

Materials for the Eighteenth Annual Shareholder Meeting



Our Mission

Ichigo Preserves and Improves Real Estate

Ichigo is a Japanese real estate owner-operator and clean energy producer.

Our three key businesses are: Value-Add, in which Ichigo preserves and improves real estate; Asset Management, including managing the Tokyo Stock Exchange-listed Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282); and Clean Energy, in which Ichigo builds and operates solar and wind power plants on unused land nationwide.

We are committed to serving the needs of society and creating long-term value for our shareholders.

The word “Ichigo” comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning “One lifetime, one encounter.” The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized. Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of all of our clients, shareholders, and stakeholders.





Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

May 11, 2018

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
Representative: Scott Callon, Chairman

Materials for the Eighteenth Annual Shareholder Meeting

Dear Shareholders:

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

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 please 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 (<https://evote.tr.mufg.jp>) no later than Friday, May 25, 2018, 6:30 p.m. JST.

1. Date and Time Sunday, May 27, 2018 at 10:00 a.m.

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

3. Agenda

Matters to be Reported

- a. Business Report, Consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements by the Independent Auditor and Audit Committee for the Eighteenth Term (March 1, 2017 – February 28, 2018)
- b. Parent Financial Statements for the Eighteenth Term (March 1, 2017 – February 28, 2018)

Matters to be Resolved

Proposal 1 Amendment to Articles of Incorporation

Proposal 2 Election of 9 Directors

Additional Accounting Notes

Additional accounting notes to Ichigo’s consolidated and parent financial statements are disclosed on our website at www.ichigo.gr.jp/en/ir/library

Please also note that any amendments to the business report, consolidated and parent financial statements, or shareholder meeting materials will be posted on our website at www.ichigo.gr.jp/en

Voting via the Internet

1. Handling of Multiple Votes via both the Proxy Card and the Internet

If you cast multiple votes via both the proxy card and the Internet voting site, only the vote cast via the Internet will be deemed effective.

2. Handling of Multiple Votes via the Internet

If you cast multiple votes via the Internet voting site, only the last vote will be deemed effective.

3. Internet Voting Procedure

The internet voting procedure is per the below. If you choose to attend the meeting, voting via the proxy card or the Internet is unnecessary.

a. Voting Website

- (i) You can access the designated website <https://evote.tr.mufg.jp> from a PC or mobile phone. Please note that the website is not available from 2 a.m. to 5 a.m. JST daily.
- (ii) If you use a firewall, have antivirus software installed, or use a proxy server, you may encounter technical difficulties.
- (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).
- (iv) We will accept votes submitted via the Internet until 6:30 p.m. JST on Friday, May 25, 2018. Please contact the help desk below if you have any questions.

b. How to Vote via the Internet

- (i) Please access our voting website (<https://evote.tr.mufg.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 and tampering of votes by third parties, please note that you will be required to change the temporary password on the voting website.
- (iii) A new login ID and temporary password is issued for each shareholder meeting.

c. Fees for Accessing the Voting Website

Please note that you will be responsible for expenses such as Internet access fees and telephone and data charges incurred in accessing the voting website.

4. How to Receive Email Notices of Future Shareholder Meetings

For those interested in receiving notices of future shareholder meetings, please apply online via the voting website. (Please note that 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)

Institutional Investors

Institutional investors may use the electronic proxy-voting platform of the Tokyo Stock Exchange for electronic voting.

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Proposal 1 Amendment to Articles of Incorporation

1. Purpose of the Proposed Amendment

Ichigo's corporate governance is a Company with Committees (Nominating, Audit, Compensation) structure with Independent Directors always comprising a majority of the Board of Directors. Pursuant to Article 460, Paragraph 1 of Japan's Company Law, Ichigo's current Articles of Incorporation limit decision-making on dividends to this independent Board. However, as a means of broadening shareholder rights, Ichigo is proposing an amendment to the Articles of Incorporation that would also allow dividends to be decided by Ichigo shareholders at shareholder meetings.

2. Amendment Details

(Amended areas underlined)

Current	After Amendment
<p>Article 39 Decision-Making Body for Dividends</p> <p>Decisions relating to dividends and other matters specified in Article 459, Paragraph 1 of the Company Law shall be made by the Board of Directors, <u>without resolution at the Annual Shareholder Meeting</u>, unless otherwise stipulated by law and regulation.</p>	<p>Article 39 Decision-Making Body for Dividends</p> <p>Decisions relating to dividends and other matters specified in Article 459, Paragraph 1 of the Company Law <u>can be made by</u> the Board of Directors, unless otherwise stipulated by law and regulation.</p>

Proposal 2 Election of 9 Directors

The terms of office of all nine Directors will expire at the conclusion of this shareholder meeting. Accordingly, Ichigo proposes the election of the following nine Directors.


The candidates for Directors are as follows:

No.	Name	Current Position and Responsibility	Board Meeting Attendance
1	Scott Callon Reappointment	Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member, Chairman & Representative Statutory Executive Officer	100% (9 of 9 Total)
2	Takuma Hasegawa Reappointment	Chairman of Nominating Committee, Chairman of Compensation Committee, Chairman of Compliance Committee, President & Representative Statutory Executive Officer	100% (9 of 9 Total)
3	Minoru Ishihara Reappointment	Compliance Committee Member, Executive Vice President & Statutory Executive Officer (Value-Add) & COO	100% (9 of 9 Total)
4	Tetsuya Fujita Reappointment – Independent Director	Lead Independent Director, Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member	100% (9 of 9 Total)
5	Noriko Kawate Reappointment – Independent Director	Independent Director, Nominating Committee Member, Audit Committee Member, Compensation Committee Member	100% (9 of 9 Total)
6	Yukio Suzuki Reappointment – Independent Director	Independent Director, Audit Committee Member, Vice Chairman of Compliance Committee	100% (9 of 9 Total)
7	Masatoshi Matsuzaki Reappointment – Independent Director	Independent Director, Nominating Committee Member, Compensation Committee Member	100% (9 of 9 Total)
8	Kosuke Nishimoto Reappointment – Independent Director	Independent Director	100% (9 of 9 Total)
9	Nobuhide Nakaido Reappointment – Independent Director	Independent Director	100% (8 of 8 Total)

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	 <p data-bbox="167 1120 427 1187">Scott Callon (December 6, 1964)</p>	<p data-bbox="450 286 1356 1792"> April 1988 MIPS Computer Systems, Inc. September 1991 Asia-Pacific Research Center, Stanford University March 1994 Research Institute of Capital Formation, Japan Development Bank August 1994 Bankers Trust Asia Securities Co., Ltd. March 1997 Morgan Stanley Japan Limited June 2000 Japan Representative, Prudential plc May 2001 Representative Director, PCA Asset Management Limited April 2002 Morgan Stanley Japan Limited January 2003 Head of Equities, Morgan Stanley Japan Limited May 2006 Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. (current) October 2008 Ichigo Chairman & Representative Statutory Executive Officer (current) November 2008 Director (current), Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee November 2011 Member of Nominating Committee, Member of Compensation Committee May 2012 Associate Director, Japan Association of Corporate Directors Audit & Supervisory Board Member, Chiyoda Co., Ltd. July 2012 Director, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) March 2014 Independent Director, Gwynnie Bee Inc. (current) May 2015 Independent Director, Chiyoda Co., Ltd. (current) September 2015 Chairman of Compliance Committee May 2016 Chairman of Nominating Committee, Chairman of Compensation Committee October 2016 Member of Nominating Committee (current), Member of Compensation Committee (current) July 2017 Group Head of IT Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd. (current) </p> <p data-bbox="450 1825 1356 2004"> (Other Positions) Partner & Chief Executive Officer, Ichigo Asset Management, Ltd. Independent Director, Chiyoda Co., Ltd. Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd. </p>	N/A

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>This is your company. Ichigo’s mission is to repay the trust of our shareholders by driving sustainable growth in shareholder value.</p> <p>As the final year of our <u>Power Up 2019</u> mid-term business plan, this is an important year for us to fully achieve the goals set forth in <u>Power Up 2019</u> and establish a strong foundation for the next stage of our growth. We will continue to work to build Ichigo’s capabilities and grow value for all shareholders and stakeholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
2	 <p data-bbox="181 1160 432 1234">Takuma Hasegawa (January 29, 1971)</p>	<p data-bbox="448 304 1345 1294"> April 1994 Joined Fujita Corporation November 2002 Joined Ichigo October 2004 General Manager, Fund Business Division September 2005 General Manager, Fund Business Division Group 1 May 2006 Senior Statutory Executive Officer & General Manager, Fund Business Division Group 1 May 2007 Senior Statutory Executive Officer & CMO March 2008 Senior Statutory Executive Officer May 2009 Director & Executive Vice President & Statutory Executive Officer (Real Estate) March 2010 Independent Director, Takara Building Maintenance Co., Ltd. January 2011 President & Representative Director (Overall Company Management), Ichigo Estate Co., Ltd. March 2015 Executive Vice President & Statutory Executive Officer May 2015 Director (current), President & Representative Statutory Executive Officer (current) Chairman & Director, Ichigo ECO Energy Co., Ltd. (current) March 2016 Chairman of Compliance Committee (current) May 2016 Member of Nominating Committee, Member of Compensation Committee October 2016 Chairman of Nominating Committee (current), Chairman of Compensation Committee (current) March 2018 Group Head of IT (current) </p> <p data-bbox="448 1335 1123 1406">(Other Positions) Chairman & Director, Ichigo ECO Energy Co., Ltd. </p> <p data-bbox="448 1476 839 1512"><u>Message to Our Shareholders</u></p> <p data-bbox="448 1532 1342 1603">Ichigo's goal is to serve Japan's prosperity and contribute to Japan's future through Ichigo's real estate activities.</p> <p data-bbox="448 1621 1342 1800">This is the final year of our <u>Power Up 2019</u> mid-term business plan, which is an incredibly important year both to achieve our <u>Power Up 2019</u> goals and set out our future growth strategy. Together with all Ichigo employees, I will dedicate all of my strength to work towards this end. Thank you for your continued guidance and support.</p>	354,400 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	 <p data-bbox="178 1055 410 1122">Minoru Ishihara (October 5, 1967)</p>	<p data-bbox="422 304 1362 1731"> April 1990 Joined Hazama Corporation October 2005 Joined Creed Corporation May 2007 Joined Ichigo as Head of Human Resources and General Administration Division March 2008 Executive Officer and Head of Human Resources and General Administration Division October 2008 Chief Administrative Officer & Statutory Executive Officer and Head of Business Management November 2008 Director, Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) May 2009 Director (current), Managing Director & Statutory Executive Officer (Administration), Member of Compliance Committee (current) October 2009 Managing Director (Administration), Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) November 2009 President & Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.) May 2010 Director, Senior Managing Director & Statutory Executive Officer (Administration) April 2011 President & Representative Director, Miyako City Co., Ltd. May 2011 Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) November 2011 Executive Vice President (current) & Statutory Executive Officer (Administration) July 2012 Director (current), Executive Vice President & Statutory Executive Officer (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) November 2012 Director, Ichigo ECO Energy Co., Ltd. March 2013 Head of Real Estate Chairman, President, & Representative Director, Miyako City, Co., Ltd. (current) Chairman & Director, Ichigo Marché Co., Ltd. Chairman & Director, Takara Building Maintenance Co., Ltd. </p>	207,400 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	(continued from previous page)	<p>May 2015 Executive Vice President & Statutory Executive Officer & COO (current)</p> <p>March 2017 President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. (current)</p> <p>April 2017 Chairman, President, & Representative Director, Ichigo Marché Co., Ltd. (current)</p> <p>March 2018 Group Head of Value-Add (current)</p> <p>(Other Positions)</p> <p>Chairman, President, & Representative Director, Miyako City Co., Ltd.</p> <p>Chairman, President, & Representative Director, Ichigo Marché Co., Ltd.</p> <p>President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd.</p> <p><u>Message to Our Shareholders</u></p> <p>Ichigo seeks to be a company that truly puts our clients first. Our direct interaction with tenants helps us to understand their needs and serve them through our real estate expertise and advanced IT capabilities, property management services, and local knowledge. We are working together with our tenants to create a bright future.</p> <p>As the manager of Ichigo's weightlifting, rifle shooting, and track & field teams, I will do my best with all of our athletes in working towards the 2020 Tokyo Olympics. Thank you so much to our fans for your wonderful support.</p> <p>I will continue to work towards growing value for our shareholders and delivering on Ichigo's mission. Thank for your continued guidance and support.</p>	

No.	Name (Date of Birth)	Career History	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 & 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 & 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 Ichigo Independent Director (current), Member of Audit Committee, Member of Compliance Committee</p> <p>February 2011 Auditor, St. Thomas University</p> <p>March 2011 President, ReMark Japan Co., Ltd.</p> <p>May 2011 Chairman of Compliance Committee,</p> <p>May 2012 Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p>July 2012 Director, Member of Audit Committee, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>May 2014 Chairman of Audit Committee (current), Member of Compliance Committee (current), Chairman of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>October 2015 Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan (current)</p> <p>May 2016 Lead Independent Director (current)</p> <p>August 2017 Special Advisor to CEO, ReMark Group (current)</p> <p>(Other Positions) Special Advisor to CEO, ReMark Group Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan</p>	61,300 shares


No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>I believe the role of an Independent Director is to supervise company management from an independent perspective and contribute to the growth of both corporate and social value. By offering advice and guidance from a broad range of expertise, we can promote healthy board-level discussions. I hope to leverage my own management experience to drive Ichigo's growth and support our shareholders and all stakeholders in achieving their goals and aspirations.</p> <p>As an Independent Director, I will work to promote transparency in management and strengthen corporate governance.</p>	


No.	Name (Date of Birth)	Career History	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 & Itoga (now 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 Ichigo Independent Director (current), Member of Audit Committee (current)</p> <p>November 2011 Qualified as American Certified Public Accountant</p> <p>July 2012 Director, Member of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>June 2013 Audit & Supervisory Board Member, Meiji Machine Co., Ltd.</p> <p>May 2014 Member of Nominating Committee (current), Member of Compensation Committee (current), Member of Nominating Committee, Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p>February 2015 Partner, Cast Group (current)</p> <p>(Other Positions) President, CLEA Consulting Co., Ltd. Partner, Cast Group</p> <p><u>Message to Our Shareholders</u></p> <p>Although the real estate market remains strong on the back of the monetary easing by the Bank of Japan, in order for Ichigo to continue to grow shareholder value, we must flexibly and nimbly execute on strategies that takes into account the rapidly changing environment of Japan's real estate market. Drawing upon my expertise and experience in the fields of financial auditing and consulting, I will work to contribute towards a corporate governance structure that strikes the right balance between the pursuit of growth and appropriate oversight and controls.</p>	41,600 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
6	 <p data-bbox="193 1178 400 1245">Yukio Suzuki (June 3, 1950)</p>	<p data-bbox="440 304 1326 1256"> April 1975 Joined Nomura Research Institute, Ltd. June 1996 Director, Nomura Research Institute Ltd. June 1997 Director & Head of Financial Research Center, Nomura Securities Co., Ltd. June 1999 Executive Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2000 Executive Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2003 Executive Managing Director, Nomura Asset Management Co., Ltd. June 2005 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 June 2012 Independent Director, Systema Corporation (current) May 2015 Ichigo Independent Director (current), Director of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) September 2015 Member of Compliance Committee May 2016 Member of Audit Committee (current), Vice Chairman of Compliance Committee (current) March 2018 Auditor, WILLs Inc. (current) </p> <p data-bbox="440 1290 1046 1435"> (Other Positions) CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Auditor, WILLs Inc. </p> <p data-bbox="440 1503 1334 1850"> <u>Message to Our Shareholders</u> Sustainable corporate value creation requires a long-term vision, strategizing and executing on new business development, delivering revolutionary products and services, and solid risk management attuned to changes in the business environment. It is especially important that the process of corporate value creation be shared with shareholders. As an Independent Director, I will supervise Ichigo in pursuit of effective corporate governance, strong human capital development, and global environmental consciousness. </p>	13,300 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	 <p>Masatoshi Matsuzaki (July 21, 1950)</p>	<p>April 1976 Joined Konishiroku Photo Industry Co., Ltd. (now Konica Minolta, Inc.)</p> <p>June 1999 General Manager, System Technology Development Division, Office Document Company, Konica Corporation</p> <p>October 2003 Director, Konica Minolta Business Technologies, Inc.</p> <p>April 2005 Executive Officer, Konica Minolta Holdings Inc. Representative Director & President, Konica Minolta Technology Center, Inc.</p> <p>April 2006 Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p>June 2006 Director & Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p>April 2009 Representative Director & CEO Konica Minolta Holdings, Inc.</p> <p>April 2013 Representative Director & CEO Konica Minolta, Inc.</p> <p>April 2014 Director & Chairman of the Board of Directors, Konica Minolta, Inc. (current)</p> <p>June 2014 Chairman of the Board of Directors, Japan Business Machine and Information System Industries Association</p> <p>May 2016 Deputy Chairman, Japan Association of Corporate Directors (current) Ichigo Independent Director, Member of Nominating Committee (current), Member of Compensation Committee (current)</p> <p>June 2016 Independent Director, Nomura Research Institute, Ltd. (current) Independent Director, Nippon Sheet Glass Co. Ltd. (current)</p> <p>August 2016 Member of Public Interest Supervisory Committee, PwC Aarata LLC (current)</p> <p>(Other Positions) Chairman of the Board of Directors, Konica Minolta Inc. Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. Member of Public Interest Supervisory Committee, PwC Aarata LLC</p>	15,300 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>I believe sustainable corporate growth is important for shareholders and all stakeholders. While short-term earnings performance cannot be ignored, of even greater importance is a company's ability to identify structural changes in the business environment and to proactively establish and execute on a future-oriented business strategy. I will continue to leverage my perspective as an Independent Director to support management's focus on important business issues.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	 <p data-bbox="193 1037 440 1106">Kosuke Nishimoto (March 1, 1958)</p>	<p data-bbox="464 309 1321 927"> April 1981 Joined Kanebo Ltd. (Now Kanebo Cosmetics Inc.) September 1984 Joined Meitec Corporation June 1995 Director, Meitec Corporation July 1996 Senior Managing Director, Meitec Corporation November 1999 President, Meitec Corporation April 2006 President and CEO, Meitec Corporation June 2014 Chairman, Meitec Corporation June 2015 Independent Director, Ryosan Company, Limited (current) Independent Director, Interworks Inc. May 2016 Ichigo Independent Director (current) April 2017 Chairman, President, & Representative Director, Interworks Inc. (current) June 2017 Independent Director, Misumi Group Inc. (current) </p> <p data-bbox="464 965 1310 1106"> (Other Positions) Independent Director, Ryosan Company, Limited Chairman, President, & Representative Director, Interworks Inc. Independent Director, Misumi Group Inc. </p> <p data-bbox="464 1182 1326 1496"> <u>Message to Our Shareholders</u> I believe that a long-term perspective towards growth along with decision-making aimed at growing corporate value are especially critical during times of significant changes in business environment. Leveraging the independent and neutral perspective of an Independent Director, I will support Ichigo in striking the optimal balance between risk, return, and cost in its business management and execution. </p>	15,500 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
9	 <p data-bbox="188 925 450 999">Nobuhide Nakaido (November 1, 1946)</p>	<p data-bbox="462 302 1300 1037"> April 1971 Joined Sumitomo Corporation April 1998 Director, Sumitomo Corporation April 2002 Managing Director, Sumitomo Corporation April 2003 Managing Executive Officer, Sumitomo Corporation April 2004 Senior Managing Executive Officer, Sumitomo Corporation April 2005 Executive Vice President, Sumitomo Corporation April 2009 Executive Director, Assistant to President, Sumitomo Corporation June 2009 Chairman, President, & CEO, Sumisho Computer Systems Corporation (now SCSK Corporation) October 2011 President & CEO, SCSK Corporation June 2013 Chairman, SCSK April 2016 Director & Senior Advisor, SCSK Corporation June 2016 Senior Advisor, SCSK Corporation May 2017 Ichigo Independent Director (current) </p> <p data-bbox="462 1111 1300 1308"> <u>Message to Our Shareholders</u> I will draw upon my management experience to contribute towards the further development of Ichigo’s distinctive business models (such as Value-Add), growing shareholder value, and strengthening Ichigo’s brand. </p>	N/A

- (Note 1) None of the candidates for Director has any relationship of note with Ichigo.
- (Note 2) Ichigo’s Nominating Committee and Board of Directors’ reasons for nominating Scott Callon, Takuma Hasegawa, and Minoru Ishihara for Director are as follows:
- (i) Scott Callon has extensive experience leading Ichigo since October 2008 as Director and Chairman and has knowledge and expertise derived from 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 (the “Ito Review”). He assumed the position of Ichigo Director in November 2008, and his term of office will have been nine and a half years at the close of this shareholder meeting.
 - (ii) Takuma Hasegawa has extensive knowledge and experience at Ichigo, having led a number of Ichigo’s real estate businesses. He has been Ichigo’s President since May 2015. He assumed the position of Ichigo Director in May 2009 for two years, and his term of office will have been five years at the close of this shareholder meeting.
 - (iii) Minoru Ishihara has extensive knowledge and experience as Executive Vice President and COO of Ichigo. He assumed the position of Ichigo Director in 2009, and his term of office will have been nine years at the close of this shareholder meeting.
- (Note 3) All six candidates for Independent Director – Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido – meet the Tokyo Stock Exchange’s (TSE) requirements for Independent Director and will be registered with the TSE as such.
- (Note 4) Ichigo’s Nominating Committee and Board of Directors’ reasons for nominating Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido as candidates for Independent Director are as follows:
- (i) Tetsuya Fujita has extensive knowledge and experience working for a leading property insurance company and a leading life insurance company. He assumed the position of Independent Director in May 2010, and his term of office will have been eight years at the close of this shareholder meeting.
 - (ii) Noriko Kawate has extensive experience in statutory auditing at a major auditing firm and in accounting and tax advisory as a certified public accountant and tax accountant. She assumed the position of Independent Director in May 2011, and her term of office will have been seven years at the close of this shareholder meeting.
 - (iii) Yukio Suzuki has 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 has 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 in May 2015, and his term of office will have been three years at the close of this shareholder meeting.
 - (iv) Masatoshi Matsuzaki has extensive experience as the CEO and Chairman leading a major global office equipment manufacturer, driving a positive structural transformation and business innovation, and played a 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. He assumed the position of Independent Director in May 2016, and his term of office will have been two years at the close of this shareholder meeting.

- (v) Kosuke Nishimoto has extensive experience and knowledge as the CEO and Chairman leading Japan's largest engineering outsourcing services company, growing the company and deepening its capabilities on behalf of all stakeholders while driving significant growth in shareholder value. He has deep understanding of human resources and talent development, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2016, and his term of office will have been two years at the close of this shareholder meeting.
- (vi) Nobuhide Nakaido has extensive experience and knowledge as the Executive Vice President of one of Japan's largest trading companies and President & Chairman of a leading Japanese IT systems integrator, driving innovation in the IT service industry and increasing corporate value through workstyle & workplace transformation. He has extensive knowledge and experience leading major global companies which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2017, and his term of office will have been one year at the close of this shareholder meeting.

(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) Tetsuya Fujita and Noriko Kawate served as an Independent Director of Ichigo subsidiary, Ichigo Investment Advisors, from July 2012 to May 2016.
- (ii) Yukio Suzuki served as an Independent Director of Ichigo subsidiary, Ichigo Investment Advisors, from May 2015 to May 2016.
- (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 Ichigo or related entities.
- (iv) No candidate for Independent Director is the spouse of the management of Ichigo or related entities, nor are they related within three degrees of consanguinity.

(Note 7) In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido. 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 Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido as Independent Directors, Ichigo will enter into new limited liability agreements with equivalent terms with each of them.

- (Note 8) Scott Callon has not received and will not receive any compensation from Ichigo.
- (Note 9) Shares owned by Yukio Suzuki, a candidate for Independent Director, include shares owned by Belle Investment Research of Japan Inc., all of whose shares are owned by Yukio Suzuki.
- (Note 10) The number of Ichigo shares owned by each of the candidates for Director is as of February 28, 2018.

Business Report
(March 1, 2017 – February 28, 2018)

I. Current Operations and Financials

A. Business Conditions in the Current Fiscal Year (FY18/2)

1. Business Results and Progress

During FY18/2 the Japanese economy continued to expand moderately, as a result of economic and fiscal policies implemented by the Japanese government, monetary easing policies implemented by the Bank of Japan, and growth of the global economy. Capital expenditures continued to increase on the back of improved corporate earnings and business sentiment, and household consumption gradually increased due to steady improvements in employment and income.

Turning to Ichigo's prime area of activity, the Japanese real estate industry has seen relatively stable investment returns on the back of ongoing rent increases and low interest rates, in turn driving strong demand for real estate investments. As can be seen in five consecutive years of land price increases in Tokyo, land prices continue to be on the rise, especially for the three major metropolitan areas. Despite a shift of funds from J-REIT mutual funds into J-REIT ETFs, the J-REIT market is expected to see continued strong demand given its stability and product transparency. The office market continues to see rent increases in the five central wards of Tokyo, with further growth of office demand expected from strong corporate earnings, headcount expansion, and efforts to improve work environments in order to attract talent. Although the hotel market continues to see large new supply, demand is growing strongly, centered on inbound tourists from Asian countries, supported by the 2020 Tokyo Olympics and the government's efforts to promote Japan as a global tourist destination.

With respect to clean energy, while changes in the renewable energy feed-in-tariff (FIT) rules have caused some companies to reevaluate project viability, it has also spurred creation of a secondary market for existing solar power plants and development rights. A new solar YieldCo also IPOed on the Tokyo Stock Exchange infrastructure market during FY18/2, as the market continues to grow.

Within this business environment, Ichigo executed on the following initiatives to achieve the goals it set out in its Power Up 2019 mid-term business plan and establish a foundation for sustainable growth.

Core Business Growth

– **Value-Add**

Given the strong real estate market, Ichigo worked to grow through new initiatives and innovative approaches to asset acquisition. Specifically, Ichigo acquired via M&A a Tokyo-based real estate operator, Centro Co., Ltd., and also made acquisitions in new asset types in logistics and self-storage facilities. FY18/2 asset acquisitions totaled JPY 54.3 billion, which will drive future earnings growth via rental income. FY18/2 asset sales were JPY 23.6 billion.

Because Ichigo's FY18/2 Value-Add profit margins were significantly above forecast, Ichigo was able to be more selective in its Value-Add asset sales and retained more Value-Add assets that will contribute to stable earnings going forward.

Through its strengthened leasing activities and high-quality tenant services, Ichigo has also successfully increased both occupancy and rents at Tradepia Odaiba, Ichigo's first large-scale Value-Add asset, in the first year post-acquisition.



Tradepia Odaiba

– Asset Management

Ichigo worked to support the growth of its two TSE-listed REITs and solar YieldCo by supporting Ichigo Office's (8975) portfolio restructuring and Ichigo Hotel's (3463) hotel acquisitions and selling two solar power plants to Ichigo Green (9282).

– Clean Energy

Ichigo launched the operation of the Ichigo Showamura Ogose ECO Power Plant in September 2017, four months ahead of its initial launch schedule. Ichigo Showamura is the largest solar power plant in Kanto, the region that encompasses Tokyo and the world's largest electricity market. With a 20-year fixed power sale contract (FIT) in place, Ichigo Showamura will be a stable earnings driver for twenty years. Ichigo continues to expand its solar and wind power plant pipeline.



Ichigo Showamura, Tokyo's Largest Solar Power Plant

New Business Entry

– Real Estate Owner Services

Ichigo launched Ichigo Owners, a real estate owner services company, on March 1, 2017, as its fourth pillar of business. Ichigo Owners caters to the needs of both experienced real estate owners as well as first-time real estate investors, leveraging Ichigo's value-add capabilities to increase the value of clients' real estate. Ichigo Owners also provides ongoing asset management services tailored to the diverse needs of Ichigo clients, building long-term relationships of trust, and protecting and growing the value of client real estate holdings.

– Boutique Hotels

Ichigo launched its first boutique hotel brand and opened THE KNOT YOKOHAMA on December 1, 2017, having transformed and upgraded the old Yokohama Kokusai Hotel. THE KNOT brand is positioned between luxury hotels and budget hotels, which is common in Europe and the US, but new for Japan. Ichigo's second boutique hotel, THE KNOT TOKYO (provisional name), is currently being developed in Shinjuku.



THE KNOT YOKOHAMA

– Self-Storage

Ichigo entered the self-storage market through its acquisition of Centro, which offers indoor storage equipped with the industry's leading security and air conditioning management systems. The self-storage market has significant growth potential in Japan, and Ichigo will accelerate new openings, leveraging its extensive network and solid financial standing.

– Ichigo Land

Ichigo established a new subsidiary, Ichigo Land Shinchiku ("Ichigo Land"), on October 17, 2017 to further contribute to a sustainable society via Ichigo's Value-Add capabilities.

– Hotel AI System

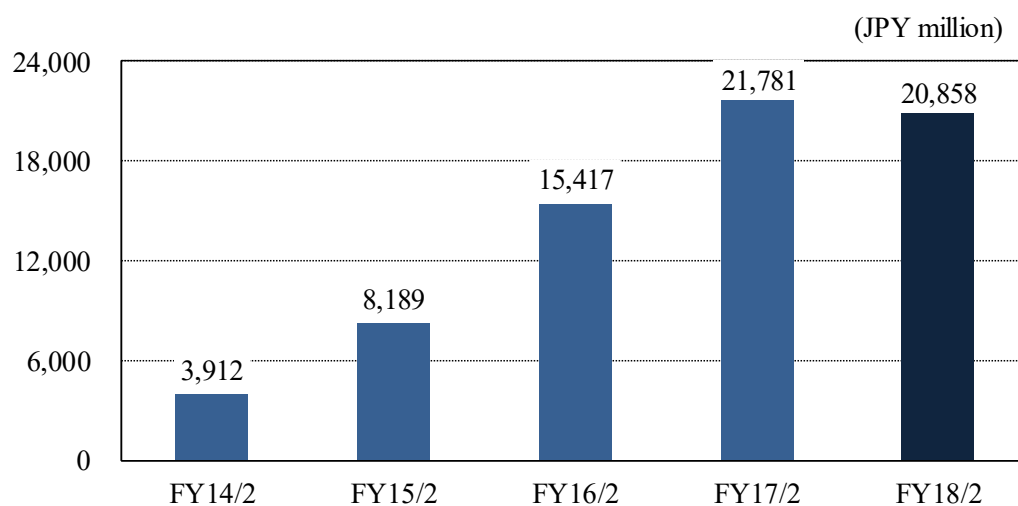
Ichigo has allied with Fujitsu Kyushu Systems Limited, a major hotel systems developer and member of the Fujitsu Group with deep expertise in AI (artificial intelligence) and IoT (Internet of Things), to develop an AI-based revenue management system. Ichigo's goal in this alliance is to develop technology solutions that increase guest satisfaction, increase hotel values, and drive higher earnings.

Improved Borrowing Terms, Share Buybacks, JPX-Nikkei 400 Index, Branding

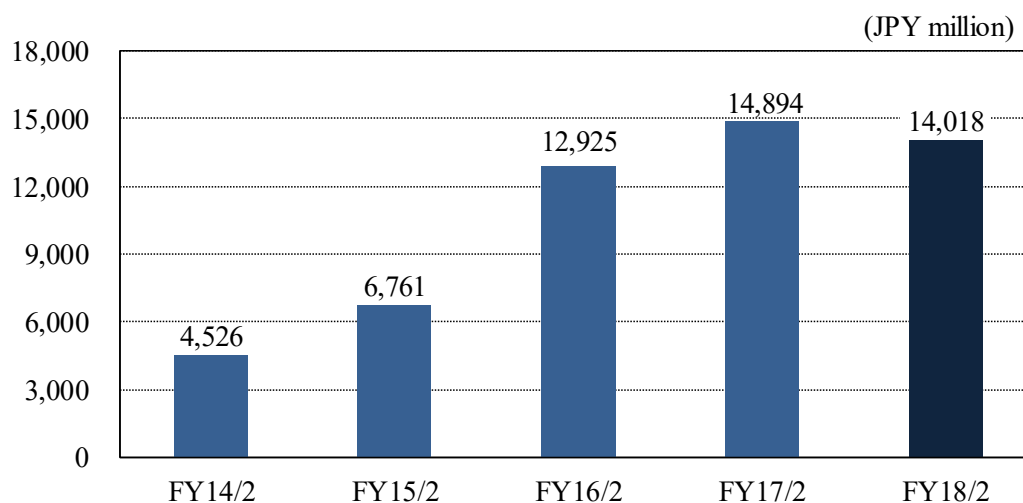
- Ichigo further strengthened its financial standing by extending its loan maturities, lowering borrowing costs, hedging against future rises in interest rates, and expanding its uncollateralized borrowings.
- Ichigo conducted two share buybacks during FY18/2 to grow EPS for Ichigo shareholders.
- For the second year in a row, Ichigo was selected for inclusion in the JPX-Nikkei Index 400 in August 2017. In its Power Up 2019 mid-term business plan, Ichigo is seeking to rank within the JPX-Nikkei 400's top 200 companies by August 2019.
- Ichigo implemented a number of measures to strengthen the Ichigo brand.

Ichigo thus recorded FY18/2 revenue of JPY 57.8 billion (-47.1% year-on-year); operating profit of JPY 20.9 billion (-4.2% year-on-year); recurring profit of JPY 19.2 billion (-2.9% year-on-year); and net income of JPY 14.0 billion (-5.9% year-on-year).

Operating Profit



Net Income



2. Capital Expenditures

During FY18/2, solar power plant equipment and solar power plants under construction (fixed assets) increased by JPY 3.4 billion.

3. Financing

In order to drive earnings growth and further strengthen its financial standing, Ichigo took advantage of the current low interest rate environment to improve borrowing terms by lowering borrowing costs, staggering loan maturities, and extending loan durations.

Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise, hedging 60.2% of interest-bearing corporate loans as of the end of FY18/2 via interest rate swaps and interest rate caps. If asset acquisition and sales and loan repayments proceed as forecast, then 79.6% of FY21/2-end interest-bearing corporate loans will be hedged against interest rate movements.

Ichigo has also been increasing its uncollateralized borrowings, which total JPY 29 billion as of March 2017.

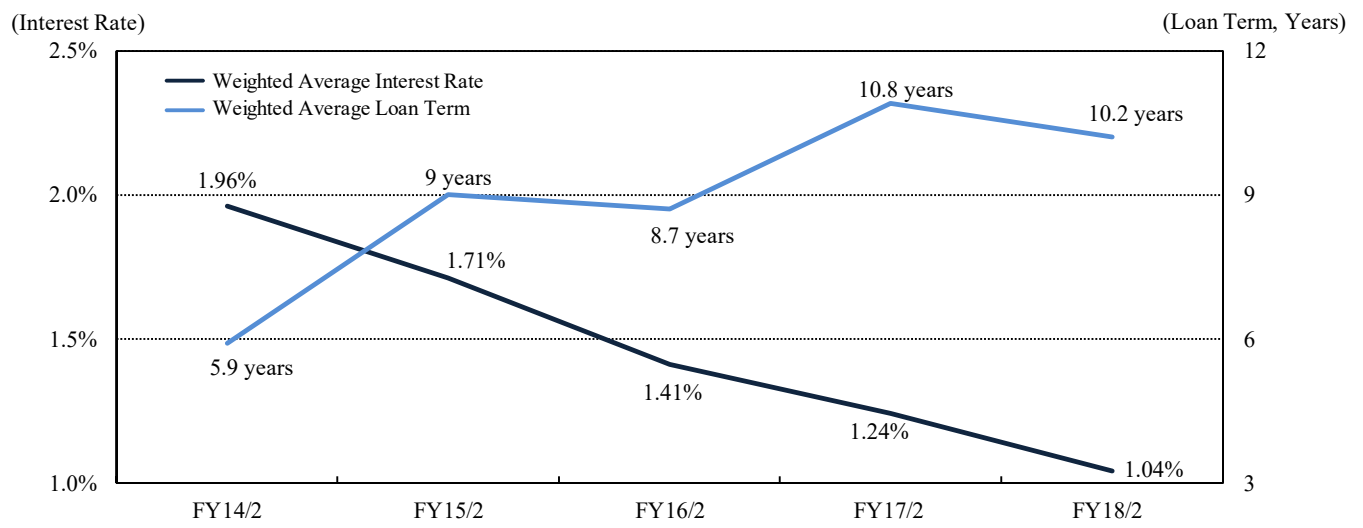
	Lender	Amount	Term	Use of Funds
Uncollateralized Loans	SMBC-led syndicated loan ¹	JPY 8 billion	7 years	Refinancing
Uncollateralized Commitment Lines	SMBC	JPY 10 billion	2 years from drawdown date	Acquisition of new hotels
	Mizuho Bank	JPY 4 billion	2 years from drawdown date	Acquisition of new hotels
Uncollateralized Credit Facilities	Mizuho Bank	JPY 5 billion	3 years from drawdown date	Solar power plant development and acquisition
	Mizuho Bank	JPY 2 billion	Until March 31, 2018	Capex in the event of a natural disaster
Total		JPY 29 billion		

¹ SMBC, Shinsei Bank, Hokuriku Bank, Yamaguchi Bank, Tokushima Bank, ShinGinko Tokyo

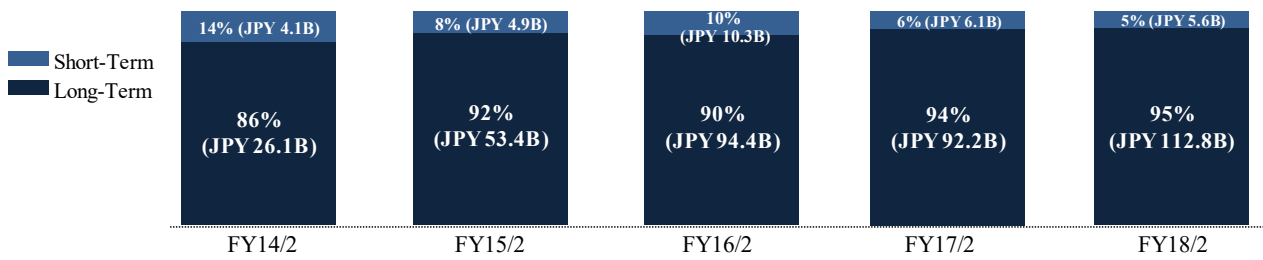
As a result, Ichigo's outstanding balance of interest-bearing corporate loans as of the end of FY18/2 was JPY 118.5 billion (+20.5% year-on-year), and its outstanding balance of non-recourse loans and bonds was JPY 67.5 billion (-11.0% year-on-year). Average interest rates during FY18/2 for interest-bearing corporate loans and non-recourse loans were 1.0% (-0.2% year-on-year) and 1.2% (-0.1% year-on-year), respectively.

Ichigo continues to have an extraordinarily stable and durable balance sheet, with 95.3% of interest-bearing corporate loans as of the end of FY18/2 being long-term. Specifically, JPY 82.0 billion of interest-bearing corporate loans have remaining terms of more than 5 years, with total interest-bearing corporate loans having an average loan term of 10.2 years. Furthermore, 47.8% of Ichigo's interest-bearing corporate loans as of the end of FY18/2 are with Japanese megabanks.

Average Interest Rate and Loan Term



Term Structure of Loans



4. Business Transfers, Absorption-Type Splits or Incorporation-Type Splits

Ichigo transferred a mid-size Value-Add retail asset to Ichigo Land via a corporate divestiture on February 20, 2018.

5. Transferred Businesses from Other Companies

N/A

6. Succession of 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 Options, etc.

Ichigo completed the sale of its 100% subsidiary Takara Building Maintenance to Sinanen Holdings on March 1, 2017.

Ichigo established a real estate owner services company, Ichigo Owners Co., Ltd., on March 1, 2017 as a wholly-owned subsidiary with a paid-in capital of JPY 100 million.

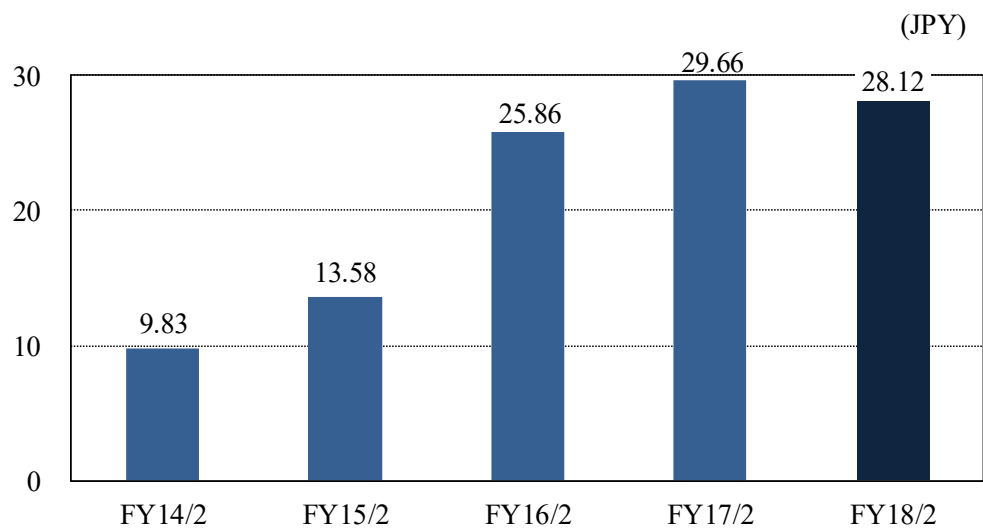
On July 3, 2017, Ichigo acquired 100% of the outstanding shares of Centro Co., Ltd. via Carpe Diem GK Tokumei Kumiai, a special purpose company. Through this acquisition, Centro's subsidiary that operates a self-storage business, Storage Plus Corp., became Ichigo's consolidated subsidiary.

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

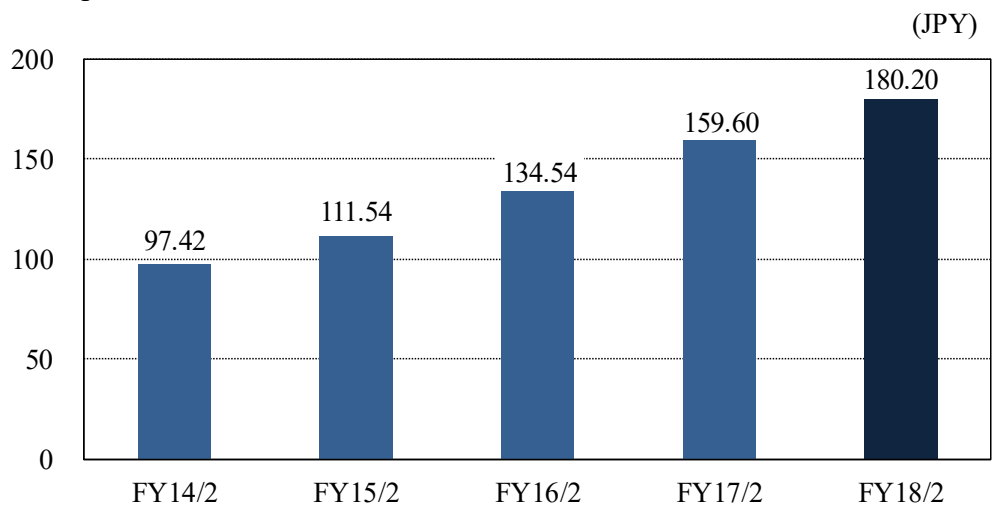
	Fifteenth Term (FY15/2)	Sixteenth Term (FY16/2)	Seventeenth Term (FY17/2)	Eighteenth Term (FY18/2)
Revenue (JPY million)	42,705	49,699	109,253	57,846
Operating Profit (JPY million)	8,189	15,417	21,781	20,858
Recurring Profit (JPY million)	7,255	13,889	19,755	19,185
Net Income (JPY million)	6,761	12,925	14,894	14,018
Net Income per Share (JPY)	13.58	25.86	29.66	28.12
Total Assets (JPY million)	172,744	251,757	273,459	296,512
Net Assets (JPY million)	58,377	72,166	83,443	92,725
Net Assets per Share (JPY)	111.54	134.54	159.60	180.20
Dividend per Share (JPY)	1.3	3.0	5.0	6.0
Return on Equity	13.0%	21.0%	20.2%	16.5%

(Note) Net Income per Share is calculated based on the average number of outstanding shares, excluding treasury shares, during the term. Net Assets per Share is calculated based on the number of outstanding shares, excluding treasury shares, as of the end of the fiscal year.

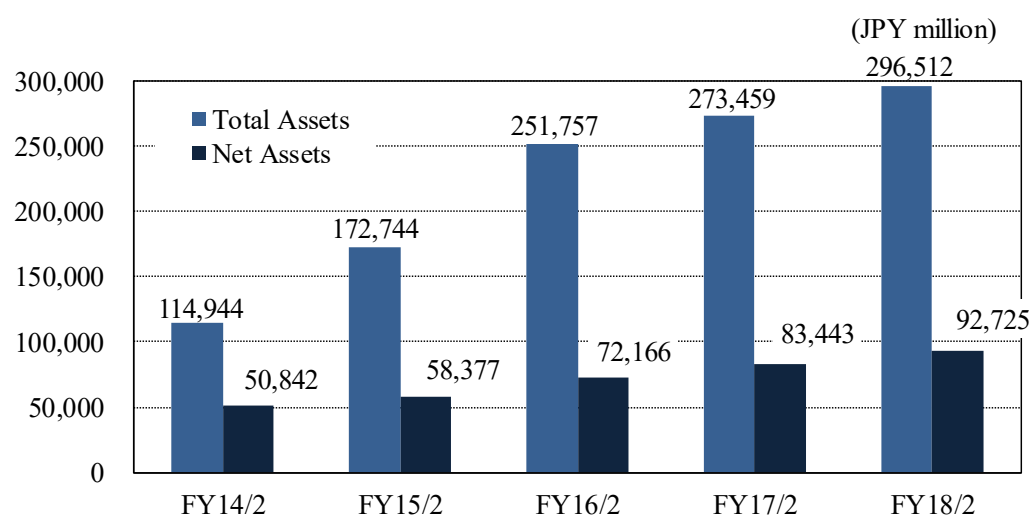
Net Income per Share (EPS)



Net Assets per Share



Total Assets & Net Assets



C. Company and Subsidiary Information

(1) Controlling Parent Company

N/A – Ichigo does not have a controlling parent company.

(2) Important Subsidiaries

Name	Capital	Percentage Ownership of Voting Rights	Main Business
Ichigo Investment Advisors Co., Ltd.	JPY 400 million	100%	Asset manager of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
Ichigo Estate Co., Ltd.	JPY 500 million	100%	Real estate value-add
Ichigo ECO Energy Co., Ltd.	JPY 100 million	100%	Clean energy business focusing on utility-scale solar and wind power production, making purposeful use of unused land nationwide
Ichigo Real Estate Services Fukuoka Co., Ltd.	JPY 50 million	100%	Real estate business centered on Fukuoka in Kyushu region
Ichigo Owners Co., Ltd.	JPY 100 million	100%	Real estate owner services
Ichigo Land Shinchiku Co., Ltd.	JPY 50 million	100%	Real estate value-add
Ichigo Marché Co., Ltd.	JPY 95 million	100%	Operates Matsudo Nanbu wholesale market in Chiba Prefecture
Miyako City Co., Ltd.	JPY 50 million	100%	Operates Miyako City shopping mall in Miyazaki Prefecture

(Note 1) Ichigo established Ichigo Owners Co., Ltd., a real estate owner services company, as a wholly-owned subsidiary with paid-in capital of JPY 100 million on March 1, 2017.

(Note 2) Ichigo sold Takara Building Maintenance Co., Ltd. to Sinanen Holdings Co., Ltd. on March 1, 2017.

(Note 3) Ichigo acquired 100% of the outstanding shares of Centro Co., Ltd. via Carpe Diem GK Tokumei Kumiai, a special purpose company, on July 3, 2017. Via this acquisition, Storage Plus Corp., Centro's subsidiary that operates a self-storage business, became Ichigo's consolidated subsidiary.

(Note 4) Ichigo established Ichigo Land Shinchiku Co., Ltd., a real estate value-add company, as a wholly-owned subsidiary with paid-in capital of JPY 50 million on October 17, 2017.

D. Key Business Priorities

Ichigo's Power Up 2019 mid-term business plan sets out as its key goals to drive further sustainable earnings growth in Ichigo's core businesses and develop new Ichigo businesses that will be forward growth engines. Consistent with this strategy and in response to potential changes in market conditions in Japan's currently strong real estate market, Ichigo has been building a foundation for sustainable growth for its shareholders.

Ichigo has been successfully generating steady earnings growth in its three core businesses: Value-Add, Asset Management, and Clean Energy.

In Asset Management, there is a significant gap between the share prices of J-REITs and YieldCos versus the realizable value of the underlying real estate and renewable energy assets, which underscores the current undervaluation of Ichigo Office, Ichigo Hotel, and Ichigo Green. To close this valuation gap, Ichigo is working to increase earnings by generating profits on asset sales that can fund growth investments and value-add capex, strategically restructuring asset portfolios, and acquiring new assets taking advantage of the Ichigo Office, Ichigo Hotel, and Ichigo Green's strong financial standing.

In Value-Add, Ichigo has expanded into new asset types, including logistics and self-storage. In Clean Energy, Ichigo has been adding wind power plant projects to its existing portfolio of solar power plants. Ichigo is working across all of its businesses to drive sustainable growth by accelerating the development of new earnings drivers, such as real estate owner services and self-storage.

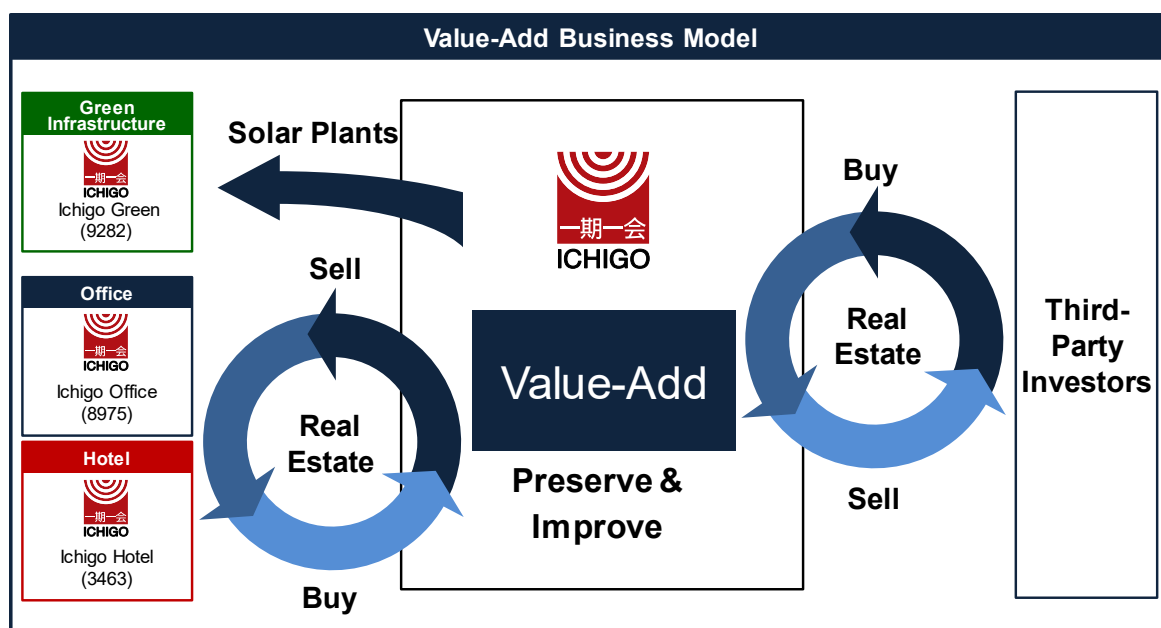
Power Up 2019 Key Initiatives

Profitability	Core Business Growth	<ul style="list-style-type: none"> List Ichigo's solar assets on the TSE's new Infrastructure Market Support the ongoing growth of Ichigo Office (8975) and Ichigo Hotel (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 acquisitions and rental income 	<ul style="list-style-type: none"> Listing of Ichigo Green (9282) on Dec 1, 2016 Asset sales to Ichigo Office (8975) and Ichigo Hotel (3463) Expanded the architecture and structural engineering team Spun out a dedicated leasing team to drive tenant acquisitions and value-add
	New Business Creation	<ul style="list-style-type: none"> Extend Ichigo's REIT-focused asset management business into the much larger physical real estate market Grow Ichigo's hotel business synergistically with Ichigo Hotel Launch one or more <u>REtech</u> businesses, fusing Ichigo's <u>Real Estate</u> and <u>IT</u> capabilities 	<ul style="list-style-type: none"> Launched Ichigo Owners: JPY 21.4B acquisitions, JPY 2.3B sales in first year Launched Ichigo's first boutique hotel, THE KNOT YOKOHAMA, on Dec 1, 2017 Allying with Fujitsu Kyushu Systems to develop AI hotel revenue management system
Sustainability	Finance as a Strategic Measure	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Average Loan Maturity: 10.2 years Average Interest Rate: 1.04% Long-Term Loan Ratio: 95%
	High Capital Efficiency and Organic Growth	<ul style="list-style-type: none"> ROE >15% 	<ul style="list-style-type: none"> FY17/2 20.2% FY18/2 16.5%
	Best Place to Work	<ul style="list-style-type: none"> Support employee health and wellness Goal: Japan's number one company in providing opportunities for employees 	<ul style="list-style-type: none"> 100% return rate for employees who take child leave Annual stock option grants (fully expensed) to all employees to align their interests with Ichigo shareholders
	Global Best Practice Governance and Compliance		<ul style="list-style-type: none"> 6 of 9 Board Members are Independent Directors 3 former CEOs of TSE 1st Section companies serve as Independent Directors

E. Key Business Segments (as of February 28, 2018)

Ichigo's core activity is preserving and improving real estate focused on Value-Add. Ichigo 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 offices, hotels, and retail and other assets, Ichigo develops and operates solar and wind power plants to supply clean energy and bring productive use to unused land.

Ichigo's Value-Add Business Model



F. Principal Offices (as of February 28, 2018)

	Headquarters
Ichigo Inc. Ichigo Investment Advisors Co., Ltd. Ichigo Estate Co., Ltd. Ichigo ECO Energy Co., Ltd. Ichigo Owners Co., Ltd. Ichigo Land Shinchiku Co., Ltd.	Chiyoda-ku, Tokyo
Ichigo Real Estate Services Fukuoka Co., Ltd.	Fukuoka City, Fukuoka Prefecture
Ichigo Marché Co., Ltd.	Matsudo City, Chiba Prefecture
Miyako City Co., Ltd.	Miyazaki City, Miyazaki Prefecture

G. Employees (as of February 28, 2018)

1. Employees (Consolidated basis)

Number of employees	Increase/decrease from previous fiscal year-end
202 (11)	-38 (-614)

(Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo), 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) The number of full-time employees decreased by 38 and non-full-time employees by 614 as a result of the deconsolidation of a subsidiary.

2. Employees (Parent basis)

Number of employees	Increase/decrease from previous fiscal year-end	Average age	Average years of employment
88 (3)	+4 (-)	42.4 years old	5.1 years

(Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo) 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 four; however, this was mainly due to employees being moved from a subsidiary pursuant to a corporate reorganization.

H. Principal Lenders (as of February 28, 2018)

Lenders	Amount
Sumitomo Mitsui Banking Corporation	JPY 34.7 billion
Mizuho Bank, Ltd.	JPY 17.7 billion
Kansai Urban Banking Corporation	JPY 11.3 billion
The Nishi-Nippon City Bank, Ltd.	JPY 7.8 billion
Resona Bank, Limited.	JPY 6.8 billion

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

I. Dividend and Distribution Policy

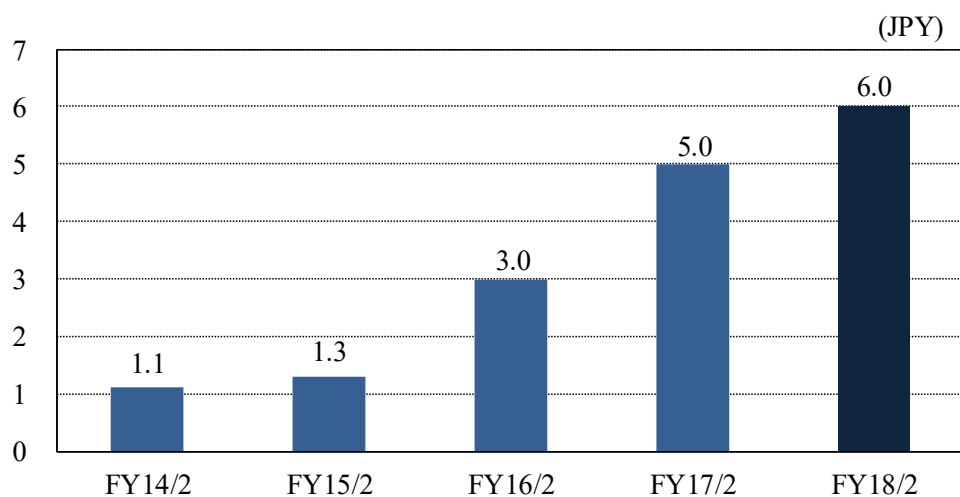
Ichigo views distributions to its shareholders as an important priority.

Ichigo's Board of Directors adopted on April 19, 2016 a progressive dividend policy. This policy underscores Ichigo'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, Ichigo has adopted a minimum DOE (dividend on equity) payout ratio of 3%. In contrast to a "earnings payout ratio policy," which pays dividends based upon more volatile annual earnings, a DOE policy that pays dividends based upon more stable shareholder equity is by its very nature more stable. Ichigo 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 Ichigo's shareholders.

The FY18/2 dividend per share is JPY 6, up 20% year-on-year.

Dividend per Share



J. Other Material Matters

Ichigo's Board of Directors decided to conduct share buybacks, pursuant to the provisions of Articles 156 and 165 of the Company Law, at the Board of Directors meetings held on April 19, 2017 and October 12, 2017. The details of these buybacks are as follows:

1. Share Buyback Rationale

To grow value for Ichigo shareholders

2. Share Buyback Summary

April 2017 Share Buyback

Number of Shares	4,627,400
Amount	JPY 1,499,979,200
Average Share Price	JPY 324
Buyback Period	April 24, 2017 – April 28, 2017
Buyback Method	In-market purchases via trust bank

October 2017 Share Buyback

Number of Shares	3,809,100
Amount	JPY 1,499,969,100
Average Share Price	JPY 394
Buyback Period	October 13, 2017 – November 1, 2017
Buyback Method	In-market purchases via trust bank

II. Other Matters

A. Shares and Shareholder Information (as of February 28, 2018)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 504,484,200 shares (including 8,706,500 treasury shares)
3. Number of Shareholders: 25,578

Top 10 Shareholders

Name	Shares Held	Shareholding Ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	246,943,200	49.81%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	24,417,500	4.93%
MACQUARIE BANK LIMITED–MBL LONDON BRANCH (Standing Proxy: Citibank, N.A., Tokyo Branch)	15,785,000	3.18%
BNYMSANV RE GCLB RE JP RD LMGC (Standing Proxy: Citibank, N.A., Tokyo Branch)	11,078,186	2.23%
Japan Trustee Services Bank, Ltd. (Trust Account)	11,061,600	2.23%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	10,759,100	2.17%
Ueda Yagi Tanshi Co., Ltd.	7,462,200	1.51%
THE MASTER TRUST BANK OF JAPAN (Trust Account)	7,429,000	1.50%
Morgan Stanley MUFG Securities Co., Ltd.	5,497,260	1.11%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	5,379,600	1.09%
TOTAL	345,812,646	69.75%

(Note 1) Shareholding Ratio is calculated excluding 8,706,500 treasury shares.

(Note 2) Ichigo's share buybacks increased the Shareholding Ratio of Ichigo Trust Pte. Ltd., Ichigo's largest shareholder, from 49.55% to 49.81% as of February 28, 2018.

(Note 3) The Bank of Tokyo-Mitsubishi UFJ, Ltd., the standing Proxy for BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD, has changed its name to MUFG Bank, Ltd., effective April 1, 2018.

B. Employee Stock Options

1. Stock Options Issued as Compensation for Execution of Duties by Officers

		10th Stock Option Plan	
Date of resolution		August 8, 2011	
Number of stock options		100 units ¹	
Type and number of shares		20,000 common shares (200 shares per unit)	
Issue price		N/A	
Exercise price		JPY 11,000 per unit (JPY 55 per share)	
Exercise period		August 9, 2013 – August 8, 2018	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	—
		Number of shares:	—
		Number of holders:	—
	Independent Directors	Number of stock options:	—
		Number of shares:	—
		Number of holders:	—
	Statutory Executive Officers (excluding those who are Directors)	Number of stock options:	100 units
		Number of shares:	20,000 shares
		Number of holders:	1

¹ Of the total stock options 100 units have been issued to Officers. (100 units have been exercised in the fiscal year ending February 2018.)

² Exercise Conditions

- (i) Ichigo must fully complete its buyback of either 61,693 shares or JPY 616,930,000 as approved by Ichigo's Board of Directors on August 8, 2011.
- (ii) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iv) If a person who is allotted stock options should become deceased, the heir may, within one year from the decease, exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (v).
- (v) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

(Note) Shares of Ichigo were split 200 shares to one effective September 1, 2013.

		11th Stock Option Plan	
Date of resolution		August 24, 2012	
Number of stock options		1,355 units ¹	
Type and number of shares		271,000 common shares (200 shares per unit)	
Issue price		N/A	
Exercise price		JPY 12,000 per unit (JPY 60 per share)	
Exercise period		August 25, 2014 – August 24, 2019	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	679 units
		Number of shares:	135,800 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	—
		Number of shares:	—
		Number of holders:	—
	Statutory Executive Officers (excluding those who are Directors)	Number of stock options:	81 units
		Number of shares:	16,200 shares
		Number of holders:	2

¹ Of the total stock options 760 units have been issued to Officers. (2,100 units have been exercised in the fiscal year ending February 2018.)

² Exercise Conditions

- (i) Ichigo must pay an interim or full-year dividend in the 13th fiscal year (March 1, 2012 – February 28, 2013).
- (ii) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor, or employee of Ichigo'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 options are not permitted.
- (iv) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (v).
- (v) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

(Note) Shares of Ichigo were split 200 shares to one effective September 1, 2013.

		12th Stock Option Plan	
Date of resolution		January 10, 2014	
Number of stock options		735,000 units ¹	
Type and number of shares		735,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 337 per share	
Exercise period		January 12, 2016 – January 10, 2021	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	153,700 units
		Number of shares:	153,700 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	—
		Number of shares:	—
		Number of holders:	—
	Statutory Executive Officers (excluding those who are Directors)	Number of stock options:	142,800 units
		Number of shares:	142,800 shares
		Number of holders:	9

¹ Of the total stock options 296,500 units have been issued to Directors. (5,300 units have been exercised in the fiscal year ending February 2018.)

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		13th Stock Option Plan	
Date of resolution		January 13, 2015	
Number of stock options		1,676,500 units ¹	
Type and number of shares		1,676,500 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 382 per share	
Exercise period		January 14, 2017 – January 13, 2022	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	270,000 units
		Number of shares:	270,000 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	18,000 units
		Number of shares:	18,000 shares
		Number of holders:	2
Statutory Executive Officers (excluding those who are Directors)	Number of stock options:	271,000 units	
	Number of shares:	271,000 shares	
	Number of holders:	10	

¹ Of the total stock options 559,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		14th Stock Option Plan	
Date of resolution		January 13, 2016	
Number of stock options		1,373,200 units ¹	
Type and number of shares		1,373,200 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 474 per share	
Exercise period		January 14, 2018 – January 13, 2023	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	175,000 units
		Number of shares:	175,000 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	24,000 units
		Number of shares:	24,000 shares
		Number of holders:	3
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	196,000 units
		Number of shares:	196,000 shares
		Number of holders:	10

¹ Of the total stock options 395,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		15th Stock Option Plan	
Date of resolution		January 13, 2017	
Number of stock options		1,904,500 units ¹	
Type and number of shares		1,904,500 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 423 per share	
Exercise period		January 14, 2020 – January 13, 2025	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	210,000 units
		Number of shares:	210,000 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	75,000 units
		Number of shares:	75,000 shares
		Number of holders:	5
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	268,000 units
		Number of shares:	268,000 shares
		Number of holders:	10

¹ Of the total stock options 553,000 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

		16th Stock Option Plan	
Date of resolution		January 12, 2018	
Number of stock options		1,800,000 units ¹	
Type and number of shares		1,800,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 519 per share	
Exercise period		January 13, 2021 – January 12, 2026	
Exercise conditions ²			
Holding Details	Directors (excluding Independent Directors)	Number of stock options:	173,700 units
		Number of shares:	173,700 shares
		Number of holders:	2
	Independent Directors	Number of stock options:	81,000 units
		Number of shares:	81,000 shares
		Number of holders:	6
Statutory Executive Officers (excluding those who are also Directors)	Number of stock options:	225,400 units	
	Number of shares:	225,400 shares	
	Number of holders:	8	

¹ Of the total stock options 480,100 units have been issued to Officers.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

2. Stock Options Issued for Compensation for Execution of Duties by Officers and Employees during the Current Fiscal Year

		16th Stock Option Plan	
Date of resolution		January 12, 2018	
Number of stock options		1,800,000 units ¹	
Type and number of shares		1,800,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 519 per share	
Exercise period		January 13, 2021 – January 12, 2026	
Exercise conditions ²			
Holding Details	Employees (excluding those who are Directors and Statutory Executive Officers)	Number of stock options: Number of shares: Number of holders:	1,299,800 units 1,299,800 shares 187
	Directors and Employees of Subsidiaries	Number of stock options: Number of shares: Number of holders:	20,100 units 20,100 shares 3

¹ Of the total stock options 1,319,900 units have been issued to employees.

² Exercise Conditions

- (i) Any person who is allotted stock options is required to remain in the position of Director, Statutory Executive Officer, or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo'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 options are not permitted.
- (iii) If a person who is allotted stock options should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Options Allotment Agreement as described in (iv).
- (iv) Other conditions are subject to the Stock Options Allotment Agreement entered into between Ichigo and recipient of stock options pursuant to the resolution of Ichigo's Board of Directors.

3. Other Material Matters regarding Stock Options

N/A

C. Directors and Officers

1. Directors (as of February 28, 2018)

Position	Name	Responsibility and Other Business Affiliations
Director	Scott Callon	Chairman & Representative Statutory Executive Officer Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. Independent Director, Chiyoda Co., Ltd. Chairman & Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd.
Director	Takuma Hasegawa	President & Representative Statutory Executive Officer Chairman of Nominating Committee, Compensation Committee, and Compliance Committee, Chairman & Director, Ichigo ECO Energy Co., Ltd.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Value-Add) & COO Compliance Committee Member Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman, President, & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd.
Independent Director ³	Tetsuya Fujita ¹	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member Advisor, Laureate International Universities Japan Special Advisor to CEO, ReMark Group
Independent Director ³	Noriko Kawate ²	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President, CLEA Consulting Co., Ltd. Partner, Cast Group
Independent Director ³	Yukio Suzuki	Vice Chairman of Compliance Committee, Audit Committee Member CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation
Independent Director ³	Masatoshi Matsuzaki	Nominating Committee Member, Compensation Committee Member Chairman of the Board of Directors, Konica Minolta Inc. Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. Member, Public Interest Supervisory Committee of PwC Aarata LLC
Independent Director ³	Kosuke Nishimoto	Independent Director, Ryosan Company, Limited Chairman, President, & Representative Director, Interworks Inc. Independent Director, Misumi Group Inc.
Independent Director ³	Nobuhide Nakaido	—

¹ Tetsuya Fujita, Chairman of the Audit Committee, has served as president of a major life insurance and 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. He thus has extensive knowledge of internal auditing.

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

³ Ichigo has registered all of the Independent Directors with the Tokyo Stock Exchange as meeting the Tokyo Stock Exchange's qualifications for Independent Directors.

(Note) Ichigo has assigned officers and employees to assist the Audit Committee to fulfill its duties. Independent from other officers and employees, they 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, Ichigo does not appoint a full-time Audit Committee member.

2. Statutory Executive Officers (as of February 28, 2018)

Position	Name	Responsibility and Other Business Affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall Group Management Chairman & Statutory Executive Officer (Overall Company Management), Ichigo Investment Advisors Co., Ltd. Partner & Chief Executive Officer, Ichigo Asset Management, Ltd.
Chairman & Representative Statutory Executive Officer	Kenji Iwasaki	Overall Group Management Chairman & Director, Ichigo Land Shinchiku Co., Ltd.
President & Representative Statutory Executive Officer	Takuma Hasegawa	Overall Group Management Chairman & Director, Ichigo ECO Energy Co., Ltd.
Executive Vice President & Statutory Executive Officer & COO	Minoru Ishihara	Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman, President, & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd.
Executive Managing Director	Eri Murai	Administration & HR
Executive Managing Director	Go Watanabe	Finance President & Representative Director, Centro Co., Ltd. Chairman & Director, Storage Plus Corp.
Executive Managing Director	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	Masaaki Yajima	Office, Residential Executive Managing Director, Ichigo Marché Co., Ltd.
Statutory Executive Officer	Akihiko Tsukasa	Osaka Branch
Statutory Executive Officer	Kenichi Tanaka	Business Development

3. Directors and Statutory Executive Officers Who Stepped Down during the Current Fiscal Year

None except for those whose terms expired.

4. Outline of Limited Liability Agreement with Independent Directors

In order to retain Independent Directors of high quality, Ichigo has signed limited liability agreements with its Independent Directors pursuant to Article 427, Paragraph 1 of the Company Law.

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)	9 (7)	JPY 232 million (JPY 60 million)
Statutory Executive Officers	11	JPY 149 million
Total (of whom are Independent Directors)	20 (7)	JPY 381 million (JPY 60 million)

- (Note 1) As of the end of the term, there are nine Directors (including six Independent Directors) and fourteen Statutory Executive Officers (three of whom are also Directors), resulting in a total of twenty 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 figures above do not include the one Director that receives no remuneration from Ichigo.
- (Note 3) The total of 21 directors and officers, which is the sum of the 20 aforementioned directors and officers plus the one non-remunerated director, differs from the total of 20 directors and officers in the above table because one officer stepped down during FY18/2.
- (Note 4) The amount paid includes remuneration in the form of stock options of JPY 31 million for Directors (of which JPY 6 million is for Independent Directors) and stock options of JPY 30 million for Statutory Executive Officers.
- (Note 5) In addition, Ichigo paid JPY 109 million as employee compensation to seven Statutory Executive Officers who also serve as employees. This amount includes remuneration in the form of stock options of JPY 8 million.
- (Note 6) No remuneration has been paid by Ichigo subsidiaries to Ichigo's Independent Directors.

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

a. Basic Policy

Remuneration for Directors and Statutory Executive Officers of Ichigo is determined based on factors including the duties of each individual, contribution to Ichigo, base compensation, and relevant work experience.

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 Ichigo'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 Ichigo, the performance of the division for which the Statutory Executive Officer is responsible, and the performance of the Statutory Executive Officer.

– Stock Options

Stock options are granted to Directors and Statutory Executive Officers to increase their alignment to grow value for shareholders. These stock options are granted in addition to the remuneration described above.

7. External Positions Held by Independent Directors

a. Positions in Other Companies and the Relationship between Ichigo and these Other Companies

- Independent Director Noriko Kawate is President of CLEA Consulting Co., Ltd. and a Partner of Cast Group. Ichigo has no relationship with CLEA Consulting Co., Ltd. or Cast Group.
- Independent Director Yukio Suzuki is CEO of Belle Investment Research of Japan Inc. Ichigo has no relationship with Belle Investment Research of Japan Inc.
- Independent Director Kosuke Nishimoto is the Chairman, President & Representative Director of Interworks Inc. Ichigo has no relationship with Interworks Inc.

b. Positions as Independent Directors in Other Companies

- Independent Director Tetsuya Fujita is an Advisor to Laureate International Universities Japan and a Special Advisor to CEO at the ReMark Group. Ichigo has no relationship with Laureate International Universities Japan or ReMark Group.
- Independent Director Yukio Suzuki is an Independent Director of Systema Corporation. Ichigo has no relationship with Systema Corporation.

- Independent Director Masatoshi Matsuzaki is the Chairman of the Board of Directors of Konica Minolta Inc., Deputy Chairman of the Japan Association of Corporate Directors, an Independent Director of Nomura Research Institute, Ltd. and Nippon Sheet Glass Co. Ltd., and a Member of the Public Interest Supervisory Committee of PwC Aarata LLC. Ichigo has no relationship with any of these companies.
- Independent Director Kosuke Nishimoto is an Independent Director of Ryosan Company, Limited and Misumi Group Inc. Ichigo has no relationship with Ryosan Company, Limited or Misumi Group Inc.

c. Relationship with Ichigo or Related Entities of Ichigo

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

d. Principal Director Activities in the Current Fiscal Year

	Name	Activities
Independent Director	Tetsuya Fujita	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 17 out of 17 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (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	Noriko Kawate	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 17 out of 17 meetings (100%) of the Audit Committee. Attended 5 out of 5 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (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	Yukio Suzuki	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 17 out of 17 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Takashi Kawamura	Attended 1 out of 1 meetings (100%) of the Board of Directors during his term as a director. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Masatoshi Matsuzaki	Attended 9 out of 9 meetings (100%) of the Board of Directors. Attended 5 out of 5 meetings (100%) of the Nominating Committee. Attended 7 out of 7 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Kosuke Nishimoto	Attended 9 out of 9 meetings (100%) of the Board of Directors. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Nobuhide Nakaido	Attended 8 out of 8 meetings (100%) of the Board of Directors since becoming a director. 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. Fees Paid to the Independent Auditor

(i) Fees paid to the Independent Auditor during FY18/2

Fees for the services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	JPY 74 million
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Fees for the services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act	—
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JPY 74 million

(ii) Total monetary and other financial benefits payable by Ichigo and subsidiaries to the Independent Auditor	JPY 91 million
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(Note 1) Pursuant to Article 399, Paragraph 1 of the Company Law and based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee, Ichigo’s Audit Committee concurs with the Independent Auditor’s fees after a thorough confirmation and consideration of the content of the Independent Auditor’s audit plan, execution of work, audit fee trends, and the Independent Auditor’s calculation of its fee estimates.

(Note 2) Pursuant to both the Company Law and the Financial Instruments and Exchange Law, the audit agreement between Ichigo and the Independent Auditor does not call for itemizing the audit fee breakdown, and, thus as a practical matter, Ichigo is not able to itemize the fees. Therefore, the fees paid to the Independent Auditor show the total amount.

3. Policy for the Determination of Dismissal or Non-Reappointment of the Independent Auditor

The Audit Committee has stipulated a Policy for the dismissal or non-reappointment of the Independent Auditor based on the “Auditor Evaluation & Selection Standards” and “Auditor Selection & Compensation Agreement Processes” set forth by Ichigo’s Audit Committee. The Policy is as below:

- (a) The term of the Independent Auditor is one year, as specified in a one-year audit contract.
- (b) The reappointment of the Independent Auditor will be decided at the Audit Committee.
- (c)
 1. The selection, dismissal, or the non-reappointment of the Independent Auditor will be decided at the Annual Shareholder Meeting. The Audit Committee makes the decision to place this on the shareholding meeting agenda.
 2. In the event Ichigo decides to dismiss or not reappoint an Independent Auditor at Ichigo’s discretion or for the breach of laws and regulations such as the Company Law or the Certified Public Accountants Law, or the breach of the contract of engagement, the dismissal or the non-reappointment will be deliberated by the Audit Committee with reference to the views of the Directors and Statutory Executive Officers.
 3. In the event the dismissal or the non-reappointment of the Independent Auditor is to become the agenda of the shareholder meeting, the details of the agenda item will be determined by the Audit Committee.
 4. In the event the Independent Auditor contravenes his/her duty as an Auditor or if proper duty as an Auditor stipulated in Article 340, Paragraph 1 of the Company Law is deemed difficult, the Audit Committee may dismiss the Independent Auditor upon consent of all Audit Committee members.

E. Controls to Ensure Appropriate Business Conduct

Pursuant to Article 416 of the Company Law and Article 112 of the Enforcement Regulation of the Company Law, Ichigo's Board approved and enacted a "Basic Policy for the Establishment of Structure of Internal Controls," with details shown below. Pursuant to Article 14 of Ichigo's Articles of Incorporation, Ichigo has made this policy available on its corporate website:

www.ichigo.gr.jp/ir/management_policies/internal_controls.html/en

1. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Full Compliance with Japanese Law and Ichigo's Articles of Incorporation (Article 416, Paragraph 1 of the Company Law, Article 112, Paragraph 2, Item 4 of the Enforcement Regulation of the Company Law)

Overview

- (1) The Board complies with relevant laws and regulations, the Articles of Incorporation, resolutions adopted at shareholders' meetings, Ichigo's mission, Ichigo's Code of Corporate Ethics, and Ichigo's Code of Conduct in making its decisions and delegating daily management to the Statutory Executive Officers, that in turn supervise employees within their respective delegated areas of management. The Board supervises the Statutory Executive Officers by receiving periodic reports on the status of business execution. The Audit Committee audits the performance of duties for both Statutory Executive Officers and employees.
- (2) The Board sets internal rules, establishes relevant divisions and appoints Statutory Executive Officers, and engages external experts with respect to establishing compliance, financial reporting controls, internal audit, prevention of dealings with anti-social forces, and prevention of insider trading.

Status

- (1) The Board is comprised of six independent and three internal directors, and had a total of 9 meetings during FY18/2 with a 100% attendance rate. Statutory Executive Officers make decisions and/or seek board approval through board proposals, and report their activities to the Board at least quarterly. The Audit Committee is comprised of three Independent Directors, and held a total of 17 meetings during FY18/2 with a 100% attendance rate.
- (2) (a) Compliance – The Compliance Committee held two meetings to deliberate material compliance matters and conducted training sessions based on the company's Code of Corporate Ethics and Code of Conduct. A whistle-blowing system exists, including the ability to directly notify an external lawyer.

(b) Financial Reporting Controls – The President and Statutory Executive Officers of each division and subsidiary work to ensure compliance with internal controls and the evaluation thereof.

(c) Internal Audit Department – The objective of the Internal Audit Department for FY18/2 was to contribute to management level decision-making through a group-wide, risk-based approach focusing on recommendations to prevent problems and improve operations. Specifically, the Internal Audit Department examined the execution of management duties, IT system security, and the status of investment securities.

(d) Prevention of Dealings with Anti-Social Forces – Ichigo has written manuals on how to handle Anti-Social Forces as well as rules that require Anti-Social Force clauses to be included in contracts. Furthermore, Ichigo works with the Tokyo Metropolitan Police Department and other external experts in conducting due diligence of business counterparties. (See “System Against Anti-Social Forces.”)

(e) Prevention of Insider Trading – Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all officers and employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

2. Systems to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers (Article 112, Paragraph 2, Item 1 of the Enforcement Regulation of the Company Law)

Overview

Ichigo has internal rules with respect to the creation, management, and storage of information and documents pertaining to the execution of duties by Statutory Executive Officers. Ichigo remains fully compliant with all relevant laws and regulations.

Status

Handling of information is stipulated in the Information Management Policy and handling of documents is stipulated in the Document Management Policy, and all officers and employees conduct business in full compliance with both policies.

3. Risk Management Policies and Systems (Article 112, Paragraph 2, Item 2 of the Enforcement Regulation of the Company Law)

Overview

Ichigo’s policy is that the Statutory Executive Officer of each division is responsible for the compliance of respective business operations and for managing business risks. In addition, a Chief Risk Officer has been appointed and a Risk Management Division established in order to ensure a proper risk management framework exists across the entire group and to deal with any significant risks that arise. Ichigo's risk management framework also prescribes how to respond to any loss of basic business functions as a result of natural disasters or accidents.

Status

Ichigo continually monitors business execution and the risk thereof, and the Chief Risk Officer reports monitoring results to the Board. Ichigo has business continuity plans that specify how to recover from natural disasters and accidents, and all officers and employees are fully aware of these plans.

4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (Article 112, Paragraph 2, Item 3 of the Enforcement Regulation of the Company Law)

Overview

Ichigo provides for efficient and agile execution of duties by establishing clarity with respect to scope of responsibilities and associated authority. Ichigo sets business plans and monitors progress based on the group's management philosophy and mission, annual group policies, and annual business targets. Furthermore, Ichigo holds a regular Senior Management Meeting comprised of the Chairmen, President, Executive Vice President, and representatives of each subsidiary to evaluate and make decisions on material business matters.

Status

Statutory Executive Officers execute their duties within their respective delegated scopes of responsibilities without any undue overlap or negligence. For FY18/2 Statutory Executive Officers set their business policies and targets in accordance with Ichigo's Power Up 2019 mid-term business plan announced in FY17/2, and successfully achieved these FY18/2 targets. The Head of Finance provides analytic support to the Senior Management Meeting to support its effectiveness as a forum for vigorous discussion and review of key business issues.

5. Audit Committee and Audit Systems (Article 416, Paragraph 1, Item 1 of the Company Law, Article 112, Paragraph 1, Items 1~7 of the Enforcement Regulation of the Company Law)

Overview

- (1) Ichigo appoints directors and employees that assist the Audit Committee in the execution of its duties. Such directors and employees are set to be independent from the Board, Directors, and Statutory Executive Officers, with any change in appointment requiring the authorization of the Audit Committee.
- (2) Audit Committee Members attend important meetings, and can request explanations from officers and employees as well as view all related materials.
- (3) Officers and employees must report to the Audit Committee or Audit Committee Members matters that have material impact on the business and financial situation of Ichigo. Any person making such report shall not receive disadvantageous treatment for making such report.
- (4) The Audit Committee maintains a close relationship with the Internal Audit Department by discussing audit plans and receiving reports on audit results. The Audit Committee also receives periodic reports from the Independent Auditor as well as exchanges views on any material audit matters.
- (5) The Audit Committee holds meetings with Audit Committee Members and auditors of subsidiaries, attends important meetings at subsidiaries, and receives explanations and reports from subsidiaries in order to assess the appropriate execution of duties by directors and Statutory Executive Officers of subsidiaries.
- (6) The Audit Committee, at its sole discretion, can appoint external specialists necessary for the execution of audits and can request that Ichigo bear associated costs.

Status

- (1) In accordance with internal rules pertaining to directors and employees assisting in the duties of the Audit Committee, Ichigo has appointed one Statutory Executive Officer and two employees, and has ensured their independence. Furthermore, the prior consent from the Audit Committee has been sought for any organizational or compensation matter with respect to these appointed individuals.
 - (2) In accordance with Audit Committee Rules, the Audit Committee attended important management meetings and received explanations as well as reviewed any relevant materials. In addition, officers and employees have made all required reporting to the Audit Committee, and no disadvantageous treatment has resulted from such reporting.
 - (3) The Audit Committee approved internal audit plans and received reports on the results of audits. Furthermore, the Audit Committee has received periodic reports from the external auditor and has engaged in discussion of material audit matters.
 - (4) The Audit Committee holds two liaison meetings a year with Audit Committee Members and auditors of subsidiaries, and receives explanations and reports from the officers and employees of subsidiaries.
 - (5) The Audit Committee has requested that Ichigo bear the costs associated with auditing of subsidiaries.
6. Systems to Ensure Fully Appropriate Business Activities by Ichigo and its Subsidiaries (Article 112, Paragraph 2, Item 5 of the Enforcement Regulation of the Company Law)

Overview

- (1) Ichigo and all subsidiaries share Ichigo's Management Philosophy, Code of Corporate Ethics, and Code of Conduct, and have executed a management agreement requiring that they work collaboratively in dealing with corporate governance, compliance, risk management, and prevention of dealings with Anti-Social Forces.
- (2) Ichigo has appointed a Statutory Executive Officer and established a Business Management Division responsible for monitoring business activities of subsidiaries, and requires each subsidiary to provide business reports.
- (3) With respect to any transaction with Ichigo Trust Pte. Ltd., the controlling shareholder of Ichigo, Ichigo takes special care to protect the interests of minority shareholders by having the Board evaluate the purpose, process, and price of any such transactions and ensure that they contribute to increasing Ichigo's corporate value and protect all Ichigo shareholders.
- (4) Ichigo supports, advises, and manages its subsidiaries to ensure their business activities are fully compliant with the Company Law. Ichigo oversees appropriate business conduct of subsidiaries by receiving periodic reports with respect to their business operations as well as execution of duties by directors and officers.

- (5) Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all officers and employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

Status

- (1) Structure to Ensure that Ichigo Subsidiaries Execute Their Duties in Compliance with Laws and Regulations and Ichigo's Articles of Incorporation

The Boards of each subsidiary have approved a "Basic Policy for the Establishment of Structure of Internal Controls," pursuant to the one established by Ichigo. Audit Committee Members and internal auditors of respective subsidiaries attend Board meetings as well as any other important management meetings and examine related materials to ensure directors and officers are executing their duties in compliance with laws and regulations, and Ichigo's Articles of Incorporation.

- (2) Structure for Ichigo Subsidiaries to Report to Ichigo on the Execution of Their Duties

The President receives a report every three months from the presidents of each subsidiary with respect to business operations and the execution of duties by directors and officers.

- (3) Structure of Risk Management at Ichigo Subsidiaries

Each subsidiary monitors business risks pursuant to their respective risk management policies, and reports results to Ichigo's Risk Management Division. The Head of Ichigo's Risk Management Division, in turn, reports this information to Ichigo's Board. The Chief Risk Officer provides the Board with a comprehensive update on the status of group-wide risk management.

- (4) Structure to Ensure Efficient Execution of Duties at Ichigo Subsidiaries

Each subsidiary has policies in place to ensure clarity of scope of responsibilities, with management decisions being made in line with such policies, therefore resulting in the efficient execution of duties.

Establishment and Status of Internal Structures to Prevent Dealings with Anti-Social Forces

As part of its internal control systems, Ichigo has established an internal structure to prevent dealings with Anti-Social Forces:

- (1) Ichigo and its subsidiaries have clear policies on preventing dealings with Anti-Social Forces stipulated within its Code of Corporate Ethics.
- (2) Ichigo has appointed the Executive Vice President and the Business Management Division as being responsible in handling requests from Anti-Social Forces, and also receives advice on this issue from external legal counsel. Furthermore, Ichigo augments its efforts in this area by collaborating with external experts such as the Organized Crime Control Division of the Tokyo Metropolitan Police Department, the Marunouchi Police Station, and the National Center for Removal of Criminal Organizations.
- (3) Ichigo's Compliance Officer centrally manages group-wide information pertaining to Anti-Social Forces.

- (4) Under no circumstance will Ichigo heed to the request from an Anti-Social Force, and working together with external experts Ichigo shall firmly reject any request. All contracts with external parties will include language that aims to prevent dealings with Anti-Social Forces. Ichigo will terminate business relationships with any existing counterparty that is identified as being an Anti-Social Force.
- (5) All officers and employees of Ichigo and subsidiaries receive compliance training, and are made fully aware of their obligation to prevent dealings with Anti-Social Forces and escalate any concerns on this matter.

F. Policy on Corporate Control (Takeover Defenses)

Ichigo has not adopted any takeover defense, poison pill, or any other policy with respect to entities or persons who would seek to control decisions with respect to Ichigo's financial and business policies.

Consolidated Balance Sheet

(As of February 28, 2018)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	231,681	Current Liabilities	16,316
Cash and cash equivalents	45,510	Short-term loans	1,042
Trade notes and accounts receivable	1,097	Bonds (due within one year)	112
Operational loan investments	1,324	Long-term loans (due within one year)	4,449
Operational securities investments	2	Long-term non-recourse loans (due within one year)	3,921
Real estate for sale	180,789	Income taxes payable	1,609
Deferred tax assets	342	Deferred tax liabilities	494
Other	2,643	Accrued bonuses	34
Less: allowance for doubtful accounts	-28	Other current liabilities	4,652
Fixed Assets	64,831	Long-Term Liabilities	187,470
Property, Plant, and Equipment	58,558	Bonds	520
Buildings and structures	14,273	Long-term loans	112,366
Depreciation	-3,673	Long-term non-recourse loans	63,588
Building and structures (net)	10,600	Deferred tax liabilities	1,744
Solar power plant equipment	20,895	Long-term security deposits received	8,492
Depreciation	-1,122	Other long-term liabilities	758
Solar power plant equipment (net)	19,773		
Land	26,993		
Buildings under construction	97		
Solar power plants under construction	969		
Other	483		
Depreciation	-359		
Other (net)	124		
Intangible Assets	1,968	Total Liabilities	203,787
Goodwill	1,600	Net Assets	
Leasehold rights	135	Shareholders' Equity	89,165
Other	233	Capital	26,723
Investments and Other Assets	4,303	Capital reserve	11,113
Securities investments	2,184	Retained earnings	54,324
		Treasury shares	-2,995
Long-term loans receivable	10	Accumulated Other Comprehensive Income	171
Deferred tax assets	68	Valuation gain (loss) on other securities	543
Other	2,132	Deferred gain (loss) on long-term interest rate hedges	-372
Less: allowance for doubtful accounts	-91	Stock Options	666
		Minority Interests	2,722
		Total Net Assets	92,725
Total Assets	296,512	Total Liabilities and Net Assets	296,512

Consolidated Income Statement

(March 1, 2017 – February 28, 2018)

(JPY million)

Item	Amount	
Revenue		57,846
Cost of Goods Sold		31,920
Gross Profit		25,925
SG&A		5,067
Operating Profit		20,858
Non-Operating Profit		
Interest income	3	
Dividend income	57	
Other	100	161
Non-Operating Expenses		
Interest expense	1,266	
Mark-to-market loss on long-term interest rate hedges	244	
Debt financing-related fees	159	
Other	165	1,835
Recurring Profit		19,185
Extraordinary Gains		
Gain on sales of shares in affiliates	1,221	
Other	41	1,263
Extraordinary Losses		
Loss on disposal of fixed assets	11	
Impairment loss	327	339
Pre-Tax Net Income		20,109
Income taxes – current	5,665	
Income taxes – deferred	258	5,923
Pre-Minority Interest Net Income		14,185
Net Income Attributable to Minority Interests		167
Net Income		14,018

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2017 – February 28, 2018)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2017	26,650	11,056	42,840	-15	80,532
Changes in the Current Fiscal Year					
Share Issuance	72	72			145
Dividend Payment			-2,516		-2,516
Net Income			14,018		14,018
Change in Consolidated Subsidiaries			-17		-17
Share Buyback				-2,999	-2,999
Sale of Treasury Shares		-15		19	4
Changes in Items other than Shareholders' Equity					
Total Changes	72	57	11,483	-2,980	8,633
Balance as of February 28, 2018	26,723	11,113	54,324	-2,995	89,165

	Other Comprehensive Income				Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Foreign Currency Translation Adjustment	Total Other Comprehensive Income			
Balance as of March 1, 2017	117	-365	55	-192	491	2,612	83,443
Changes in the Current Fiscal Year							
Share Issuance							145
Dividend Payment							-2,516
Net Income							14,018
Change in Consolidated Subsidiaries							-17
Share Buyback							-2,999
Sale of Treasury Shares							4
Changes in Items other than Shareholders' Equity	426	-7	-55	363	175	110	649
Total Changes	426	-7	-55	363	175	110	9,282
Balance as of February 28, 2018	543	-372	—	171	666	2,722	92,725

Parent Balance Sheet

(As of February 28, 2018)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	39,985	Current Liabilities	4,642
Cash and cash equivalents	23,179	Short-term loans	422
Accounts receivables	485	Bonds (due within one year)	112
Real estate for sale	651	Long-term loans (due within one year)	1,411
Operational securities investments	2	Accounts payable	1,050
Short-term loans to affiliates	14,195	Accrued expenses	38
Advance payments	65	Income taxes payable	1,426
Accounts receivables - other	539	Advances received	72
Consolidated tax receivables	549	Deposits received	20
Deferred tax assets	177	Other	88
Other	163	Long-Term Liabilities	28,996
Less: allowance for doubtful accounts	-25	Bonds	520
Fixed Assets	74,411	Long-term loans	28,235
Property, Plant, and Equipment	3,030	Long-term security deposits received	128
Buildings and structures	700	Other long-term liabilities	113
Depreciation	-272		
Building and structures (net)	428		
Land	2,583		
Other	63	Total Liabilities	33,639
Depreciation	-44	Net Assets	
Other (net)	19	Shareholders' Equity	79,953
Intangible Assets	14	Capital	26,723
Software	14	Additional paid-in capital	11,113
Investments and Other Assets	71,365	Capital reserve	11,039
Securities investments	2,060	Other additional paid-in capital	74
Securities investments in subsidiaries and affiliates	4,340	Retained earnings	45,112
Securities investments of other affiliates	52,096	Earnings reserve	44
Long-term loans receivable	10	Other retained earnings	45,067
Long-term loans to affiliates	12,464	Retained earnings carried forward	45,067
Deferred tax assets	108	Treasury shares	-2,995
Other	371	Revaluation and Adjustment	136
Less: allowance for doubtful accounts	-85	Valuation gain (loss) on other securities	489
		Deferred gain (loss) on long-term interest rate hedges	-353
		Stock Options	666
		Total Net Assets	80,757
Total Assets	114,396	Total Liabilities and Net Assets	114,396

Parent Income Statement

(March 1, 2017 – February 28, 2018)

(JPY million)

Item	Amount	
Revenue		20,609
Cost of Goods Sold		977
Gross Profit		19,631
SG&A		2,852
Operating Profit		16,779
Non-Operating Profit		
Interest income	432	
Dividend income	93	
Income from provision of credit guarantees	7	
Other	36	570
Non-Operating Expenses		
Interest expense	354	
Debt financing-related fees	157	
Others	346	858
Recurring Profit		16,492
Extraordinary Gains		
Gain on sales of shares in affiliates	1,205	1,205
Extraordinary Losses		
Loss on doubtful accounts	327	
Office move expenses	5	333
Pre-Tax Net Income		17,364
Income taxes – current	4,410	
Income taxes – deferred	-63	4,346
Net Income		13,017

Parent Statement of Changes in Shareholders' Equity

(March 1, 2017 – February 28, 2018)

(JPY million)

	Shareholders' Equity								Total Shareholder Equity
	Capital	Capital surplus			Retained earnings			Treasury Shares	
		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, 2017	26,650	10,966	89	11,056	44	36,187	36,232	-15	73,924
Changes in the Current Fiscal Year									
Share Issuance	72	72		72					145
Dividend Payments						-2,516	-2,516		-2,516
Share Buyback								-2,999	-2,999
Sale of Treasury Shares			-15	-15				19	4
Decrease due to Corporate Divestiture						-1,620	-1,620		-1,620
Net Income						13,017	13,017		13,017
Changes in Items other than Shareholders' Equity									
Total Changes	72	72	-15	57	—	8,879	8,879	-2,980	6,029
Balance as of February 28, 2018	26,723	11,039	74	11,113	44	45,067	45,112	-2,995	79,953

	Valuation Adjustment			Stock Options	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Valuation Adjustment		
Balance as of March 1, 2017	66	-341	-275	491	74,140
Changes in the Current Fiscal Year					
Share Issuance					145
Dividend Payments					-2,516
Share Buyback					-2,999
Sale of Treasury Shares					4
Decrease due to Corporate Divestiture					-1,620
Net Income					13,017
Changes in Items other than Shareholders' Equity	423	-11	411	175	587
Total Changes	423	-11	411	175	6,617
Balance as of February 28, 2018	489	-353	136	666	80,757

Auditor's Report on the Consolidated Financial Statements

Report of Independent Auditor

April 12, 2018

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Satoshi Kirikawa, 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, 2017 to February 28, 2018 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 Auditor

April 12, 2018

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

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

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

We have audited the eighteenth 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, 2017 to February 28, 2018 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.

Audit Committee Report

April 18, 2018

Audit Committee, Ichigo Inc.

Tetsuya Fujita, Audit Committee Member (seal)

Noriko Kawate, Audit Committee Member (seal)

Yukio Suzuki, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the eighteenth fiscal year from March 1, 2017 to February 28, 2018. We report the method and results of this audit as follows:

1. 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 Ichigo 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 Department and other internal control related divisions of Ichigo, 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 Ichigo'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.

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 Ichigo's own business report, financial statements (balance sheet, income statement, statement of changes in shareholders' equity and notes) and their schedules, along with Ichigo's consolidated financial statements (including the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated notes).

2. Results of Audit

A. Audit Results of Business Report

- (1) We note that the business report and its schedules present Ichigo'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 Independent Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.