

[Provisional Translation Only]

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FY18/2 Full-Year Earnings Forecast Revision

Ichigo is revising its FY18/2 consolidated full-year earnings forecast announced on April 19, 2017.

Revised FY18/2 Full-Year Earnings Forecast (March 1, 2017 – February 28, 2018)

	Revenue	Operating Profit	Recurring Profit	Net Income	EPS
Initial Forecast (A)	75,500	20,600	18,300	13,500	26.98 yen
Revised Forecast (B)	56,500	20,600	18,300	13,600	27.28 yen
Change (B) – (A)	-19,000	–	–	+100	0.30 yen
% Change	-25.2%	–	–	+0.7%	+1.1%
Reference: FY17/2 Actual	109,253	21,781	19,755	14,894	29.66 yen

Note: Revenue, Operating Profit, Recurring Profit, and Net Income are JPY million. The revised EPS forecast is calculated based on 498,486,000 shares outstanding and reflects assumptions about the expected exercise of employee stock options. (The initial EPS forecast assumed 500,300,000 shares outstanding.)

Explanation

Because Ichigo's profit margins in its Value-Add business have been significantly above this year's forecast, Ichigo has been able to be more selective in its Value-Add asset sales and retain more Value-Add assets for ongoing value-add.

As a result, despite FY18/2 Revenue being well below forecast, Operating Profit and Recurring Profit are on forecast and Net Income and EPS are slightly above forecast. Having reduced Value-Add asset sales this year, Ichigo's rental income from the retained Value-Add assets will increase its stable, fixed earnings from FY19/2 onward.

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 this forecast.