



**Make The World
More Sustainable**

Ichigo Inc.

(Tokyo Stock Exchange First Section, 2337)

Materials for the Nineteenth Annual Shareholder Meeting



Our Mission

Make The World More Sustainable

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable.

Our three key businesses are: Value-Add, in which we preserve and improve 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 we develop solar and wind power plants to supply clean energy and bring productive use to idle land.

We are committed to growing long-term value for our shareholders by contributing to a sustainable society.

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.





**Make The World
More Sustainable**

[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.*

April 26, 2019

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

Materials for the Nineteenth Annual Shareholder Meeting

Dear Shareholders:

We are pleased to invite you to attend the Nineteenth 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 24, 2019, 6:15 p.m. JST.

1. Date and Time Sunday, May 26, 2019 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. Ichigo’s business report, consolidated financial statements, and the results of the audit of the consolidated financial statements by the Independent Auditor and Ichigo’s Audit Committee for the Nineteenth term (March 1, 2018 – February 28, 2019)
- b. Ichigo’s parent financial statements for the Nineteenth term

Matters to be Resolved

Election of Nine 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 6:15 p.m. JST on Friday, May 24, 2019. 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.

Table of Contents

Materials for the Nineteenth Annual Shareholder Meeting	1
Reference Materials for the Nineteenth Annual Shareholder Meeting	
Election of Nine Directors	5
Business Report	
I. Current Operations and Financials	
A. Business Conditions in the Current Fiscal Year (FY19/2)	21
B. Earnings and Assets in the Current and Past Three Fiscal Years	31
C. Company and Subsidiary Information	33
D. Key Business Priorities	34
E. Key Business Segments	36
F. Employees	36
G. Principal Lenders	37
H. Policy on Dividends and Shareholder Distributions	38
I. Other Material Matters	39
II. Other Matters	
A. Shares and Shareholder Information	40
B. Directors and Officers	41
C. Independent Auditor	48
D. Controls to Ensure Appropriate Business Conduct	50
E. Policy on Corporate Control (Takeover Defenses)	50
Consolidated Financial Statements	
Consolidated Balance Sheet	51
Consolidated Income Statement	52
Consolidated Statement of Changes in Shareholders' Equity	53
Parent Financial Statements	
Parent Balance Sheet	54
Parent Income Statement	55
Parent Statement of Changes in Shareholders' Equity	56
Auditor's Report on the Consolidated Financial Statements	57
Auditor's Report on the Parent Financial Statements	58
Audit Committee Report	59

Election of Nine 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% (10 of 10 Total)
2	Takuma Hasegawa Reappointment	Chairman of Nominating Committee, Chairman of Compensation Committee, Chairman of Compliance Committee, President & Representative Statutory Executive Officer	100% (10 of 10 Total)
3	Minoru Ishihara Reappointment	Compliance Committee Member, Executive Vice President & Statutory Executive Officer (Value-Add) & COO	90% (9 of 10 Total)
4	Eri Murai New	Executive Managing Director & Statutory Executive Officer (Administration & HR)	N/A
5	Tetsuya Fujita Reappointment – Independent Director	Lead Independent Director, Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member	100% (10 of 10 Total)
6	Noriko Kawate Reappointment – Independent Director	Independent Director, Nominating Committee Member, Audit Committee Member, Compensation Committee Member	100% (10 of 10 Total)
7	Yukio Suzuki Reappointment – Independent Director	Independent Director, Audit Committee Member, Vice Chairman of Compliance Committee	100% (10 of 10 Total)
8	Masatoshi Matsuzaki Reappointment – Independent Director	Independent Director, Nominating Committee Member, Compensation Committee Member	100% (10 of 10 Total)
9	Nobuhide Nakaido Reappointment – Independent Director	Independent Director	100% (10 of 10 Total)

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	 <p data-bbox="188 1122 448 1189">Scott Callon (December 6, 1964)</p>	<p data-bbox="470 286 1380 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="470 1825 1380 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. While we achieved the goals of our <u>Power Up 2019</u> mid-term business plan, we have not reached the finish line. All of us at Ichigo continue to be dedicated to creating value for society and our clients. We are committed to being a world-class company that drives sustainable growth for our shareholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
2	 <p data-bbox="204 1160 451 1227">Takuma Hasegawa (January 29, 1971)</p>	<p data-bbox="469 304 1369 1290"> 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="469 1335 1142 1402">(Other Positions) Chairman & Director, Ichigo ECO Energy Co., Ltd.</p> <p data-bbox="469 1473 1369 1816"> <u>Message to Our Shareholders</u> Ichigo was able to achieve the goals of our <u>Power Up 2019</u> mid-term business plan, just as we did in our <u>Shift Up 2016</u> business plan three years ago. Thank you to our shareholders for your guidance and support in helping us reach these goals. With all of our employees, I will continue to dedicate all of my strength to working towards a brighter future for Japan through sustainable real estate that is safe and sensitive to the environment. Thank you for your continued support. </p>	459,230 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	 <p data-bbox="201 1167 432 1234">Minoru Ishihara (October 5, 1967)</p>	<p data-bbox="448 304 1382 338">April 1990 Joined Hazama Corporation</p> <p data-bbox="448 338 1382 371">October 2005 Joined Creed Corporation</p> <p data-bbox="448 371 1382 439">May 2007 Joined Ichigo as Head of Human Resources and General Administration Division</p> <p data-bbox="448 439 1382 506">March 2008 Executive Officer and Head of Human Resources and General Administration Division</p> <p data-bbox="448 506 1382 618">October 2008 Chief Administrative Officer & Statutory Executive Officer and Head of Business Management</p> <p data-bbox="448 618 1382 685">November 2008 Director, Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p data-bbox="448 685 1382 797">May 2009 Director (current), Managing Director & Statutory Executive Officer (Administration), Member of Compliance Committee (current)</p> <p data-bbox="448 797 1382 909">October 2009 Managing Director (Administration), Asset Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p data-bbox="448 909 1382 976">November 2009 President & Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.)</p> <p data-bbox="448 976 1382 1043">May 2010 Director, Senior Managing Director & Statutory Executive Officer (Administration)</p> <p data-bbox="448 1043 1382 1133">April 2011 President & Representative Director, Miyako City Co., Ltd.</p> <p data-bbox="448 1133 1382 1245">May 2011 Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p data-bbox="448 1245 1382 1312">November 2011 Executive Vice President (current) & Statutory Executive Officer (Administration)</p> <p data-bbox="448 1312 1382 1469">July 2012 Director (current), Executive Vice President & Statutory Executive Officer (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.)</p> <p data-bbox="448 1469 1382 1503">November 2012 Director, Ichigo ECO Energy Co., Ltd.</p> <p data-bbox="448 1503 1382 1715">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> <p data-bbox="448 1715 1382 1783">May 2015 Executive Vice President & Statutory Executive Officer & COO (current)</p> <p data-bbox="448 1783 1382 1850">March 2017 President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. (current)</p> <p data-bbox="448 1850 1382 1917">April 2017 Chairman, President, & Representative Director, Ichigo Marché Co., Ltd.</p>	183,000 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	(continued from previous page)	<p>March 2018 Group Head of Value-Add (current)</p> <p>March 2019 Chairman & Representative Director, Ichigo Marché Co., Ltd. (current)</p> <p>(Other Positions)</p> <p>Chairman, President, & Representative Director, Miyako City Co., Ltd.</p> <p>Chairman & 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>We are re-envisioning real estate as sustainable infrastructure that can link together and support people's lives. As head of Ichigo's sustainable real estate business, I am determined to seize the business opportunities that this new vision can bring. I also want to contribute to the development of sports in Japan by overseeing Ichigo's new sponsorship of the J.League professional soccer league, and serving as manager and coach of Ichigo's weightlifting, riflery, and track & field teams.</p> <p>I will continue to work toward meeting the expectations of our shareholders, and am dedicated to realizing Ichigo's mission. Thank you for your guidance and support.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	 <p data-bbox="245 954 448 1025">Eri Murai (May 16, 1970)</p>	<p data-bbox="485 304 1337 965"> April 1993 Joined Fujita Corporation April 2002 Joined Ichigo January 2007 Head of Finance, Ichigo July 2012 Statutory Executive Officer (Business Management), Head of Business Planning, Ichigo March 2013 Director (Administration), Ichigo Estate, Director, Ichigo Global Capital Director (Business Planning), Ichigo ECO Energy March 2014 Senior Statutory Executive Officer (Administration & HR), Ichigo March 2015 Executive Managing Director & Statutory Executive Officer (Administration & HR) (current), Group Head of Administration & HR, Ichigo (current) President, Ichigo University (current) </p> <p data-bbox="493 1055 879 1088"><u>Message to Our Shareholders</u></p> <p data-bbox="493 1106 1334 1435"> This is a time of change, when corporate Japan is rewriting its rules and making a new commitment to corporate governance, work-life balance, and respect for diversity. As society adapts to these changes, we will create a work environment at Ichigo in which employees can express their individual talents and skills, helping drive sustainable growth and higher shareholder value. We will work every day to be a company that offers the best to our shareholders, customers, and employees. Thank you for your guidance and support. </p>	6,100 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	 <p>Tetsuya Fujita (March 26, 1954)</p>	<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</p> <p>May 2016 Lead Independent Director (current)</p> <p>August 2017 Special Advisor to CEO, ReMark Group</p> <p>March 2019 Advisor, Creative Solutions Co., Ltd. (current)</p> <p>(Other Positions) Advisor, Creative Solutions Co., Ltd.</p>	62,700 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	(continued from previous page)	<p><u>Message to Our Shareholders</u></p> <p>As an Independent Director, I want to strengthen the objectivity and independence of the Board, promote active discussions both within and outside the company, and fulfill a supervisory role while contributing to the creation of even greater corporate value for shareholders and society.</p> <p>At a time when we are facing ever more change, I want to make constructive proposals on behalf of all shareholders to strengthen corporate governance and risk management while enabling Ichigo to achieve growth as a sustainable company.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
6	 <p data-bbox="193 1032 443 1104">Noriko Kawate (February 22, 1976)</p>	<p data-bbox="458 304 1369 1144"> April 1999 Joined International Dept., Deloitte Touche Tohmatsu LLC July 2001 Qualified as Certified Public Accountant August 2004 Joined Cast & Itoga (now Uryu & Itoga) November 2004 Qualified as Certified Tax Accountant February 2008 President of CLEA Consulting Co., Ltd. (current) January 2009 Joined Gracia Corporation May 2011 Ichigo Independent Director (current), Member of Audit Committee (current) November 2011 Qualified as American Certified Public Accountant July 2012 Director, Member of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. (now Ichigo Investment Advisors Co., Ltd.) June 2013 Audit & Supervisory Board Member, Meiji Machine Co., Ltd. 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.) February 2015 Partner, Cast Group (current) </p> <p data-bbox="466 1182 962 1290">(Other Positions) President, CLEA Consulting Co., Ltd. Partner, Cast Group</p> <p data-bbox="466 1368 850 1402"><u>Message to Our Shareholders</u></p> <p data-bbox="466 1424 1366 1742">Ichigo faces a changing environment in which there is enormous uncertainty about the direction of the global economy and the real estate market. As it enters a new stage following the <u>Power Up 2019</u> mid-term business plan, Ichigo must take an even harder look at risk and return in order to achieve sustained growth and drive shareholder value. I will use my knowledge and experience as a certified public accountant to provide objective supervision and advice to management, and thereby contribute to increasing Ichigo's corporate value.</p>	48,100 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	 <p data-bbox="236 1249 426 1317">Yukio Suzuki (June 3, 1950)</p>	<p data-bbox="454 295 1340 1355"> 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 Independent Auditor, WILLs Inc. (current) June 2018 Independent Auditor, XNET Corporation (current) </p> <p data-bbox="466 1400 1066 1579"> (Other Positions) CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Independent Auditor, WILLs Inc. Independent Auditor, XNET Corporation </p> <p data-bbox="466 1646 1348 2027"> <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. I want to fulfill my responsibility as an Independent Director by offering management supervision based on a belief in effective corporate governance, strong human capital development, and concern for the environment. </p>	13,600 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	 <p data-bbox="197 1249 469 1317">Masatoshi Matsuzaki (July 21, 1950)</p>	<p data-bbox="480 300 1385 367">April 1976 Joined Konishiroku Photo Industry Co., Ltd. (now Konica Minolta, Inc.)</p> <p data-bbox="480 374 1385 486">June 1999 General Manager, System Technology Development Division, Office Document Company, Konica Corporation</p> <p data-bbox="480 492 1385 560">October 2003 Director, Konica Minolta Business Technologies, Inc.</p> <p data-bbox="480 566 1385 701">April 2005 Executive Officer, Konica Minolta Holdings Inc. Representative Director & President, Konica Minolta Technology Center, Inc.</p> <p data-bbox="480 707 1385 775">April 2006 Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p data-bbox="480 781 1385 848">June 2006 Director & Senior Executive Officer, Konica Minolta Holdings Inc.</p> <p data-bbox="480 855 1385 922">April 2009 Representative Director & CEO Konica Minolta Holdings, Inc.</p> <p data-bbox="480 929 1385 996">April 2013 Representative Director & CEO Konica Minolta, Inc.</p> <p data-bbox="480 1003 1385 1070">April 2014 Director & Chairman of the Board of Directors, Konica Minolta, Inc. (current)</p> <p data-bbox="480 1077 1385 1189">June 2014 Chairman of the Board of Directors, Japan Business Machine and Information System Industries Association</p> <p data-bbox="480 1196 1385 1352">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 data-bbox="480 1359 1385 1516">June 2016 Independent Director, Nomura Research Institute, Ltd. (current) Independent Director, Nippon Sheet Glass Co. Ltd. (current)</p> <p data-bbox="480 1523 1385 1590">August 2016 Member of Public Interest Supervisory Committee, PwC Aarata LLC (current)</p> <p data-bbox="480 1597 1385 1664">May 2018 Executive Director & Deputy Chairman, Japan Association of Corporate Directors (current)</p> <p data-bbox="480 1693 1385 1991">(Other Positions) Chairman of the Board of Directors, Konica Minolta Inc. Executive Director & 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>	23,600 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	(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. In order to achieve the 2030 vision that will succeed the <u>Power Up 2019</u> mid-term business plan and fundamentally re-envision the company, I will continue to use my perspective as an Independent Director to help the company's management team keep an eye on structural changes in the business environment while assessing opportunities and risks, and meet the expectations of shareholders.</p>	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
9	 <p data-bbox="212 1066 469 1133">Nobuhide Nakaido (November 1, 1946)</p>	<p data-bbox="485 338 1366 1144"> 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) March 2019 Independent Director, eSOL Co., Ltd. (current) </p> <p data-bbox="485 1182 983 1249">(Other Positions) Independent Director, eSOL Co., Ltd.</p> <p data-bbox="485 1330 1318 1563"> <u>Message to Our Shareholders</u> With the successful conclusion of the <u>Power Up 2019</u> mid-term business plan, I want to make the utmost effort to do my best to contribute to Ichigo's sustained growth and continued contribution to society as Ichigo enters a new stage in its development. </p>	10,000 shares

- (Note 1) None of the candidates for Director or Independent Director has any other role that is in conflict of interest to Ichigo.
- (Note 2) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Scott Callon, Takuma Hasegawa, Minoru Ishihara, and Eri Murai 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 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 Director in November 2008, and his term of office will have been ten 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 Director in May 2009 for two years, and his term of office will have been six 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 Director in 2009, and his term of office will have been ten years at the close of this shareholder meeting.
 - (iv) Eri Murai has extensive knowledge and experience since joining Ichigo in 2002, having led a number of key initiatives in finance, internal management, and HR. She is currently the Executive Managing Director & Statutory Executive Officer (Administration & HR).
- (Note 3) All five candidates for Independent Director – Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Nobuhide Nakaido – meet the Tokyo Stock Exchange's (TSE) requirements for Independent Directors 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, 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 nine 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 eight 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 Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2015, and his term of office will have been four 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 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 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 three years at the close of this shareholder meeting.
 - (v) 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 two years 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 Independent Directors 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, 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, 2019.

Business Report
(March 1, 2018 – February 28, 2019)

I. Current Operations and Financials

A. Business Conditions in the Current Fiscal Year (FY19/2)

1. Business Results and Progress

During FY19/2 the Japanese economy continued to expand moderately, despite a number of natural disasters across the country, as a result of economic and fiscal policies implemented by the Japanese government and the Bank of Japan's monetary easing. Capital expenditures continued to rise on the back of improved corporate earnings and business sentiment, and household consumption increased moderately due to steady improvements in employment and income.

Turning to Ichigo's prime area of activity, the Japanese real estate market, the industry continues to see stable investment returns on the back of ongoing rent increases driven by low levels of vacancy. Although acquisition and sale activity has decreased, low interest rates continue to drive strong demand for real estate investments, given their stable returns. The J-REIT market is seeing earnings growth from capital gains and steady rent increases, and the market is expected to see continued strong demand due to its stability and transparency. Despite a downturn due to natural disasters in some areas, the hotel market is seeing growing demand centered on inbound tourists from Asia, 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, returns remain robust. Ichigo's solar power plants have also proved their resilience during recent natural disasters. Two new solar YieldCo's also successfully launched IPOs on the Tokyo Stock Exchange infrastructure market during FY19/2, as the market continues to grow.

In addition, Ichigo achieved all of the goals of its three-year Power Up 2019 mid-term business plan that concluded in FY19/2, and executed upon the following initiatives to build a foundation for sustainable growth.

Core Business Growth

– Value-Add

Given the strong real estate market, Ichigo was selective on acquisitions and sought to be innovative in its acquisition strategy to avoid auctions and buy at the lowest possible prices. As a result, during FY19/2 Ichigo acquired JPY 50.8 billion in assets, while selling JPY 58.6 billion. Ichigo concurrently worked to increase the value of its assets through its core value-add activities, maintaining high occupancy while driving higher rental income to grow its stock earnings.

– Asset Management

Ichigo worked to support the growth of its TSE-listed REITs and solar YieldCo by selling high-quality assets to Ichigo Office (8975) and Ichigo Hotel (3463) and operating Ichigo Green's (9282) solar power plants. The asset management business also contributed to growth in stock earnings through higher base asset management fees.

– Clean Energy

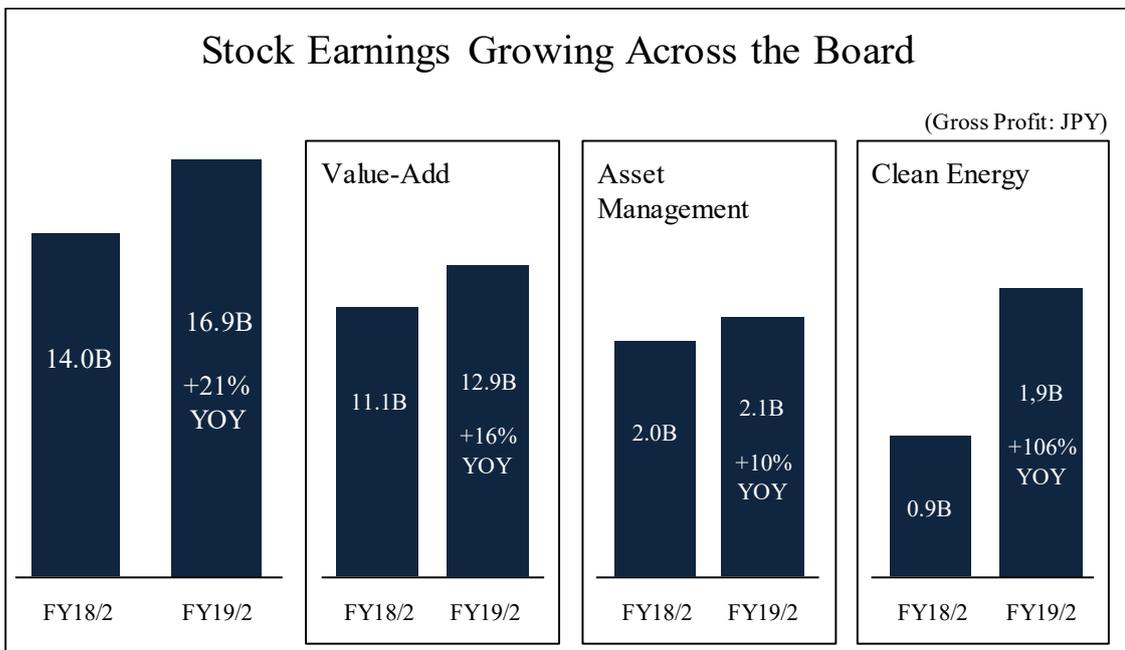
The expansion of Ichigo’s clean energy business continues to drive growth in Ichigo’s stock earnings base.

During FY19/2, Ichigo brought five new solar power plants online. This included the Ichigo Kasaoka Iwanoike ECO Power Plant built on floats on an idle irrigation pond, which is Ichigo’s first floating solar plant. FY19/2 was also the first full year of operation for the Ichigo Showamura Ogose ECO Power Plant, which went online in September 2017 as the largest solar plant in the Kanto region encompassing Tokyo. In addition, Ichigo completed assessments in preparation for construction of its first wind power plant, the Ichigo Yonezawa Itaya ECO Power Plant.



Ichigo Kasaoka Iwanoike, Ichigo’s First Floating Solar Power Plant

Ichigo Stock Earnings Growth



New Business Entry

– Ichigo Owners Real Estate Owner Services

Ichigo launched Ichigo Owners, its real estate owner services company, on March 1, 2017. Ichigo Owners caters to the needs of both experienced real estate owners and 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 clients, protecting and growing the value of client assets while building long-term relationships of trust.

In FY19/2, Ichigo Owners acquired JPY 16.4 billion in assets and sold JPY 14.2 billion to clients. Most of the assets acquired were new, high-quality residential assets in central Tokyo, and JPY 8.3 billion of these assets were sold to a private equity real estate fund on behalf of a long-term domestic institutional investor. Ichigo Investment Advisors is managing the fund in coordination with Ichigo Owners.

– THE KNOT Lifestyle Hotels

Following on the launch of THE KNOT YOKOHAMA in December 2017, Ichigo opened its second lifestyle hotel, THE KNOT TOKYO Shinjuku, in August 2018. With THE KNOT TOKYO Shinjuku, Ichigo used its value-add capabilities to totally transform a 39-year-old hotel.

THE KNOT TOKYO Shinjuku is a gathering place like Shinjuku Central Park, which the hotel faces and opens out onto. It promotes the mixing and mingling of travelers and local, diverse cultures and diverse interests.

Since its opening, THE KNOT TOKYO Shinjuku has operated at near-full capacity, with 80-90% of the guests coming from abroad. There are so many overseas guests that THE KNOT TOKYO Shinjuku has been chosen as a site for the Tokyo Metropolitan government to open a tourist information desk, offering additional services to enhance the guests' experience.



THE KNOT TOKYO Shinjuku

– Self-Storage, Ichigo Land, Hotel AI System Development, Smart Agriculture

Emerging businesses for Ichigo include: Self-Storage, which has large growth potential due to Tokyo's changing urban lifestyles; Ichigo Land, which works on long-term urban redevelopment; AI-based IT solutions for hotels, which raise customer satisfaction and hotel profitability; and Smart Agriculture, which uses technologies such as IOT (Internet of Things) to increase agricultural productivity.



Ichigo Smart Agriculture

– Establishment of the Ichigo Sustainable Lab (ISL)

To contribute to the creation of a sustainable society, Ichigo established the Ichigo Sustainable Lab (ISL) in December 2018. Given its strategic importance, the ISL reports directly to President Takuma Hasegawa, and consists of three sub-labs, each pursuing a distinct research and development (R&D) agenda:

Community Lab

The Community Lab recognizes that a highly functional, community-oriented built environment is critical to supporting a high quality of life. It therefore has as its central R&D theme investigating how real estate and physical infrastructure can foster interconnected and supportive communities as a foundation of a sustainable society.

In collaboration with companies sharing the same goal, the Community Lab is developing an open community platform that fosters social networks to link tenants and other members of the community.

100-Year Real Estate Lab

Preserving and improving real estate is fundamental to Ichigo's mission and social purpose. The ISL will further deepen Ichigo's capabilities via the 100-Year Real Estate Lab, which will collaboratively develop long-life technologies for buildings to last beyond 100 years.

While it is the norm in the US and Europe to renovate and retrofit major buildings such that they are fully functional for 50 or 100 years, the prevailing model in Japan has been to tear buildings down within 40 years. Ichigo believes that this approach is no longer sustainable because of growing pressure on the world's environmental, social, and financial resources. Developing 100-year buildings will also address a key challenge facing Japan: the deterioration of its aging public infrastructure.

Incubation Lab

Consistent with its core value of nurturing entrepreneurial spirit and diversity, Ichigo has a culture that fosters the establishment and growth of internal startups. The Incubation Lab supports Ichigo employees in launching new ventures that are both sustainable and address important societal needs.

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

Ichigo further strengthened its financial base by extending its loan maturities, lowering borrowing costs, hedging against future interest rate rises, and expanding its uncollateralized borrowing.

During FY19/2, Ichigo conducted a share buyback to grow EPS for Ichigo shareholders.

For the third year in a row, Ichigo was selected for inclusion in the JPX-Nikkei Index 400 in August 2018. 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.

To communicate its values to a broader community, Ichigo launched accounts on four social networking services – Facebook, Twitter, LinkedIn, and Instagram.



FY19/2 Earnings Details

Ichigo recorded FY19/2 consolidated revenue of JPY 83.5 billion (+44.4% YOY); operating profit of JPY 26.3 billion (+19.9% YOY), recurring profit of JPY 23.1 billion (+20.3% YOY); and net income of JPY 15.4 billion (+9.7% YOY).

Revenue

Robust asset sales, increased rental income from new acquisitions and value-add activities, and the completion of new power plants led to a 44.4% YOY increase in consolidated revenue to JPY 83.5 billion.

Real estate sales contributed JPY 58.7 billion, real estate rental income JPY 18.6 billion, real estate management fee income JPY 2.4 billion, and solar power production revenue JPY 3.6 billion.

Operating Profit

Operating profit increased on higher real estate sales, real estate rental income, and power generation revenue, with SG&A increasing by JPY 780 million, resulting in an operating profit of JPY 26.3 billion (+19.9% YOY).

Non-Operating Profit & Expenses

Non-operating profit totaled JPY 147 million (-8.8% YOY), with dividend income of JPY 68 million, a foreign currency valuation gain of JPY 21 million, and a mark-to-market gain on long-term interest rate hedges of JPY 5 million.

Non-operating expenses totaled JPY 3.4 billion (+15.7% YOY) on increased borrowing for asset acquisitions, with interest expenses of JPY 2.3 billion, debt financing-related fees of JPY 327 million, and a mark-to-market loss on long-term interest rate hedges of JPY 491 million.

Extraordinary Gains

Gains on sale of shares in affiliates totaled JPY 2 million (-99.8% YOY).

Net Income

Net income grew 9.7% YOY to JPY 15.4 billion. Incomes taxes totaled JPY 7.1 billion (including a tax adjustment of JPY 241 million).

The breakdown of revenue and operating profit by segment is as follows:

Asset Management

While more volatile spot asset management fees declined, base asset management fees showed solid growth, resulting in revenue of JPY 3.5 billion (+0.5% YOY) and segment earnings (operating profit) of JPY 2.2 billion (+7.5% YOY).

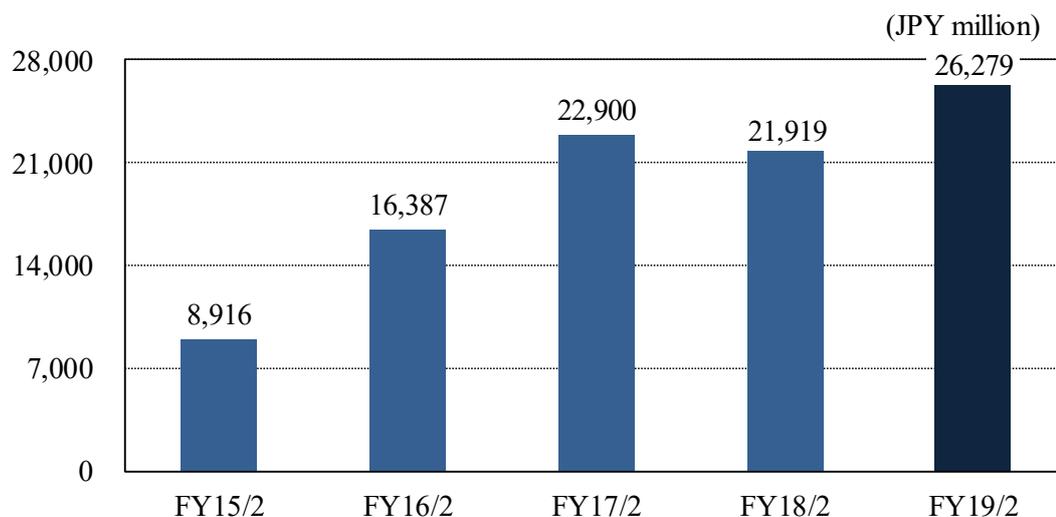
Value-Add

Rental income from newly acquired assets contributed to an increase in stock earnings. Asset sales were also solid, resulting in revenue of JPY 77.5 billion (+49.3% YOY) and segment earnings (operating profit) of JPY 22.7 billion (+19.3% YOY).

Clean Energy

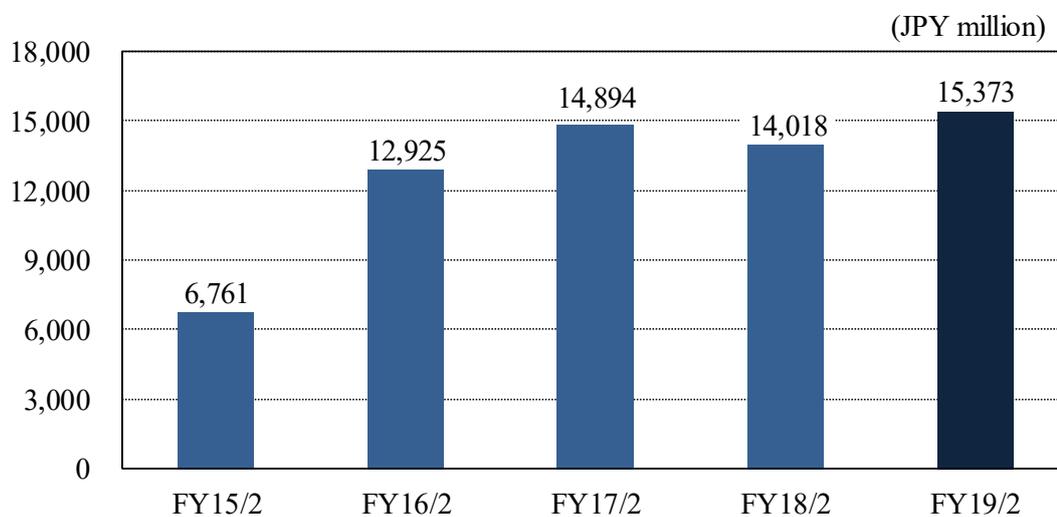
While flow earnings fell year-on-year because Ichigo did not sell any power plants during the period, stock earnings rose substantially as new plants came online, including the Ichigo Showamura Ogose ECO Power Plant, the largest solar plant in the Kanto region encompassing Tokyo. As a result, revenue was JPY 3.6 billion (+6.5% YOY) with segment earnings (operating profit) of JPY 1.4 billion (+51.7% YOY).

Operating Profit



Due to a change in accounting treatment from FY19/2, FY15/2~FY18/2 Operating Profit has been restated for ease of comparison. For details, please see page 19 of “Additional Accounting Notes for the Nineteenth Annual Shareholder Meeting.”

Net Income



Achievement of the Power Up 2019 Mid-Term Business Plan

Power Up 2019 focused on driving sustainable growth and shareholder value and deepening Ichigo's core capabilities over the three years from FY17/2 to FY19/2. During the three years of Power Up 2019, Ichigo increased its operating profit by 60.4% and net profit by 18.9%. (Ichigo's operating profit grew more rapidly than its net income, because Ichigo's effective tax rate normalized from 6.9% in FY16/2 to 31.8% in FY19/2. Ichigo used tax assets in FY16/2 to reduce its effective tax rate.)

Ichigo also grew its stable earnings base, with FY19/2 Stock Earnings 240% of fixed costs.

Power Up 2019 Outcomes

KPIs

(JPY million)

	FY16/2 (Actual) (Shift Up 2016) (A)	FY19/2 (Plan) (Power Up 2019)	FY19/2 (Actual) (Power Up 2019) (B)	vs. Plan	(B) - (A)
Operating Profit	16,387 ¹	25,000	26,279	105.1%	+60.4%
Recurring Profit	13,889	21,400	23,076	107.8%	+66.1%
Net Income	12,925	14,800	15,373	103.9%	+18.9%
EPS	JPY 25.86	JPY 29.00	JPY 31.14	107.4%	+20.4%
Dividend	JPY 3	JPY 7	JPY 7	100.0%	+133.3%
ROE	21.0% ²	15.6%	16.3%	–	–
Stock Earnings/ Fixed Expenses	223.3%	191.4%	239.6%	–	–

¹ From FY19/2, SPC-related non-recourse loan interest expenses are accounted as Fixed Non-Operating Expenses rather than COGS. FY16/2 Operating Profit has therefore been restated using this new accounting treatment to facilitate an accurate YOY comparison.

² Ichigo's effective tax rate normalized from 6.9% in FY16/2 to 31.8% in FY19/2. At FY19/2's normalized 31.8% tax rate, FY16/2 ROE would have been 15.3%.

2. Capital Expenditures

During FY19/2, property, plant, and equipment (PP&E), including operating and in-development power plants, increased by JPY 4.0 billion.

3. Financing

In order to drive earnings growth and further strengthen its financial standing, Ichigo is taking 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 reduced loan repayments to free up cash flow by improving individual loan terms, securing syndicate loans, and establishing an uncollateralized commitment line.

Ichigo increased uncollateralized financing to further strengthen its financial position, and initiated an uncollateralized JPY 10 billion commitment line with Mizuho Bank in September 2018. The commitment line is an ongoing, revolving credit line for loans with 11-year maturities that enables Ichigo to flexibly and repeatedly borrow within the commitment line amount of JPY 10 billion in order to finance real estate acquisitions.

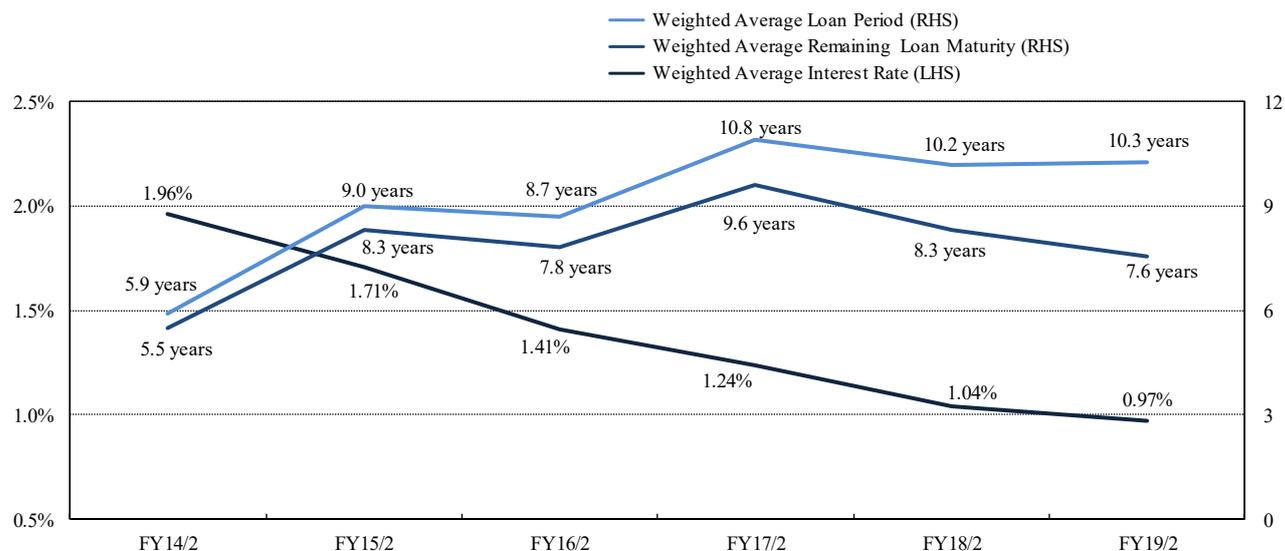
Uncollateralized Commitment Line

Use of Proceeds	Real estate acquisitions
Commitment Line Amount	JPY 10 billion
Lender	Mizuho Bank
Drawdown Period	October 1, 2018 to September 30, 2021 (3 years)
Loan Final Repayment Date	September 30, 2029
Collateralized	No
Contract Date	September 21, 2018

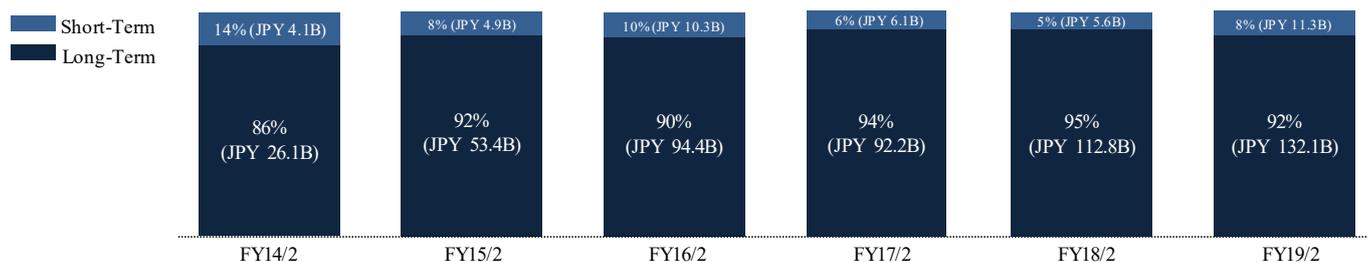
Ichigo's balance of interest-bearing corporate loans as of FY19/2-end was JPY 143.4 billion (+21.0% YOY), and its balance of non-recourse loans and bonds was JPY 52.7 billion (-21.9% YOY). The average interest rate during FY19/2 for interest-bearing corporate loans and non-recourse loans were 0.97% (-0.07% YOY) and 1.12% (-0.04% YOY), respectively.

Ichigo continues to have an extraordinarily stable and durable balance sheet, with 92.1% of interest-bearing corporate loans as of FY19/2-end being long-term. JPY 95.6 billion of interest-bearing corporate loans have remaining loan terms of more than five years, with total interest-bearing corporate loans having an average loan term of 10.3 years. Furthermore, 50.7% of Ichigo's interest-bearing corporate loans as of FY19/2-end are with the Japanese megabanks.

Average Interest Rate and Loan Term



Term Structure of Loans



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

N/A

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.

N/A

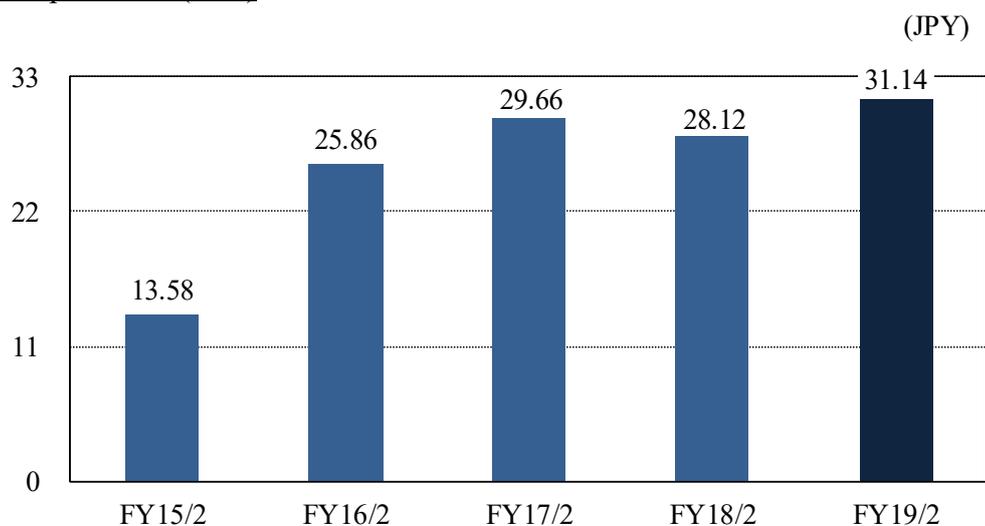
B. Earnings and Assets in the Current and Past Three Fiscal Years

	16 th Term (FY16/2)	17 th Term (FY17/2)	18 th Term (FY18/2)	19 th Term (FY19/2)
Revenue (JPY million)	49,699	109,253	57,846	83,540
Operating Profit (JPY million)	16,387	22,900	21,919	26,279
Recurring Profit (JPY million)	13,889	19,755	19,185	23,076
Net Income (JPY million)	12,925	14,894	14,018	15,373
Net Income per Share (JPY)	25.86	29.66	28.12	31.14
Total Assets (JPY million)	251,757	273,459	296,512	319,599
Net Assets (JPY million)	72,166	83,443	92,725	102,859
Net Assets per Share (JPY)	134.54	159.60	180.20	202.14
Dividend per Share (JPY)	3.0	5.0	6.0	7.0
Return on Equity	21.0%	20.2%	16.5%	16.3%

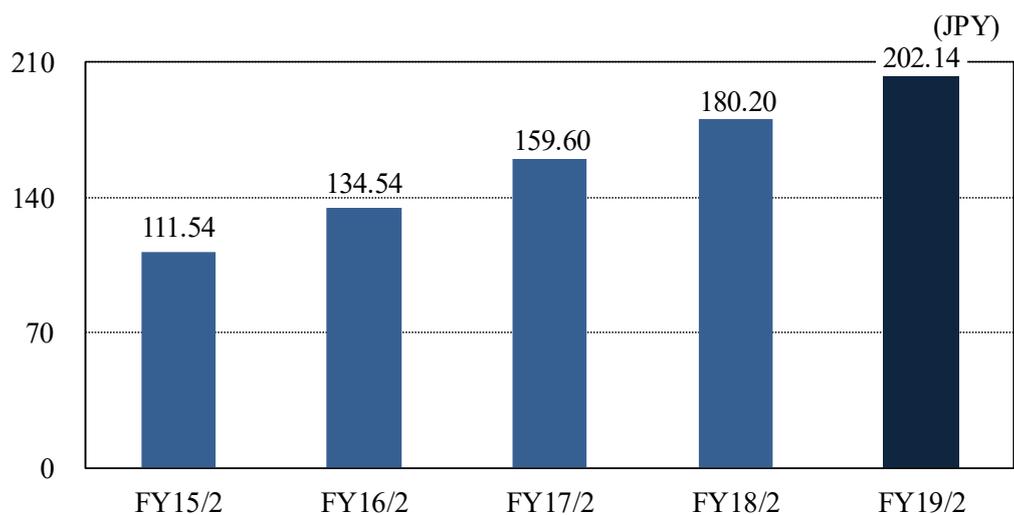
(Note 1) Net Income per Share is calculated based on the average number of outstanding shares, excluding treasury shares, during the term. Net Assets per Share is calculated based on the number of outstanding shares, excluding treasury shares, as of the end of the fiscal year.

(Note 2) Due to a change in accounting treatment from FY19/2, prior years have been restated. For details, please see page 19 of today's "Additional Accounting Notes for the Nineteenth Annual Shareholder Meeting."

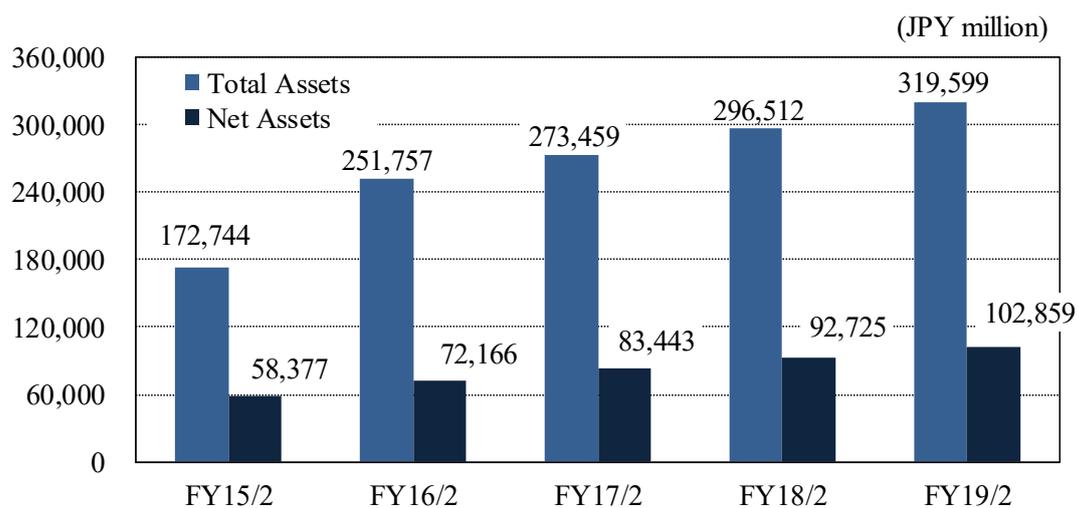
Net Income per Share (EPS)



Net Assets per Share



Total Assets & Net Assets



C. Controlling Parent 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 150 million	100%	Clean energy business focusing on utility-scale solar and wind power production, making purposeful use of idle land nationwide
Ichigo Owners Co., Ltd.	JPY 110 million	100%	Real estate owner services
Ichigo Land Shinchiku Co., Ltd.	JPY 50 million	100%	Real estate value-add
Ichigo Real Estate Services Fukuoka Co., Ltd.	JPY 101 million	100%	Real estate business centered on Fukuoka in the Kyushu region
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 ECO Energy increased its capital by JPY 50 million on February 1, 2019 and its paid-in capital is JPY 150 million.

(Note 2) Ichigo Owners increased its capital by JPY 10 million on February 1, 2019 and its paid-in capital is JPY 110 million.

(Note 3) Ichigo Real Estate Services Fukuoka increased its capital by JPY 51 million on February 1, 2019 and its paid-in capital is JPY 101 million.

D. Key Business Priorities

During the three years of Power Up 2019, Ichigo increased its operating profit by 60% (17% CAGR), and posted record FY19/2 Operating Profit, Recurring Profit, and Net Income.

The revolution in IT and networks that has transformed industries globally has also reached real estate, creating opportunities for radical improvements in serving tenant needs. To invest in the potentially enormous growth opportunities from this technological change and drive significantly higher long-term growth for its shareholders, Ichigo has decided to pursue an 11-year vision that is significantly more transformative than a traditional three-year mid-term business plan.

Ichigo 2030: Ichigo as a Sustainable Infrastructure Company

As a sustainable infrastructure company, Ichigo is growing and expanding its core real estate and clean energy capabilities into new areas. In doing so, Ichigo will generate new earnings streams and opportunities to serve clients while seeking to create a more sustainable society.

a. Sustainable

We have entered an era when humanity must tread more lightly on our planet and learn to do more with less. Ichigo already has an extensive track record in sustainable real estate through its business model of preserving and improving existing real estate, which challenges the wasteful cycle of demolition and redevelopment in Japanese real estate. With Ichigo 2030, Ichigo will continue its long-standing commitment to sustainability while developing new technologies to extend the lives of key social infrastructure beyond 100 years. Sustainability is integral to the healthy development of people, society, and the environment.

b. Infrastructure

Ichigo has moved beyond the traditional view of real estate as simply physical buildings and land to one in which Ichigo more broadly provides key infrastructure that is fundamental to people's lives. Ichigo first expanded beyond real estate in 2012, when it began developing solar power, offering sustainable energy to support a cleaner and safer Japan and world. Ichigo 2030 takes this strategy forward by expanding the scope of Ichigo's real estate and clean energy businesses into other types of infrastructure that contribute to creating richer, more fulfilling lives for the people of Japan.

Ichigo is now working to merge the physical infrastructure of daily life – offices, homes, hotels – with the networks and data-driven possibilities of the digital world in order to offer more enriching experiences to its clients, tenants, and other stakeholders. While continuing to grow Ichigo's existing businesses, Ichigo is increasing investments in new technologies and talent and developing new partnerships with other companies who share our sustainability vision.

Time Period

FY20/2 to FY30/2 (11 years)

KPIs

1. High Capital Productivity

(a) FY20/2~FY30/2 Average ROE >15%

Although Ichigo's growth investments in IT and new businesses will initially lower ROE, Ichigo believes these investments will increase long-term ROE by driving higher capital productivity and earnings stability. Ichigo is focused on growing long-term EPS as a key driver of shareholder value.

(b) FY20/2~FY30/2 Continuous JPX-Nikkei 400 Index Inclusion

Ichigo is targeting continuous inclusion in the JPX-Nikkei 400 Index for the entire Ichigo 2030 period (11 years). The JPX-Nikkei 400 selects companies based on ROE, operating profit, and market capitalization, resulting in an index that is comprised of companies with high capital productivity and profitability.

2. High Cash Flow Generation

(a) FY20/2~FY30/2 Continuous Economic Operating Cash Flow* > Net Income

Ichigo's robust cash flows fund both growth investments and shareholder returns, so growing these cash flows is an important business priority. Ichigo is therefore setting a target of its annual Economic Operating Cash Flow exceeding its annual Net Income for the entire Ichigo 2030 period (11 years).

* Economic Operating Cash Flow = Cash Flows from Operations +/- any changes in Real Estate and Power Plants for Sale

3. High Earnings Stability

FY30/2 Stock Earnings Ratio >60%

Ichigo is targeting increasing its Stock Earnings ratio from FY19/2's 53% to 60% in FY30/2. It is also working to increase and diversify its Flow Earnings in order to reduce the weighting of profits from Value-Add real estate sales, which can be sensitive to changes in the real estate market. As a result, Ichigo expects to significantly increase both its earnings and its earnings stability over the Ichigo 2030 period.

Shareholder Return Policy

Ichigo will work to drive long-term shareholder value with a shareholder return policy that focuses on 1) dividend stability, transparency, and growth, and 2) flexible share buybacks.

1. Progressive Dividend Policy

Ichigo will continue its progressive dividend policy, originally adopted in FY17/2, in Ichigo 2030. Ichigo's progressive dividend policy underscores its commitment to driving continued organic earnings and dividend growth for shareholders. Under this 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 protection.

2. DOE >3%

In addition to its progressive dividend policy, Ichigo will continue its policy of a DOE (Dividend on Equity) payout ratio of greater than 3%. In contrast to a "dividend payout ratio policy," which calculates dividends based upon annual earnings which can be highly volatile, a DOE policy pays dividends based upon far more stable shareholder equity. A DOE policy thus results in more stable dividends for shareholders. 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.

3. Flexible Deployment of Share Buybacks

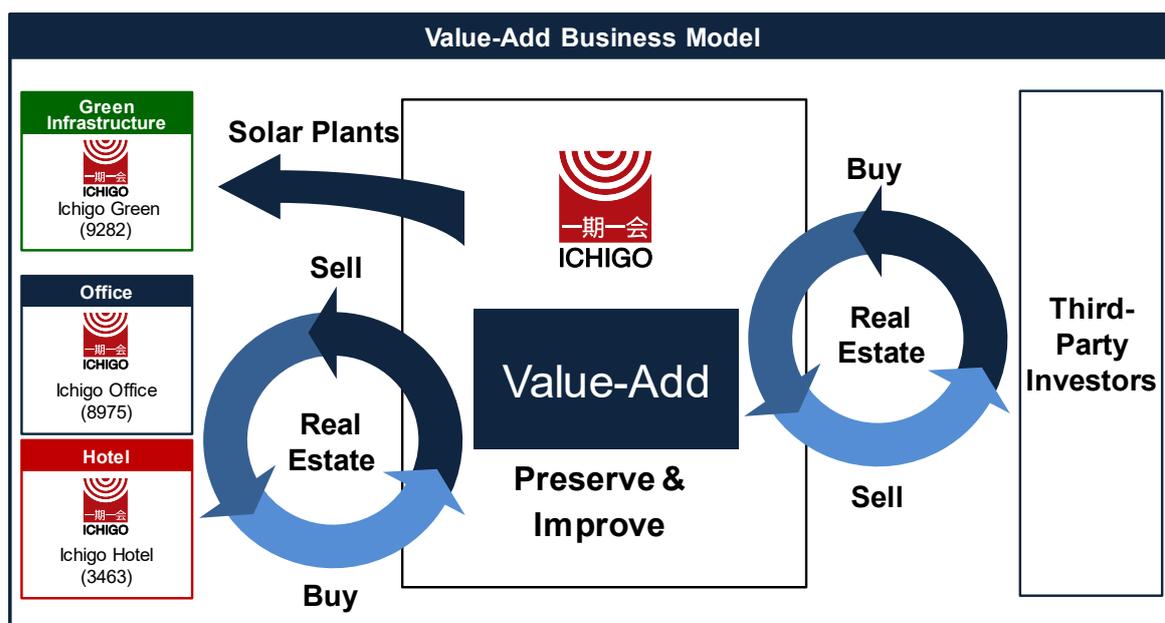
In addition to the above dividend policies, Ichigo is newly adopting a policy to flexibly conduct share buybacks to optimize its capital structure and drive shareholder value.

E. Key Business Segments (as of February 28, 2019)

Ichigo's biggest segment is Value-Add, in which Ichigo preserves and improves real estate. 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 idle land.

Ichigo's Value-Add Business Model



F. Employees (as of February 28, 2019)

1. Employees (Consolidated)

Number of employees	Increase/decrease from previous fiscal year-end
231 (10)	29 (-1)

(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.

2. Employees (Parent company only)

Number of employees	Increase/decrease from previous fiscal year-end	Average age	Average years of employment
98 (2)	10 (-1)	41.7 years old	4.8 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 ten; however, this was mainly due to employees being moved from a subsidiary pursuant to a corporate reorganization.

G. Principal Lenders (as of February 28, 2019)

Lenders	Amount
Sumitomo Mitsui Banking Corporation	JPY 35.0 billion
Mizuho Bank, Ltd.	JPY 33.4 billion
Kansai Urban Banking Corporation	JPY 10.8 billion
The Nishi-Nippon City Bank, Ltd.	JPY 7.0 billion
Resona Bank, Limited.	JPY 6.4 billion

(Note) These amounts are for corporate loans and do not include non-recourse loans with respect to assets that Ichigo manages (e.g., tokumei kumiai partnerships, etc.)

H. Policy on Dividends and Shareholder Distributions

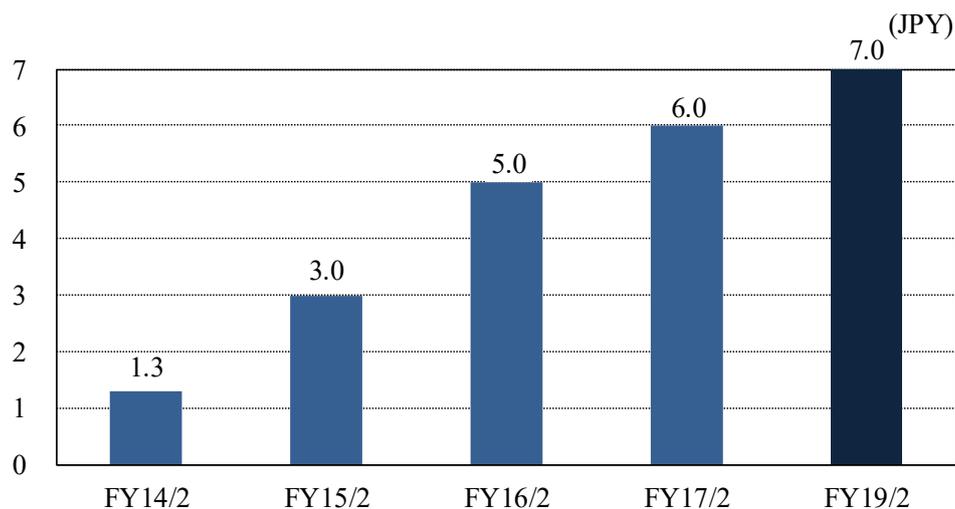
Ichigo views distributions to its shareholders as an important priority.

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 protection.

In addition to this progressive dividend policy, Ichigo has adopted a minimum DOE (dividend on equity) payout ratio of 3%. In contrast to an "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 FY19/2 dividend per share is JPY 7, up 16.7% YOY.

Dividend per Share



I. Other Material Matters

Ichigo's Board of Directors decided to conduct a share buyback, pursuant to the provisions of Articles 156 and 165 of the Company Law, at the Board of Directors meeting held on October 18, 2018. The details of the buyback are as follows:

1. Share Buyback Rationale

To grow value for Ichigo shareholders

2. Share Buyback Summary

October 2018 Share Buyback

Number of Shares	7,869,700
Amount	JPY 2,999,975,400
Average Share Price	JPY 381
Buyback Period	October 19, 2018 – December 4, 2018
Buyback Method	In-market purchases via trust bank

II. Other Matters

A. Shares and Shareholder Information (as of February 28, 2019)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 505,066,430 shares (including 16,556,200 treasury shares)
3. Number of Shareholders: 23,526

Top 10 Shareholders

Name	Shares Held	Shareholding Ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	237,743,200	48.67%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	34,940,600	7.15%
Morgan Stanley MUFG Securities Co., Ltd.	20,107,366	4.12%
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	19,237,887	3.94%
MACQUARIE BANK LIMITED-MBL LONDON BRANCH	19,153,000	3.92%
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,964,400	2.24%
Japan Trustee Services Bank, Ltd. (Trust Account)	10,808,100	2.21%
STATE STREET BANK AND TRUST COMPANY 505223	6,290,392	1.29%
STATE STREET BANK AND TRUST COMPANY 505001	5,266,543	1.08%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	4,935,200	1.01%
TOTAL	369,446,688	75.63%

(Note 1) Shareholding Ratio is calculated excluding 16,556,200 treasury shares.

(Note 2) The Shareholding Ratio of Ichigo Trust Pte. Ltd., Ichigo's largest shareholder, decreased during the period from 49.81% to 48.67%.

B. Directors and Officers

1. Directors (as of February 28, 2019)

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, Head of IT Chairman & Director, Ichigo ECO Energy Co., Ltd.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Value-Add) & COO Compliance Committee Member Director, Ichigo Investment Advisors Co., Ltd. Chairman, President, & Representative Director, Miyako City Co., Ltd. Chairman, President, & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka
Independent Director ⁴	Tetsuya Fujita ¹	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member Special Advisor to CEO, ReMark Group
Independent Director ⁴	Noriko Kawate ²	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President, CLEA Consulting Co., Ltd. Partner, Cast Group
Independent Director ⁴	Yukio Suzuki ³	Vice Chairman of Compliance Committee, Audit Committee Member CEO, Belle Investment Research of Japan Inc. Independent Director, Systema Corporation Independent Auditor, Wills Inc. Independent Auditor, XNET Corporation
Independent Director ⁴	Masatoshi Matsuzaki	Nominating Committee Member, Compensation Committee Member Chairman of the Board of Directors, Konica Minolta Inc. Executive Director & 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 ⁴	Kosuke Nishimoto	Independent Director, Ryosan Company, Limited Chairman, President, & Representative Director, Interworks Inc. Independent Director, Misumi Group Inc.
Independent Director ⁴	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 Audit Committee Member Yukio Suzuki has served important roles at financial companies and thus has extensive experience and knowledge of corporate and securities research.

⁴ 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, 2019)

Position	Name	Responsibility and Other Business Affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall Group Management Chairman & Statutory Executive Officer, 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, Ichigo Investment Advisors Co., Ltd. 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. Advisor, Getter Lab
Executive Managing Director	Takeyuki Yoshimatsu	Business Management Executive Vice President, Ichigo Investment Advisors Co., Ltd.
Statutory Executive Officer	Katsuhiko Hattori	Engineering
Statutory Executive Officer	Haruki Nakane	Compliance
Statutory Executive Officer	Akihiko Tsukasa	Osaka Branch
Statutory Executive Officer	Kenichi Tanaka	Business Development
Statutory Executive Officer	Yasutoyo Senda	Audit
Statutory Executive Officer	Takanori Sakamatsu	Accounting & Business Planning

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

N/A (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)	8 (6)	JPY 256 million (JPY 63 million)
Statutory Executive Officers	11	JPY 183 million
Total (of whom are Independent Directors)	19 (6)	JPY 439 million (JPY 63 million)

- (Note 1) As of the end of the term, there are nine Directors (including six Independent Directors) and 13 Statutory Executive Officers (three of whom are also Directors), resulting in a total of 19 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 20 directors and officers, which is the sum of the 19 aforementioned directors and officers plus the one non-remunerated director differs from the total of 19 directors and officers in the above table because one officer stepped down during FY19/2.
- (Note 4) The amount paid includes remuneration in the form of stock options of JPY 32 million for Directors (of which JPY 9 million is for Independent Directors) and stock options of JPY 19 million for Statutory Executive Officers.
- (Note 5) In addition, Ichigo paid JPY 103 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 9 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 a Special Advisor to CEO at the ReMark Group. Ichigo has no relationship with the ReMark Group.
- Independent Director Yukio Suzuki is an Independent Director of Systema Corporation, an Independent Auditor of WILLs Inc., and an Independent Auditor of XNET Corporation. Ichigo has no relationship with Systema Corporation, WILLs Inc., or XNET Corporation.

- Independent Director Masatoshi Matsuzaki is the Chairman of the Board of Directors of Konica Minolta Inc., Executive Director and 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. Independent Director Activities in the Current Fiscal Year

	Name	Activities
Independent Director	Tetsuya Fujita	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee and attended 2 out of 2 meetings (100%) of the Compliance Committee. Attended 3 out of 3 meetings (100%) of the Nominating Committee and 5 out of 5 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 10 out of 10 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee. Attended 3 out of 3 meetings (100%) of the Nominating Committee and 5 out of 5 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 10 out of 10 meetings (100%) of the Board of Directors. Attended 18 out of 18 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	Masatoshi Matsuzaki	Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 3 out of 3 meetings (100%) of the Nominating Committee. Attended 5 out of 5 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 10 out of 10 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 10 out of 10 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.

C. Independent Auditor

1. Grant Thornton Taiyo LLC

2. Fees Paid to the Independent Auditor

(i) Fees paid to the Independent Auditor during FY19/2

Fees for the services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	JPY 72 million
---	----------------

Fees for the services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act	—
--	---

JPY 72 million

(ii) Total monetary and other financial benefits payable by Ichigo and subsidiaries to the Independent Auditor	JPY 86 million
--	----------------

(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.

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

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

E. 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, 2019)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	217,987	Current Liabilities	22,280
Cash and cash equivalents	50,225	Short-term loans	3,275
Trade notes and accounts receivable	1,344	Bonds (due within one year)	112
Operational loan investments	1,324	Long-term loans (due within one year)	7,881
Operational securities investments	1,218	Long-term non-recourse loans (due within one year)	1,666
Real estate for sale	161,322	Income taxes payable	3,760
Deferred tax assets	397	Deferred tax liabilities	375
Other	2,156	Accrued bonuses	31
Less: allowance for doubtful accounts	-2	Other current liabilities	5,178
Fixed Assets	101,611	Long-Term Liabilities	194,458
Property, Plant, and Equipment	94,976	Bonds	538
Buildings and structures	24,577	Long-term loans	131,569
Depreciation	-4,238	Long-term non-recourse loans	51,068
Buildings and structures (net)	20,338	Deferred tax liabilities	2,043
Solar power plant equipment	21,229	Long-term security deposits received	8,292
Depreciation	-2,170	Other long-term liabilities	946
Solar power plant equipment (net)	19,058		
Land	49,924		
Buildings under construction	956		
Solar power plants under construction	3,656		
Other	1,441		
Depreciation	-399		
Other (net)	1,042		
Intangible Assets	1,993		
Goodwill	1,346		
Leasehold rights	316		
Other	331		
Investments and Other Assets	4,640		
Securities investments	2,455		
Long-term loans receivable	10		
Deferred tax assets	35		
Other	2,231		
Less: allowance for doubtful accounts	-91		
		Total Liabilities	216,739
		Net Assets	
		Shareholders' Equity	98,769
		Capital	26,820
		Capital reserve	11,207
		Earnings reserve	66,730
		Treasury shares	-5,988
		Accumulated Other Comprehensive Income	-21
		Valuation gain (loss) on other securities	386
		Deferred gain (loss) on long-term interest rate hedges	-408
		Stock Options	827
		Minority Interests	3,283
		Total Net Assets	102,859
Total Assets	319,599	Total Liabilities and Net Assets	319,599

Consolidated Income Statement

(March 1, 2018 – February 28, 2019)

(JPY million)

Item	Amount	
Revenue		83,540
Cost of Goods Sold		51,413
Gross Profit		32,126
SG&A		5,847
Operating Profit		26,279
Non-Operating Profit		
Interest income	3	
Dividend income	68	
Valuation gain on foreign currency	21	
Mark-to-market gain on long-term interest rate hedges	5	
Other	49	147
Non-Operating Expenses		
Interest expense	2,328	
Mark-to-market loss on long-term interest rate hedges	491	
Debt financing-related fees	327	
Other	203	3,350
Recurring Profit		23,076
Extraordinary Gains		
Gains on sale of securities investments	2	2
Pre-Tax Net Income		23,079
Income taxes – current	7,091	
Income taxes – deferred	241	7,333
Pre-Minority Interest Net Income		15,746
Net Income Attributable to Minority Interests		373
Net Income		15,373

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2018 – February 28, 2019)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2018	26,723	11,113	54,324	-2,995	89,165
Changes in the Current Fiscal Year					
Share Issuance	97	97			194
Dividend Payment			-2,974		-2,974
Net Income			15,373		15,373
Change in Consolidated Subsidiaries			7		7
Change due to Transactions with Non-Controlling Shareholders		1			1
Share Buyback				-2,999	-2,999
Sale of Treasury Shares		-5		6	1
Changes in Items other than Shareholders' Equity					
Total Changes	97	93	12,406	-2,993	9,604
Balance as of February 28, 2019	26,820	11,207	66,730	-5,988	98,769

	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	Total Other Comprehensive Income			
Balance as of March 1, 2018	543	-372	171	666	2,722	92,725
Changes in the Current Fiscal Year						
Share Issuance						194
Dividend Payment						-2,974
Net Income						15,373
Change in Consolidated Subsidiaries						7
Change due to Transactions with Non-Controlling Shareholders						1
Share Buyback						-2,999
Sale of Treasury Shares						1
Changes in Items other than Shareholders' Equity	-156	-35	-192	160	561	529
Total Changes	-156	-35	-192	160	561	10,133
Balance as of February 28, 2019	386	-408	-21	827	3,283	102,859

Parent Balance Sheet

(As of February 28, 2019)

(JPY million)

Item	Amount	Item	Amount
Assets		Liabilities	
Current Assets	53,754	Current Liabilities	8,874
Cash and cash equivalents	21,889	Short-term loans	300
Accounts receivable	277	Bonds (due within one year)	112
Real estate for sale	5,978	Long-term loans (due within one year)	4,263
Operational securities investments	1,216	Accounts payable	1,092
Short-term loans to affiliates	21,417	Accrued expenses	101
Advance payments	132	Income taxes payable	2,854
Accounts receivable - other	560	Advances received	96
Accounts receivable due to consolidated taxation	1,682	Deposits received	20
Deferred tax assets	120	Other	32
Other	479	Long-Term Liabilities	41,922
Less: allowance for doubtful accounts	-	Bonds	408
Fixed Assets	80,222	Long-term loans	40,812
Property, Plant, and Equipment	3,050	Deferred tax liabilities	336
Buildings and structures	765	Long-term security deposits received	109
Depreciation	-319	Other long-term liabilities	256
Buildings and structures (net)	446		
Land	2,583	Total Liabilities	50,796
Other	71		
Depreciation	-50	Net Assets	
Other (net)	21	Shareholders' Equity	82,431
Intangible Assets	95	Capital	26,820
Software	45	Capital reserve	11,205
Other	50	Retained earnings	11,136
Investments and Other Assets	77,076	Capital reserve - other	68
Securities investments	2,228	Retained earnings	50,393
Securities investments in affiliates	4,504	Earnings reserve	44
Affiliate bonds	1,200	Earnings reserve - other	50,349
Securities investments in affiliates - other	54,006	Retained earnings carried forward	50,349
Long-term loans receivable	10	Treasury shares	-5,988
Long-term loans to affiliates	14,610	Revaluation and Adjustment	-77
Other	601	Valuation gain (loss) on other securities	312
Less: allowance for doubtful accounts	-85	Deferred gain (loss) on long-term interest rate hedges	-389
		Stock Options	827
		Total Net Assets	83,181
Total Assets	133,977	Total Liabilities and Net Assets	133,977

Parent Income Statement

(March 1, 2018 – February 28, 2019)

(JPY million)

Item	Amount	
Revenue		15,919
Cost of Goods Sold		167
Gross Profit		15,752
SG&A		3,011
Operating Profit		12,740
Non-Operating Profit		
Interest income	405	
Dividend income	62	
Credit guarantees income	10	
Other	30	509
Non-Operating Expenses		
Interest expense	455	
Debt financing-related fees	135	
Mark-to-market loss on long-term interest rate hedges	484	
Other	104	1,179
Recurring Profit		12,070
Extraordinary Gains		
Gains on sale of securities investments	2	2
Pre-Tax Net Income		12,073
Income taxes – current	3,221	
Income taxes – deferred	595	3,817
Net Income		8,256

Parent Statement of Changes in Shareholders' Equity

(March 1, 2018 – February 28, 2019)

(JPY million)

	Shareholders' Equity								
	Capital	Capital Surplus			Retained Earnings			Treasury Shares	Total Shareholders' Equity
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Earnings Reserve	Other Retained Earnings Carried Forward/ Retained Earnings	Total Retained Earnings		
Balance as of March 1, 2018	26,723	11,039	74	11,113	44	45,067	45,112	-2,995	79,953
Changes in the Current Fiscal Year									
Share Issuance	97	97		97					194
Dividend Payments						-2,974	-2,974		-2,974
Share Buyback								-2,999	-2,999
Sale of Treasury Shares			-5	-5				6	1
Net Income						8,256	8,256		8,256
Changes in Items other than Shareholders' Equity									
Total Changes	97	97	-5	91	—	5,281	5,281	-2,993	2,477
Balance as of February 28, 2019	26,820	11,136	68	11,205	44	50,349	50,393	-5,988	82,431

	Revaluation and Adjustment			Stock Options	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Revaluation and Adjustment		
Balance as of March 1, 2018	489	-353	136	666	80,757
Changes in the Current Fiscal Year					
Share Issuance					194
Dividend Payments					-2,974
Share Buyback					-2,999
Sale of Treasury Shares					1
Net Income					8,256
Changes in Items other than Shareholders' Equity	-177	-36	-214	160	-53
Total Changes	-177	-36	-214	160	2,424
Balance as of February 28, 2019	312	-389	-77	827	83,181

Auditor's Report on the Consolidated Financial Statements

Report of Independent Auditor

April 12, 2019

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

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

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

We have audited the consolidated financial statements of Ichigo Inc., namely the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements, for the fiscal year from March 1, 2018 to February 28, 2019 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, 2019

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

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

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

We have audited the nineteenth 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, 2018 to February 28, 2019 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 17, 2019

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 nineteenth fiscal year from March 1, 2018 to February 28, 2019. 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.