive Officers

### a. 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.

### b. 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

### a. Positions in Other Companies and the Relationship between the Company and these Other Companies

- Tetsuya Fujita, Independent Director, is also President of ReMark Japan Co., Ltd. The Company has no relationship with ReMark Japan Co., Ltd.
- Maki Kumagai, Independent Director, is also Partner of Nijubashi Partners. The Company has no relationship with Nijubashi Partners..
- Noriko Kawate, Independent Director, is also President of CLEA Consulting Co., Ltd. and Partner of Cast Group. The Company has no relationship with CLEA Consulting Co., Ltd. or Cast Group.
- Kenichiro Yoshida, Independent Director, is also Partner and Executive Vice President of Ichigo Asset Management Co., Ltd. Ichigo Asset Management Ltd. has an Investment Advisory Agreement with Ichigo Asset Management International, Pte. Ltd., which has a Discretionary Investment Contract with Ichigo Trust Pte. Ltd., the Company's controlling shareholder (number of shares held: 298,721,200 shares; shareholding ratio: 59.55%).
- Yukio Suzuki, Independent Director, is also CEO of Belle Investment Research of Japan Inc. The Company has no relationship with Belle Investment Research of Japan Inc.

### b. Positions as Independent Directors in Other Companies

- Tetsuya Fujita, Independent Director, is Japan Advisor to Laureate International Universities. The Company has no relationship with Laureate International Universities.
- Maki Kumagai, Independent Director, is also Independent Director of Japan Best Rescue System Co., Ltd. The Company has no relationship with Japan Best Rescue System Co., Ltd.
- Yukio Suzuki, Independent Director, is Independent Director of Systema Corporation. The Company has no relationship with Systema Corporation.

### c. Relationship with the Company or Related Entities of the Company

The five Independent Directors have no spouse or relatives in the third degree or closer who are Statutory Executive Officers of the Company or related entities.

d. Principal Activities in the Current Fiscal Year

		Activities
Independent Director	Tetsuya Fujita	Attended 17 out of 17 meetings (attendance rate: 100%) of the Board of Directors. Attended 23 out of 24 meetings (attendance rate: 95.8%) of the Audit Committee and attended 3 out of 3 meetings (attendance rate: 100%) of the Compliance Committee. Attended 6 out of 6 meetings (attendance rate: 100%) of the Nominating Committee since becoming a member, and 9 out of 9 meetings (attendance rate: 100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Maki Kumagai	Attended 17 out of 17 meetings (attendance rate: 100%) of the Board of Directors. Attended 2 out of 2 meetings (attendance rate: 100%) of the Compliance Committee while serving as a member. Attended 17 out of 17 meetings (attendance rate: 100%) of the Audit Committee since becoming a member. Attended 4 out of 4 meetings (attendance rate: 100%) of the Nominating Committee 8 out of 8 meetings (attendance rate: 100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Noriko Kawate	Attended 17 out of 17 meetings (attendance rate: 100%) of the Board of Directors. Attended 24 out of 24 meetings (attendance rate: 100%) of the Audit Committee. Attended 6 out of 6 meetings (attendance rate: 100%) of the Nominating Committee and 9 out of 9 meetings (attendance rate: 100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Kenichiro Yoshida	Attended 17 out of 17 meetings (attendance rate: 100%) of the Board of Directors. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Yukio Suzuki	Attended 15 out of 15 meetings (attendance rate: 100%) of the Board of Directors since becoming Independent Director. Attended 1 out of 1 meeting (attendance rate: 100%) of the Compliance Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.

## D. Independent Auditor

### 1. Grant Thornton Taiyo LLC

### 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 the services specified in Paragraph 1 of Article 2 of the Certified Public Accountants Act (Act No.103 of 1948)	¥76 million
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Amount of fees for the services other than those specified in Paragraph 1 of Article 2 of the Certified Public Accountants Act	¥ — million
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¥76 million

- (ii) Total monetary and other financial benefits payable by the Company and subsidiaries to the Independent Auditor ¥94 million

(Note 1) Pursuant to Item 1 and 4, Article 399 of the Company Law, the Company's Audit Committee agrees with the amount of auditor's remuneration after a thorough confirmation and consideration of the validity of the content of auditor's audit plan, execution of work, transition of remuneration, and calculation of remuneration estimates Based on "Auditor Evaluation and Selection Standards" and "Auditor Selection and Compensation Agreement Processes" set forth by the Audit Committee of the Company.

(Note 2) 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 Shareholder Meeting pursuant to the Regulations of the Audit Committee.

## E. Structures to Ensure Fully Appropriate Business Activities

### 1. Internal Control Systems

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 policies, 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.

#### a. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Conformity with Laws and Regulations and the Company's 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 Shareholder Meeting, 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 mandated that the Chairman & Representative Statutory Executive Officer and President & Representative Statutory Executive Officer, Statutory Executive Officers (Business Management and Compliance Officer), and a division in charge of compliance management (Compliance) directly reporting to the President & Representative Statutory Executive Officer 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 the Financial Instruments and Exchange Act, accounting standards and other related laws and regulations.
- The President, Statutory Executive Officers (Audit, Finance, Administration & HR, and Business Management), and Audit Department promote and establish an internal structure which complies with J-SOX.

(iv) Internal Audit

The Company has established a Statutory Executive Officer (Compliance) and an Internal Audit Department which reports directly to the Audit Committee. The Statutory Executive Officer (Compliance) and Internal Audit Department conduct 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 Statutory Executive Officer (Compliance) and the Internal Audit Office reports on corrective activities called for by 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 mandated the Statutory Executive Officer (Business Management and Compliance) and Compliance Department 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.
- In the event an anti-social force makes a request with respect to the Company, the Statutory Executive Officer (Compliance) shall promptly contact the police, outside legal advisors, and each group company and take a forceful attitude to reject such request.

(vi) Structure to Prevent Insider Trading

- In order to prevent insider trading, the Chairman and President have appointed the Statutory Executive Officer (Business Management) as the person responsible for information control with regards to information specified by the stock exchange and by the Company's internal rules. The Statutory Executive Officer (Finance) responsible for providing the management structure of internal information and for the management of the sales of specific securities by the employees thoroughly prevents insider trading within each group company in cooperation with the Statutory Executive Officer (Business Management).

**b. Systems for 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.

**c. Risk Management Policies and Systems**

- (i) The Company exercises risk management at the departmental level of the Company, 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) In order to enhance its risk management, the Company has appointed the Chairman & Representative Statutory Executive Officer, the Statutory Executive Officer (Business Management), and Legal and Risk Management Departments as the risk management heads.
- (iii) The Statutory Executive Officer (Business Management) and Business Management and Legal and Risk Management Departments ensure risk management of material matters that involve management decisions.
- (iv) With respect to natural disasters and other risks, the Company has established risk management systems in cooperation with each department, primarily driven by the Business Management Department. The Company has established a system in which the Executive Vice President & Statutory Executive Officer creates a task force, prevents the expansion of damages, and speeds recovery in the event of crisis.

**d. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers**

- (i) The Board of Directors authorizes 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 Chairman & Representative Statutory Executive Officer, the President & Representative Statutory Executive Officer and each division head & Statutory Executive Officer, the Senior Statutory Executive Officer (Finance) convenes meetings including Statutory Executive Officers and ensures a smooth execution of duties.
- (ii) The Company creates mid-term management plans, annual Company-wide targets, and annual

division targets. The Senior Statutory Executive Officer (Finance) ensures effective and efficient management by charting the Company's progress against these objectives.

**e. Directors and Employees Assisting the Performance of the Duties of the Audit Committee**

- (i) Directors who assist in the performance of the duties of the Audit Committee will be determined by the Board of Directors in line with the opinions of the Audit Committee.
- (ii) Employees assisting the performance of the duties of the Audit Committee are members of the Audit Department appointed by the head and of the Audit Department and the Audit Committee. Following the direction of the Audit Committee or a member of the Audit Committee assigned by the Audit Committee, the head of the Audit Department manages the members of the department or leads the execution of assisting in the performance of the duties of the Audit Committee him/herself.
- (iii) Statutory Executive Officers must confirm that the Audit Committee and employees assisting in the performance of the duties of the Audit Committee receive no undue constraints in carrying out duties. In case such employees receive undue constraints in carrying out duties, the employees can report to the Audit Committee or one or more Audit Committee Members appointed by the Audit Committee in advance, and ask to get such undue constraints eliminated.

**f. 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 compensation of the relevant employees require 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 internal regulations as separately provided.

**g. Reporting by Directors, Statutory Executive Officers and Employees to the Audit Committee and Other Systems for Reporting to the Audit Committee**

- (i) Audit Committee Members 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. In case Statutory Executive Officers and employees report following its internal reporting system (including its external reporting system), such officer or employee follows the rules of the system.
  - 1. 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 or any member of the Audit Committee recognizes as material

**h. 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 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.

#### **i. Systems to Ensure Fully Appropriate Business Activities by the Company and its Subsidiaries**

- (i) The Company's 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 Company has established Business Planning Departments in charge of Business Management and management regulations of its subsidiaries, obtain reports on business developments from them, and conduct sound management of and guide each subsidiary to achieve its business goals.
- (iv) 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.
- (v) 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.
- (vi) In the case of any transaction with Ichigo Trust Pte. Ltd., the controlling shareholder of the Company, the Company takes special care to protect minority shareholders and has in place and follows appropriate procedures, including Board of Directors resolutions and reporting.
- (vii) In order to prevent conflicts of interests, the Company has set a Conflict-of-Interest Control Policy, and takes measures to prevent damage to clients' interests.
- (viii) Subsidiaries of the Company hold meetings attended by officers and executives of respective companies to ensure the mobility of decision making and operational efficiency, and establish and maintain a system where execution of duties by directors are reported regularly to the Company.
- (ix) In accordance with the Company, its subsidiaries establish a corporate governance framework, compliance structure (including the internal reporting system), a structure to secure the reliability of financial reporting, internal audit system, a system against anti-social forces, structure to prevent insider trading, and systems regarding risk management. The Company's subsidiaries also establish and operate a system to secure that the officers and employees of the subsidiaries execute their duties to comply with the laws and regulations, and the Articles of Incorporation.

#### **2. Policies Against Anti-Social Forces**

The Company has included its policy against anti-social forces 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.

##### **(a) Responsible Departments and Persons**

The Company has appointed the Executive Vice President & Statutory Executive Officer as a responsible manager and Business Management department as a responsible department which handles claims from anti-social forces in cooperation with relevant departments.

The Company also has a lawyer as an independent director and advisors who help supervise the Company's anti-social forces system.

##### **(b) Cooperation and Coordination with External Experts**

The Company has established a system against anti-social forces in cooperation and coordination with external experts such as the Organized Crime Investigation Division of Tokyo Metropolitan

Police Department, the Marunouchi Police Department, the National Center for the Elimination of *Boryokudan*, and external lawyers, and is a member of associations to combat anti-social forces in Tokyo and Osaka to receive guidance and share information.

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

The Statutory Executive Officer (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.

(d) 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.

(e) 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.

(f) Anti-Social Forces Training

Directors and employees of the Company check their behavior based on the Compliance Check List submitted to Chairman and Representative Statutory Executive Officer and President and Representative Statutory Executive Officer on a yearly 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.

### 3. Overview of the Company's Controls to Ensure Appropriate Business Conduct

#### **Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties Fully in Conformity with Japanese Law and the Company's Articles of Incorporation**

(i) Corporate Governance

- The Company has established a board structure with a permanent majority of independent directors and a committee system in which the independent directors take a central role. In doing so, the Company is seeking to promote active and substantive discussion at board meetings on behalf of shareholders, robust monitoring of business execution, and effective internal controls. The Board of Directors is currently comprised of five independent directors who have expertise relevant to the Company's business and four directors from management. The Board of Directors held seventeen meetings this fiscal year, and the Director attendance rate was 99%.
- The Board of Directors establishes the fundamental policies of the Company and monitors business execution. The Board of Directors also defines the responsibilities of each of the Company's executive officers and delegates decision-making authority to these executive officers, seeking to strike the right balance between speed and flexibility of business execution and transparency of that business execution to allow robust monitoring by the Board of Directors.
- The Board of Directors conforms with all Japanese laws and regulations, all resolutions adopted at shareholders' meetings, the Company's Articles of Incorporation and management policies, the Company's Code of Corporate Ethics, and the Company's Code of Conduct.
- All Statutory Executive Officers provide business updates to the Board of Directors on a quarterly basis to facilitate the Board's understanding and monitoring of business execution.
- The Audit Committee is comprised solely of independent directors (currently three), and one of its duties is to audit business execution by Statutory Executive Officers. The Audit Committee held twenty-four meetings this fiscal year, and the Director attendance rate was 99%.

(ii) Compliance

- The Company has a Code of Corporate Ethics and a Code of Conduct that binds every officer and employee of the Company. The Company carries out regular compliance training to ensure full compliance with these Codes.
- The Company has mandated that the Chairmen, the President, the Statutory Executive Officers in charge of Business Management and Compliance, and a representative from the Compliance Department take direct responsibility to support and strengthen the Company's compliance culture. All significant business decisions of the Company also require approval from the Compliance Department. In addition, the Company held nine compliance training seminars this fiscal year, and the Director, officer, and employee attendance rate was 97.8%.
- Although it is not mandated by Japanese law, the Company has chosen to establish a Compliance Committee to monitor compliance. The Compliance Committee is currently comprised of three Directors from management and two Independent Directors. The Compliance Committee held three meetings this fiscal year, and the Director attendance rate was 100%.
- The Company provides access to external counsel for the Board of Directors, the Compliance Committee, and the Compliance Department et al. to seek input on legal matters.
- The Company has established an ethics and compliance hotline in which Directors, officers, and employees of the Company can consult privately and anonymously with external counsel and report any and all issues.

(iii) Internal Audit

- The Company has an Internal Audit Department, which reports to the President and is currently comprised of one Statutory Executive Officer and two Audit staff. The Internal Audit Department carries out regular audits of the full scope of the Company's business to ensure compliance with all laws and regulations, the Company's Articles of Incorporation, and all Company rules and to verify the appropriateness of the Company's business execution. It is required to report the results of these audits to the Audit Committee, the President, and the Board of Directors.
- The Internal Audit Department carried out eight audits this fiscal year and reported the results to the Audit Committee, the Chairmen, the President, and the Board of Directors.

**F. 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 with respect to the Company's financial and business policies.

## Consolidated Balance Sheet

(As of February 29, 2016)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>	<b>210,687</b>	<b>Current Liabilities</b>	<b>18,161</b>
Cash and cash equivalents	28,779	Trade notes and accounts payable	80
Trade notes and accounts receivable	691	Short-term borrowings	2,188
Operational investments in loans	1,324	Short-term non-recourse loans	79
Operational investments in securities	1,784	Long-term borrowings (due within one year)	8,161
Real estate for sale	172,833	Long-term non-recourse loans (due within one year)	2,975
Deferred tax assets	1,766	Income taxes payable	631
Other	3,966	Deferred tax liabilities	53
Less: allowance for doubtful accounts	(458)	Accrued bonuses	13
<b>Fixed Assets</b>	<b>41,069</b>	Other current liabilities	3,979
<b>Property, Plant, and Equipment</b>	<b>31,546</b>	<b>Long-Term Liabilities</b>	<b>161,430</b>
Buildings and structures	6,496	Non-recourse bonds	100
Depreciation total	(2,666)	Long-term borrowings	94,409
Building and structures (net)	3,830	Long-term non-recourse loans	56,193
Equipment	13,091	Deferred tax liabilities	1,543
Depreciation total	(824)	Long-term security deposits	8,707
Equipment (net)	12,267	Other long-term liabilities	475
Land	12,192	<b>Total Liabilities</b>	<b>179,591</b>
Building under construction	3,173	<b>Net Assets</b>	
Other	292	<b>Shareholders' Equity</b>	<b>66,956</b>
Depreciation total	(209)	Capital	26,575
Other (net)	82	Capital reserve	10,968
<b>Intangible Assets</b>	<b>2,373</b>	Retained earnings	29,454
Goodwill	1,942	Treasury shares	(41)
Leasehold rights	392	<b>Other Comprehensive Income</b>	<b>533</b>
Other	38	Valuation gain (loss) on other securities	761
<b>Investments and Other Assets</b>	<b>7,149</b>	Deferred gain (loss) hedges	(251)
Investments in securities	5,486	Foreign currency translation adjustment	23
Long-term loans receivable	12	<b>Stock Options</b>	<b>319</b>
Deferred tax assets	39	<b>Minority Interests</b>	<b>4,357</b>
Other	1,736	<b>Total Net Assets</b>	<b>72,166</b>
Less: allowance for doubtful	(124)	<b>Total Liabilities and Net Assets</b>	<b>251,757</b>
<b>Total Assets</b>	<b>251,757</b>		

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

## Consolidated Income Statement

〔 From March 1, 2015 〕  
〔 To February 29, 2016 〕

(Million yen)

Item	Amount	
<b>Revenues</b>		<b>49,699</b>
<b>Cost of Goods Sold</b>		<b>29,835</b>
<b>Gross Profit</b>		<b>19,863</b>
<b>SG&amp;A</b>		<b>4,446</b>
<b>Operating Profit</b>		<b>15,417</b>
<b>Non-Operating Profit</b>		
Interest income	2	
Dividend income	79	
Amortization of negative goodwill	90	
Other	43	215
<b>Non-Operating Expenses</b>		
Interest expense	1,277	
Others	465	1,743
<b>Recurring Profit</b>		<b>13,889</b>
<b>Extraordinary Gain</b>		
Gain on sales of investment securities	223	223
<b>Extraordinary Loss</b>		
Valuation loss on investments in securities	49	
Provision of allowance for doubtful accounts	31	
Office move expenses	9	89
<b>Profit before Income Taxes</b>		<b>14,022</b>
Income taxes-current	1,330	
Income taxes-deferred	(369)	960
<b>Profit before Gain on Minority Interests</b>		<b>13,062</b>
Gain on minority interests		136
<b>Net Income</b>		<b>12,925</b>

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



## Consolidated Statement of Changes in Shareholders' Equity

〔 From March 1, 2015  
To February 29, 2016 〕

(Million yen)

	Shareholders' Equity				
	Capital	Capital reserve	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 1, 2015	26,499	10,873	17,201	(78)	54,496
Changes in the current fiscal year					
Share Issuance	75	75			151
Distribution of surplus			(648)		(648)
Net Income			12,925		12,925
Change in consolidated subsidiaries			(23)		(23)
Sale of treasury stock		19		36	56
Changes in items other than shareholders' equity					
Total changes	75	94	12,252	36	12,460
Balance as of February 29, 2016	26,575	10,968	29,454	(41)	66,956

	Other Comprehensive Income				Stock Options	Minority interests	Total net assets
	Valuation gain (loss) on other securities	Deferred gain (loss) hedges	Foreign currency translation adjustment	Total Other Comprehensive Income			
Balance as of March 1, 2015	1,208	(36)	6	1,177	198	2,505	58,377
Changes in the current fiscal year							
Share Issuance							151
Distribution of surplus							(648)
Net Income							12,925
Change in consolidated subsidiaries							(23)
Sale of treasury shares							56
Changes in items other than shareholders' equity	(446)	(214)	16	(644)	120	1,852	1,328
Total changes	(446)	(214)	16	(644)	120	1,852	13,788
Balance as of February 29, 2016	761	(251)	23	533	319	4,357	72,166

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

## Parent Balance Sheet

(As of February 29, 2016)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>	<b>29,198</b>	<b>Current Liabilities</b>	<b>7,874</b>
Cash and cash equivalents	11,653	Short-term borrowings	285
Receivables	224	Short-term borrowings from	
Real estate for sale	4,344	Affiliates	600
Operating investment in		Long-term loans	
securities	1,665	(due within one year)	5,616
Short-term loans to affiliates	6,789	Accounts payable	895
Advance payment	113	Expenses payable	24
Accounts receivable - other	663	Income taxes payable	196
Deferred tax assets	1,437	Advances received	95
Other	2,719	Deposits received	20
Allowance for doubtful accounts	(413)	Other	140
<b>Fixed Assets</b>	<b>84,765</b>	<b>Long-Term Liabilities</b>	<b>43,865</b>
<b>Tangible Assets</b>	<b>2,357</b>	Long-term borrowings	43,591
Buildings and structures	435	Long-term borrowings	262
Depreciation total	(199)	guaranteed	11
Building and structures (net)	235	Other	
Land	2,094	<b>Total Liabilities</b>	<b>51,739</b>
Other	57	<b>Net Assets</b>	
Depreciation total	(30)	<b>Shareholders' Equity</b>	<b>61,413</b>
Other (net)	26	Capital	26,575
<b>Intangible Assets</b>	<b>23</b>	Additional paid-in capital	10,968
Software	23	Capital reserve	10,891
<b>Investments and Other</b>		Other capital reserve	76
<b>Assets</b>	<b>82,384</b>	Retained earnings	23,910
Investment in securities	5,368	Earnings reserve	44
Investment in securities of		Other retained earnings	23,866
subsidiaries and affiliates	5,271	Carried forward retained	
Investment in securities of		earnings	23,866
other affiliates	60,889	Treasury shares	(41)
Long-term investments in		<b>Revaluation and Adjustment</b>	<b>491</b>
loans	10	Valuation gain (loss) on other	
Long-term loans to affiliates	11,356	securities	703
Deferred tax assets	33	Deferred gain (loss) on hedges	(212)
Other	473	<b>Stock Options</b>	<b>319</b>
Allowance for doubtful		<b>Total Net Assets</b>	<b>62,223</b>
accounts	(1,017)	<b>Total Liabilities and Net Assets</b>	<b>113,963</b>
<b>Total Assets</b>	<b>113,963</b>		

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

## Parent Income Statement

〔 From March 1, 2015 〕  
〔 To February 29, 2016 〕

(Million yen)

Item	Amount	
<b>Revenues</b>		<b>14,245</b>
<b>Cost of Revenues</b>		<b>2,417</b>
<b>Gross profit</b>		<b>11,828</b>
<b>SG&amp;A</b>		<b>2,123</b>
<b>Operating profit</b>		<b>9,705</b>
<b>Non-Operating Profit</b>		
Interest income	364	
Dividend income	74	
Other	43	
<b>Non-Operating Expenses</b>		483
Interest expense	650	
Other	261	911
<b>Recurring Profit</b>		<b>9,276</b>
<b>Extraordinary Gain</b>		
Gain on sales of investment securities	223	223
<b>Extraordinary Loss</b>		
Valuation loss on investments in securities	49	
Provision of allowance for doubtful accounts	31	
Valuation loss on subsidiaries and affiliates	2	
Office move expenses	4	88
<b>Profit before Income Taxes</b>		<b>9,411</b>
Income taxes-current	(327)	
Income taxes-deferred	(289)	(616)
<b>Net Income</b>		<b>10,028</b>

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

## Statement of Parent Changes in Shareholders' Equity

〔 From March 1, 2015  
To February 29, 2016 〕

(Million yen)

	Shareholders' Equity								
	Capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Earnings reserve	Other retained earnings Carried forward/retained earnings	Total retained earnings		
Balance as of March 1, 2015	26,499	10,815	57	10,873	44	14,486	14,531	(78)	51,825
Changes in the current fiscal year									
New share issuance	75	75		75					151
Distribution of surplus						(648)	(648)		(648)
Sale of treasury stock			19	19				36	56
Net Income						10,028	10,028		10,028
Changes in items other than shareholders' equity (net)									
Changes in the current fiscal year	75	75	19	94	—	9,379	9,379	36	9,587
Balance as of February 29, 2016	26,575	10,891	76	10,968	44	23,866	23,910	(41)	61,413

	Revaluation and adjustment			Stock options	Total net assets
	Valuation gain (loss) on other securities	Deferred gain (loss) hedges	Total revaluation and adjustment		
Balance as of March 1, 2015	1,096	(5)	1,091	198	53,115
Changes in the current fiscal year					
New share issuance					151
Distribution of surplus					(648)
Sale of treasury shares					56
Net Income					10,028
Changes in items other than shareholders' equity (net)	(393)	(206)	(600)	120	(479)
Changes in the current fiscal year	(393)	(206)	(600)	120	9,107
Balance as of February 29, 2016	703	(212)	491	319	62,223

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

## Auditor's Report on the Consolidated Financial Statements

### Report of Independent Auditors

April 13, 2016

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Satoshi Kirikawa, CPA, Designated and Engagement Partner (seal)

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

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the consolidated financial statements of Ichigo Inc., 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, 2015 to February 29, 2016 pursuant to Article 444, paragraph 4 of the Company Law.

#### Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the consolidated financial statements in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the consolidated financial statements are compiled and indicated free of material misstatement in the form of fraud or error.

#### Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the 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.

We conducted our audit by carrying out auditing procedures on amounts in the consolidated financial statements and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the consolidated financial statements. This included an overall assessment of the consolidated financial statements and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the consolidated financial statements.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

#### Auditing Opinion

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

#### Potential Conflicts of Interest

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

## Auditor's Report on the Parent Financial Statements

### Report of Independent Auditors

April 13, 2016

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Satoshi Kirikawa, CPA, Designated and Engagement Partner (seal)

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

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the sixteenth term financial statements of Ichigo Inc., 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, 2015 to February 29, 2016 pursuant to Article 436, paragraph 2, item 1 of the Company Law.

#### Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the financial statements and notes and schedules thereto in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the financial statements and notes and schedules are compiled and indicated free of material misstatement in the form of fraud or error.

#### Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the financial statements and the notes 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.

We conducted our audit by carrying out auditing procedures on amounts in the financial statements and notes and schedules and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the financial statements and notes and schedules. This included an overall assessment of the consolidated financial statements and notes and schedules and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the financial statements and notes and schedules.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

#### Auditing Opinion

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

#### Potential Conflicts of Interest

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

## Report of Audit Committee

Audit Report

April 19, 2016

Audit Committee, Ichigo Inc.

Tetsuya Fujita, Audit Committee Member (seal)

Noriko Kawate, Audit Committee Member (seal)

Maki Kumagai, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the sixteenth fiscal year from March 1, 2015 to February 29, 2016. We report the method and results of this audit as follows:

### I. 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.

With respect to the internal control framework for financial disclosures required under the Financial Instruments and Exchange Law, we received appraisals and auditing reports from the Statutory Executive Officer and Grant Thornton Taiyo LLC, and as necessary we requested further clarifications.

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).

### II. Results of Audit

#### A. 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.

**B. 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 LLC, were reasonable.

**C. Audit Results of Consolidated Financial Statements**

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

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



## Reference Materials for the Annual Shareholder Meeting

### Proposal 1 Amendments to Articles of Incorporation

#### I. Purpose of the Proposed Amendments

- 1) To strengthen Ichigo’s brand by putting fuller focus on Ichigo’s core identity and simplifying the Japanese corporate name to Ichigo Inc. The English corporate name will remain unchanged.
- 2) To set our corporate mission, which is rooted in the *Ichigo Ichie* philosophy of sincerity and service.
- 3) To allow for potential future business developments by broadening the allowable activities within our defined corporate purpose.
- 4) To enhance our ability to add relevant outside experts to the company by using the amended rules on limited liability contracts pursuant to the Act for Partial Revision of the Corporation Act (Act No. 90 of 2014) that came into effect on May 1, 2015.

#### II. Details of the Amendments

(Amendments are underlined)

Current	After Amendment
<p>Article 1 Corporate Name</p> <p>The corporate name is <u>Ichigo Group Holdings Co., Ltd.</u>, and the English name is Ichigo Inc.</p> <p>(New)</p> <p>Article 2 Purpose</p> <p><u>Embracing the philosophy of Ichigo Ichie, the Company seeks to create peace of mind through honest and committed management.</u> The purpose of the Company is to operate the following businesses:</p> <p>13 Owning, managing, operating, and leasing retail, accommodation, entertainment, restaurant, parking, athletic, welfare, medical, and heating facilities.</p>	<p>Article 1 Corporate Name</p> <p>The corporate name is <u>Ichigo Inc.</u>, and the English name is Ichigo Inc.</p> <p><u>Article 1-2 Management Philosophy</u></p> <p><u>Influenced by the philosophy of Ichigo Ichie, literally meaning “One lifetime, one encounter.” and having reflected deeply upon our social responsibilities as a company, we have set our corporate mission as follows:</u></p> <p><u>Building a richer future together (simplified English translation)</u></p> <p>Article 2 Purpose</p> <p>The purpose of the Company is to operate the following businesses:</p> <p>13 <u>Developing</u>, owning, managing, operating, and leasing retail, accommodation, entertainment, restaurant, parking, athletic, welfare, medical, heating facilities, and <u>social infrastructure facilities.</u></p>

<p>Article 27 Exemption from Liability of Directors and Limited Liability Contracts with <u>External Directors</u></p> <p>2 Pursuant to Item 1, Act No. 427 of the Corporation Law, the Company can conclude contracts with <u>External Directors</u> to limit their liability when found in neglect of their duties. However, the contractual limitation of liability is the higher amount of a hundred million yen or the minimum amount of liability prescribed by law.</p> <p>(New)</p>	<p>Article 27 Exemption from Liability of Directors and Limited Liability Contracts with <u>Directors</u></p> <p>2 Pursuant to Item 1, Act No. 427 of the Corporation Law, the Company can conclude contracts with <u>Directors (excluding Directors who serve as Company management)</u> to limit their liability of damage when found in neglect of their duties. However, the contractual limitation of liability is the higher amount of a hundred million yen or the minimum amount of liability prescribed by law.</p> <p><u>Article 44 Effective Date</u></p> <p><u>Changes to Article 1 take effect on September 1, 2016. This article will be deleted when and after Article 1 takes effect.</u></p>
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**Proposal 2** Election of 9 Directors


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

The candidates for Directors are as follows:


No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
1	 Scott Callon (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 Japan Limited</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 Japan Limited</p> <p>January 2003 Head of Equities, Morgan Stanley Japan Limited</p> <p>May 2006 Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. (current)</p> <p>October 2008 Chairman &amp; Representative Statutory Executive Officer of the Company (current)</p> <p>November 2008 Director (current), Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee of the Company</p> <p>November 2011 Member of Nominating Committee (current) and Member of Compensation Committee of the Company (current)</p> <p>May 2012 Associate Director of Japan Association of Corporate Directors, Audit &amp; Supervisory Board Member of Chiyoda Co., Ltd.</p> <p>July 2012 Director (current), Member of Nominating Committee (current) and Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (current)            Director of Ichigo Global Capital Co., Ltd. (current)</p> <p>March 2014 Gwynnie Bee Inc. Independent Director (current)</p> <p>September 2015 Chairman of Compliance Committee of the Company (current)</p>	N/A

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
1	(continued from previous page)	<p>(Other Positions) Partner and Chief Executive Officer of Ichigo Asset Management, Ltd. Independent Director of Chiyoda Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>This is your company. Ichigo's most important obligation is to repay the trust of our shareholders and to work to create sustainable growth in shareholder value. We express our sincere thanks to all of our shareholders for making the full achievement of our <u>Shift Up 2016</u> mid-term business plan possible.</p> <p>We are fully committed to achieving all of the targets embedded in our new <u>Power Up 2019</u> plan, and will continue to work to grow value for all stakeholders as Japan's leading value-add real estate company.</p>	

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
2	 Takuma Hasegawa (January 29, 1971)	<p>April 1994      Joined Fujita Corporation</p> <p>November 2002      Joined the Company</p> <p>October 2004      General Manager, Fund Business Division of the Company</p> <p>September 2005      General Manager, Fund Business Division Group 1 of the Company</p> <p>May 2006      Senior Statutory Executive Officer &amp; General Manager, Fund Business Division Group 1 of the Company</p> <p>May 2007      Senior Statutory Executive Officer &amp; CMO of the Company</p> <p>March 2008      Senior Statutory Executive Officer</p> <p>May 2009      Corporate Director &amp; Executive Vice President &amp; Statutory Executive Officer (Real Estate) of the Company</p> <p>March 2010      Independent Director, Takara Building Maintenance Co., Ltd.</p> <p>January 2011      President &amp; Representative Director (Overall Company Management), Ichigo Estate Co., Ltd.</p> <p>March 2015      Executive Vice President &amp; Statutory Executive Officer of the Company</p> <p>May 2015      President &amp; Representative Statutory Executive Officer of the Company (current)</p> <p>(Other Positions) Chairman &amp; Director, Ichigo ECO Energy Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>We express our sincere gratitude to all of our shareholders for your support in making Ichigo's move to the TSE First Section possible.</p> <p>We will dedicate all our strength as a team to achieve the new <u>Power Up 2019</u> mid-term business plan, aiming to maximize Ichigo's shareholder value.</p>	135,400 shares


No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo 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 &amp; Statutory Executive Officer and Head of Business Management of the Company</p> <p>November 2008   Director, Asset Investment Advisors Co., Ltd. (now Ichigo Real Estate Investment Advisors Co., Ltd.)</p> <p>May 2009        Senior Managing Director &amp; Statutory Executive Officer (Administration) and Member of Compliance Committee of the Company (current)</p> <p>October 2009    Senior Managing Director (Administration), Asset Investment Advisors Co., Ltd. (now Ichigo Real Estate Investment Advisors Co., Ltd.)</p> <p>November 2009   President &amp; Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.)</p> <p>May 2010        Director, Senior Managing Director &amp; Statutory Executive Officer (Administration) and Member of Compliance Committee of the Company</p> <p>January 2011    Senior Executive Managing Director &amp; Statutory Executive Officer (Administration, Environmental &amp; Architectural Solutions) and Senior Managing Director (Administration), Ichigo REIT Management Co., Ltd.</p> <p>April 2011       President &amp; Representative Director, Miyako City Co., Ltd.</p> <p>May 2011        Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd.</p> <p>November 2011   Executive Vice President (current) &amp; Statutory Executive Officer (Administration) of the Company</p> <p>July 2012        Director (current), Executive Vice President &amp; Statutory Executive Officer of Ichigo Real Estate Investment Advisors Co., Ltd. Director, Ichigo Global Capital Co., Ltd.</p> <p>November 2012   Director of Ichigo ECO Energy Co., Ltd.</p>	112,500 shares


No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
3	(continued from previous page)	<p>March 2013      Head of Real Estate Division of the Company (current)  Chairman &amp; Director of Ichigo Marché Co., Ltd.  Chairman &amp; Director of Takara Building Maintenance Co., Ltd.  Chairman &amp; Director of Nichibei Building Services Co., Ltd.  Chairman &amp; Director of Nichibei Security Services Co., Ltd.</p> <p>May 2015      Executive Vice President &amp; Statutory Executive Officer (Real Estate) &amp; COO of the Company (current)</p> <p>(Other Positions)  Chairman &amp; Representative Director and President of Miyako City Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>Thank you for your support.</p> <p>I am committed to building a richer future for our country and greater wealth for our shareholders. I will strive to make Ichigo a fun and fulfilling place for our employees to work, leading to the successful achievement of our new <u>Power Up 2019</u> mid-term business plan.</p> <p>Your continued guidance and support is greatly appreciated.</p>	


No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
4	 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 &amp; Fire Insurance (Malaysia) Bhd. (now MSIG Insurance (Malaysia) Bhd)</p> <p>April 2002      Board Director, Skandia Life Insurance (Japan) (now 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 &amp; CEO, AXA Financial Life Insurance Co., Ltd. (now AXA Life Insurance Co., Ltd.)</p> <p>October 2009    Senior Advisor, AXA Life Insurance Co., Ltd.</p> <p>May 2010        Independent Director (current), Member of Audit Committee, and Member of Compliance Committee of the Company</p> <p>February 2011   Auditor of St. Thomas University</p> <p>March 2011      President of ReMark Japan Co., Ltd. (current)</p> <p>May 2011        Chairman of Compliance Committee of the Company</p> <p>May 2012        Member of Nominating Committee (current), and Member of Compensation Committee of the Company (current)</p> <p>July 2012        Director (current), Member of Audit Committee (current), Member of Nominating Committee (current), and Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (current)</p> <p>May 2014        Chairman of Audit Committee (current), Member of Compliance Committee of the Company (current), and Chairman of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (current)</p> <p>October 2015    Advisor of LAUREATE INTERNATIONAL UNIVERSITIES Japan (current)</p> <p>(Other Positions)</p> <p>President of ReMark Japan Co., Ltd.            Advisor of LAUREATE INTERNATIONAL UNIVERSITIES Japan</p>	53,000 shares




No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
4	(continued from previous page)	<p data-bbox="564 300 890 331"><u>Message to Our Shareholders</u></p> <p data-bbox="564 344 1150 439">I hope to contribute to the growth of Ichigo as the new <u>Power Up 2019</u> mid-term business plan begins. I am dedicated to working on behalf of all shareholders.</p> <p data-bbox="564 454 1166 548">As an independent director, I will focus on corporate governance and risk management, which I believe is the most important role of an independent director.</p>	


No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
5	 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 &amp; Itoga (now Soga, Uryu, Itoga)</p> <p>November 2004   Qualified as Certified Tax Accountant</p> <p>February 2008   President of CLEA Consulting Co., Ltd. (current)</p> <p>January 2009    Joined Gracia Corporation</p> <p>May 2011       Director (current), Member of Audit Committee of the Company (current)</p> <p>November 2011   Qualified as American Institute of Certified Public Accountants (current)</p> <p>July 2012       Director (current), Member of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (current)</p> <p>June 2013       Audit &amp; Supervisory Board Member of Meiji-Machine Co., Ltd. (current)</p> <p>May 2014       Member of Nominating Committee and, Member of Compensation Committee of the Company (current)</p> <p>Member of Nominating Committee and, Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (current)</p> <p>February 2015   Partner of Cast Group (current)</p> <p>(Other Positions)            President of CLEA Consulting Co., Ltd.            Partner of Cast Group</p> <p><u>Message to Our Shareholders</u></p> <p>Ichigo has achieved significant growth through its investments in real estate and clean energy, and is now moving on to a new growth stage to create further value. I will work to continue to improve our corporate governance and support the growth of Ichigo's shareholder value.</p> <p>By making full use of my experience and knowledge, I hope to repay the trust of our stakeholders, beginning with our shareholders.</p>	37,300 shares

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
6	 Yukio Suzuki (June 3, 1950)	<p>             April 1975      Joined Nomura Research Institute, Ltd.              June 1996      Director, Nomura Research Institute Ltd.              June 1997      Director &amp; Head of Financial Research Center, Nomura Securities Co., Ltd.              June 1999      Senior Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd.              June 2000      Senior Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd.              June 2003      Executive Managing Director, Nomura Asset Management Co., Ltd.              June 2005      Corporate Director and Audit Mission Director, Nomura Holdings, Inc.              June 2008      Advisor, Nomura Securities Co., Ltd.              July 2010      CEO, Belle Investment Research of Japan Inc. (current)              August 2010    Advisor, Deloitte Touche Tohmatsu, LLC (current)              June 2012      Independent Director, Systema Corporation (current)              May 2015      Director of the Company (current), Director of Ichigo Real Estate Investment Advisors Co., Ltd. (current)              September 2015 Member of Compliance Committee of the Company (current)           </p> <p>             (Other Positions)              CEO, Belle Investment Research of Japan Inc.              Advisor, Deloitte Touche Tohmatsu, LLC              Independent Director, Systema Corporation           </p> <p> <u>Message to Our Shareholders</u>              Growing shareholder value and improving corporate performance requires ideas and execution by the management team, innovative development in growing the business, organizational strength, and all-encompassing risk management. It is especially important to share the details of the process of shareholder value creation with all of our stakeholders.              As an independent director, I will do my best to work for shareholder interests, supporting strong corporate governance, a workplace that is supportive of Ichigo's employees, and strong environmental practices that benefit the planet.           </p>	11,000 shares

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
7	<p data-bbox="309 815 488 842">*New Candidate</p>  <p data-bbox="309 1137 533 1200">Takashi Kawamura (December 19, 1939)</p>	<p data-bbox="550 282 1182 1447"> April 1962      Joined Hitachi, Ltd.  June 1992      Plant Director, Hitachi, Ltd.  April 1999      Executive Vice President and  Representative Director, Hitachi, Ltd.  April 2003      Director, Hitachi, Ltd.  June 2003      Chairman of the Board and  Representative Executive Officer,  Hitachi Software Engineering Co.,  Ltd. (Now Hitachi Solutions, Ltd.)  June 2005      Chairman of the Board, Hitachi Plant  Engineering &amp; Construction Co., Ltd.  (Now Hitachi, Ltd.)  June 2006      Chairman of the Board, Hitachi  Software Engineering Co., Ltd.  June 2007      Chairman of the Board, Hitachi  Maxell, Ltd.  April 2009      Representative Executive Officer,  Chairman, President, and Chief  Executive Officer, Hitachi, Ltd.  June 2009      Representative Executive Officer,  Chairman, President and Chief  Executive Officer, and Director,  Hitachi, Ltd.  April 2010      Representative Executive Officer,  Chairman and Director, Hitachi, Ltd.  April 2011      Chairman of the Board, Hitachi, Ltd.  April 2014      Director, Hitachi, Ltd.  June 2014      Advisor, Hitachi, Ltd. (current)  Independent Director of Mizuho  Financial Group (current)  June 2015      Independent Director of Calbee, Inc.  (current)  February 2016      Independent Director of Tokyo  University Kyoso Platform (current)  March 2016      External Auditor of Nikkei Inc.  (current)  May 2016      Independent Director of Nitori  Holdings Co., Ltd. (current) </p> <p data-bbox="550 1509 1171 1720"> (Other Positions)  Independent Director, Mizuho Financial Group  Independent Director, Calbee, Inc.  Independent Director, Tokyo University Kyoso Platform  Development Company  External Auditor, Nikkei Inc.  Independent Director, Nitori Holdings Co., Ltd. </p>	N/A

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
7	(continued from previous page)	<p data-bbox="555 331 879 360"><u>Message to Our Shareholders</u></p> <p data-bbox="555 383 1182 622">The role of an independent director is to monitor and guide the company for stable and continuous economic value improvement. Although independent directors do not take part in the details of everyday business, we take on the important role of guiding, advising and monitoring to help steer the company in the right direction, which should support the sustainable growth of Ichigo as a value-add-focused real estate company</p> <p data-bbox="555 645 1126 730">In fulfilling these roles, I will work to respond to the needs of and the trust placed in us by all of our stakeholders, beginning with our shareholders.</p>	

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
8	<p data-bbox="300 808 475 835">*New Candidate</p>  <p data-bbox="300 1133 533 1193">Masatoshi Matsuzaki (July 21, 1950)</p>	<p data-bbox="550 282 1190 1256"> April 1976      Joined Konishiroku Photo Industry Co., Ltd.  June 1999      General Manager, System Technology Development Division, Office Document Company, Konica Corporation  October 2003    Director, Konica Minolta Business Technologies, Inc.  April 2005      Executive Officer, Konica Minolta Holdings Inc.  April 2006      Representative Director and President, Konica Minolta Technology Center, Inc.  Senior Executive Officer, Konica Minolta Holdings Inc.  June 2006      Director and Senior Executive Officer, Konica Minolta Holdings Inc.  April 2009      Director, President and Chief Executive Officer, Representative Executive Officer and President, Konica Minolta Holdings, Inc.  April 2013      Director, President and Chief Executive Officer, Representative Executive Officer, Konica Minolta, Inc.  April 2014      Director and Chairman of the Board of Directors, Konica Minolta Holdings, Inc. (current)  June 2014      Chairman of the Board of Directors, Japan Business Machine and Information System Industries Association </p> <p data-bbox="550 1328 1171 1379">(Other Positions) Chairman of the Board of Directors, Konica Minolta Inc.</p> <p data-bbox="550 1417 876 1444"><u>Message to Our Shareholders</u></p> <p data-bbox="550 1462 1182 1704">Having managed a global Tokyo Stock Exchange-listed company, executed on a global business transformation, led business innovation and development, engaged in direct dialogue with investors, and served as a board chairman in transforming corporate governance, I hope to share my experience in order to help grow Ichigo's shareholder value, value rooted in its deep <i>Ichigo Ichie</i> philosophy of sincerity and service.</p>	N/A

No.	Name (Date of Birth)	History, Position, and Responsibility in the Company (Other Positions)	Number of Ichigo Shares Held
9	<p>*New Candidate</p>  <p>Kohsuke Nishimoto (March 1, 1958)</p>	<p>April 1981      Joined Kanebo Ltd. (Now Kanebo Cosmetics Inc.)</p> <p>September 1984      Joined Meitec Corporation</p> <p>June 1995      Director, Meitec Corporation</p> <p>July 1996      Senior Managing Director, Meitec Corporation</p> <p>November 1999      President, Meitec Corporation</p> <p>April 2006      President and CEO, Meitec Corporation</p> <p>June 2014      Chairman of the Board, Meitec Corporation</p> <p>June 2015      Resigned from the Board of Meitec Corporation</p> <p>Independent Director, Ryosan Company, Limited (current)</p> <p>Independent Director, Interworks Inc. (current)</p> <p>(Other Positions)</p> <p>Independent Director, Ryosan Company, Limited</p> <p>Independent Director, Interworks, Inc.</p> <p><u>Message to Our Shareholders</u></p> <p>I believe that growing corporate value for our stakeholders, beginning with our shareholders, is the very mission of a public company and is at the heart of the company's sustainable growth.</p> <p>Sometimes companies need to take risks in order to grow. I hope to bring my 20 years of experience in managing a public company to help Ichigo in executing on both <u>growth-supportive</u> and <u>control-oriented</u> corporate governance.</p>	1,000 shares

(Note 1) None of the candidates for Director have any relationship of note with the Company.

(Note 2) Scott Callon, Takuma Hasegawa, and Minoru Ishihara are candidates for Director. The Company's Nominating Committee and Board of Directors' reasons for nominating them as candidates for Director are as follows:

- (i) The Company's Nominating Committee and Board of Directors have nominated Mr. Scott Callon as a candidate for Director based upon his extensive experience leading Ichigo since October 2008 as Director and Chairman, and for his knowledge and expertise serving on a number of Japanese government bodies, including the Financial Services Agency (FSA) Council of Experts that drafted Japan's first Corporate Governance Code and the Ministry of Economy, Trade and Industry (METI) Competitiveness and Incentives Structures for Sustainable Growth Project ("Ito Review"). He assumed the position of Director of the Company in May 2008, and his term of office will have been eight years at the close of this shareholder meeting.
- (ii) The Company's Nominating Committee and Board of Directors have nominated Mr. Takuma Hasegawa as a candidate for Director based upon his extensive knowledge and experience at Ichigo, having led a number of Ichigo's real estate businesses. He has been the President of the Company since March 2015. He assumed the position of Director of the Company in May 2013, and his term of office will have been three years at the close of this shareholder meeting.
- (iii) The Company's Nominating Committee and Board of Directors have nominated Mr. Minoru Ishihara as a candidate for Director based upon his extensive knowledge and experience as Executive Vice President and COO of the Company. He assumed the position of Director of the Company in May 2009, and his term of office will have been seven years at the close of this Shareholder Meeting.

(Note 3) Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Takashi Kawamura, Masatoshi Matsuzaki, and Kohsuke Nishimoto meet the requirements for Independent Director of the Tokyo Stock Exchange. The Company intends to register them with the Tokyo Stock Exchange as Independent Directors.

(Note 4) Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Takashi Kawamura, Masatoshi Matsuzaki, and Kohsuke Nishimoto are candidates for Independent Director. The Company's Nominating Committee and Board of Directors' reasons for nominating them as candidates for Independent Director are as follows:

- (i) The Company's Nominating Committee and Board of Directors have nominated Mr. Tetsuya Fujita as a candidate for Director based upon his extensive knowledge and experience working for a leading property insurance company and a leading life insurance company. He assumed the position of Independent Director of the Company in May 2010, and his term of office will have been six years at the close of this shareholder meeting.
- (ii) The Company's Nominating Committee and Board of Directors have nominated Ms. Noriko Kawate as a candidate for 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. She assumed the position of Independent Director of the Company in May 2011, and her term of office will have been five years at the close of this Shareholder Meeting.
- (iii) The Company's Nominating Committee and Board of Directors have nominated Mr. Yukio Suzuki as a candidate for Director based upon his extensive experience and knowledge of corporate and securities research from serving important roles at a securities company, think tank, and asset management company at a major financial group, and his experience and knowledge in operational monitoring and risk control, which he can draw upon to fully monitor the Company's activities. He assumed the position of Independent Director of the Company in May 2015, and his term of office will have been one year at the close of this Shareholder Meeting.
- (iv) The Company's Nominating Committee and Board of Directors have nominated Mr. Takashi Kawamura as a candidate for Director based upon his extensive experience leading and



strengthening, as the CEO and Chairman, a major global electronics and machinery manufacturer through a highly successful structural transformation, and his knowledge and experience of a best-practice board committee system to support strong corporate governance, which he can draw upon to fully monitor the Company's activities on behalf of shareholders.

- (v) The Company's Nominating Committee and Board of Directors have nominated Mr. Masatoshi Matsuzaki as a candidate for Director based upon his extensive experience as the CEO and Chairman leading a major global office equipment manufacturer, driving a positive structural transformation and business innovation, and his leading role in developing a best-practice board committee system to support strong corporate governance, which he can draw upon to fully monitor the Company's activities on behalf of shareholders.
- (vi) The Company's Nominating Committee and Board of Directors have nominated Mr. Kohsuke Nishimoto as a candidate for Director based upon his extensive experience and knowledge as the CEO and Chairman leading Japan's largest engineering services company, growing the company and deepening its capabilities on behalf of all stakeholders while driving a significant growth in shareholder value, and his deep understanding of human resources and talent development, which he can draw upon to fully monitor the Company's activities on behalf of shareholders.

(Note 5) No candidate for Independent Director has been involved in inappropriate conduct while serving as a Director in other companies over the past five years.

(Note 6) Additional information pertaining to the independence of the candidates for Independent Director is as follows:

- (i) Mr. Tetsuya Fujita and Ms. Noriko Kawate have been serving as an Independent Director of the Company's subsidiary, Ichigo Real Estate Investment Advisors, since May 2014.
- (ii) Mr. Yukio Suzuki has been serving as an Independent Director of the Company's subsidiary, Ichigo Real Estate Investment Advisors, since May 2015
- (iii) No candidate for Independent Director has received in the last two years, nor will they receive, material monetary or other financial compensation (excluding any remuneration as Director or Advisor before assuming the position of Independent Director) from the Company or related entities.
- (iv) No candidate for Independent Director is the spouse of the management of the Company or related entities, nor are they related within three degrees of consanguinity.

(Note 7) In order to retain Independent Directors of high quality, the Company has signed limited liability agreements with Mr. Tetsuya Fujita, Ms. Maki Kumagai, Ms. Noriko Kawate, Mr. Kenichiro Yoshida, and Mr. Yukio Suzuki. 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 Independent Directors have performed their duties which cause liability in good faith and without gross negligence. Upon the re-appointment of Mr. Tetsuya Fujita, Ms. Noriko Kawate, and Mr. Yukio Suzuki and the appointment of Mr. Takashi Kawamura, Mr. Masatoshi Matsuzaki, and Mr. Kohsuke Nishimoto as Independent Directors, the Company will enter into new limited liability agreements with equivalent terms with each of them.

(Note 8) Mr. Scott Callon has not received and will not receive any compensation from the Company.

(Note 9) Shares owned by Mr. Yukio Suzuki, a candidate for Director, includes shares owned by Belle Investment Research of Japan Inc., all of whose shares are owned by Mr. Yukio Suzuki.

(Note 10) The number of Ichigo shares owned by each of the candidates for Director is as of April 19, 2016.