

[Provisional Translation Only]

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FY17/2 Full-Year Earnings Forecast Revision

Ichigo is revising its initial FY17/2 consolidated full-year earnings forecast from April 19, 2016.

Revised FY17/2 Full-Year Earnings Forecast (March 1, 2016 – February 28, 2017)

	Revenue	Operating Profit	Recurring Profit	Net Income	EPS
Initial Forecast (A)	125,600	18,500	16,400	13,300	26.43 yen
Revised Forecast (B)	108,000	21,400	19,200	14,300	28.47 yen
Change (B) – (A)	-17,600	+2,900	+2,800	+1,000	2.04 yen
% Change	-14.0%	+15.7%	+17.1%	+7.5%	+7.7%
FY16/2 Actual	49,699	15,417	13,889	12,925	25.86 yen

Note: Revenue, operating profit, recurring profit, and net income are million yen. The EPS forecast also reflects assumptions about the expected exercise of employee stock options.

Explanation

Ichigo is revising up its FY17/2 full-year earnings forecast to reflect strong earnings growth across its core businesses of Asset Management, Value-Add, and Clean Energy. In particular, despite lower-than-forecast Value-Add revenue due to being selective on dispositions, Value-Add operating profit exceeded Ichigo's initial full-year forecast as of the third quarter. Value-Add's outperformance has been driven by a strong acquisition pipeline, ongoing rental income growth, and Ichigo's value-creation activities delivering above-forecast gross margins on dispositions.

While revenue is now forecast to come in at JPY 108 billion, JPY 17.6 billion lower than the initial forecast, operating profit, recurring profit, and net income are forecast to increase to JPY 21.4 billion, JPY 19.2 billion, and JPY 14.3 billion, respectively. As a result, full-year operating profit and net income are forecast to increase by 39% and 11% year-on-year.

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