February 2014 Q1 (March – May 2013)
Corporate Presentation

July 18, 2013

Ichigo Group Holdings Co., Ltd. (2337)

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Creating peace of mind through honest and committed management.

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Transformational Growth

- Shift-Up Strategy
- Operating Profit 2.3X, Net Profit 5.2X Year-on-Year
- Significant Investment for Growth
- Accelerating Asset Acquisitions
- Profitable Asset Sales
- Strengthened Lender Base
- Improved Debt Terms
- Successful Ichigo REIT (8975) Public Offering
- Ichigo ECO Energy Expansion

Appendices: Financial & Real Estate Data

Stock Split to Promote Share Ownership & Liquidity

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Transformational Growth

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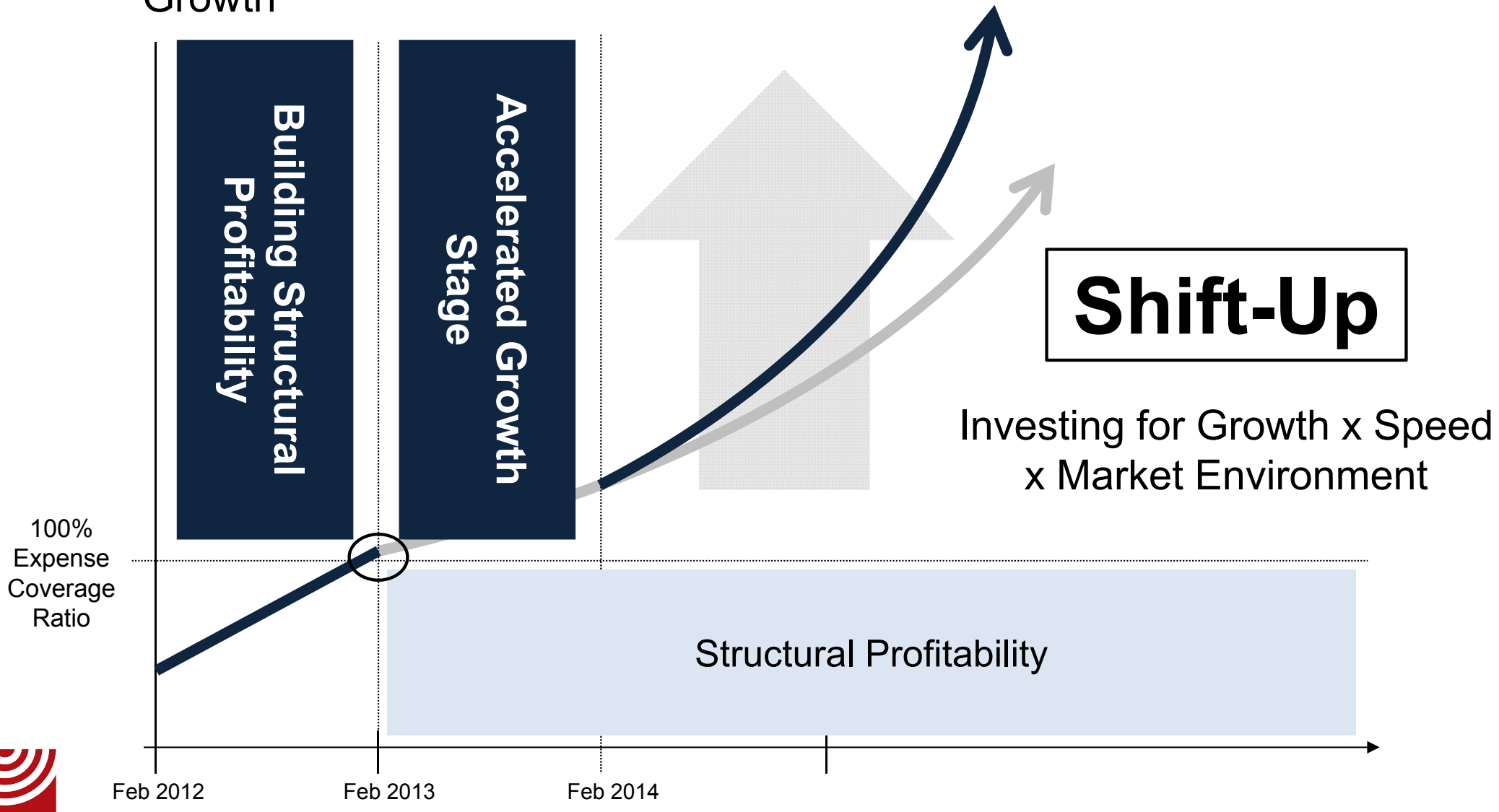
Shift-Up Strategy

Capitalizing on Changes in Market Environment to Radically Accelerate Growth



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Operating Profit 2.3X, Net Profit 5.2X Year-on-Year

Achieved 45% of Full-Year Net Income Forecast in First Quarter

(Million yen)

	Feb 13 Q1	Feb 14 Q1	YoY Change	FY 14 Full-Year Forecast	Q1 vs. Full-Year Forecast	Feb 13 Actual
Revenues	**2,362**	**11,023**	**467%**	**26,000**	**42.4%**	**16,397**
Operating Profit	**335**	**767**	**229%**	**3,000**	**25.6%**	**1,844**
Recurring Profit	**307**	**742**	**242%**	**2,700**	**27.5%**	**1,734**
Net Profit	**264**	**1,360**	**515%**	**3,000**	**45.3%**	**1,637**

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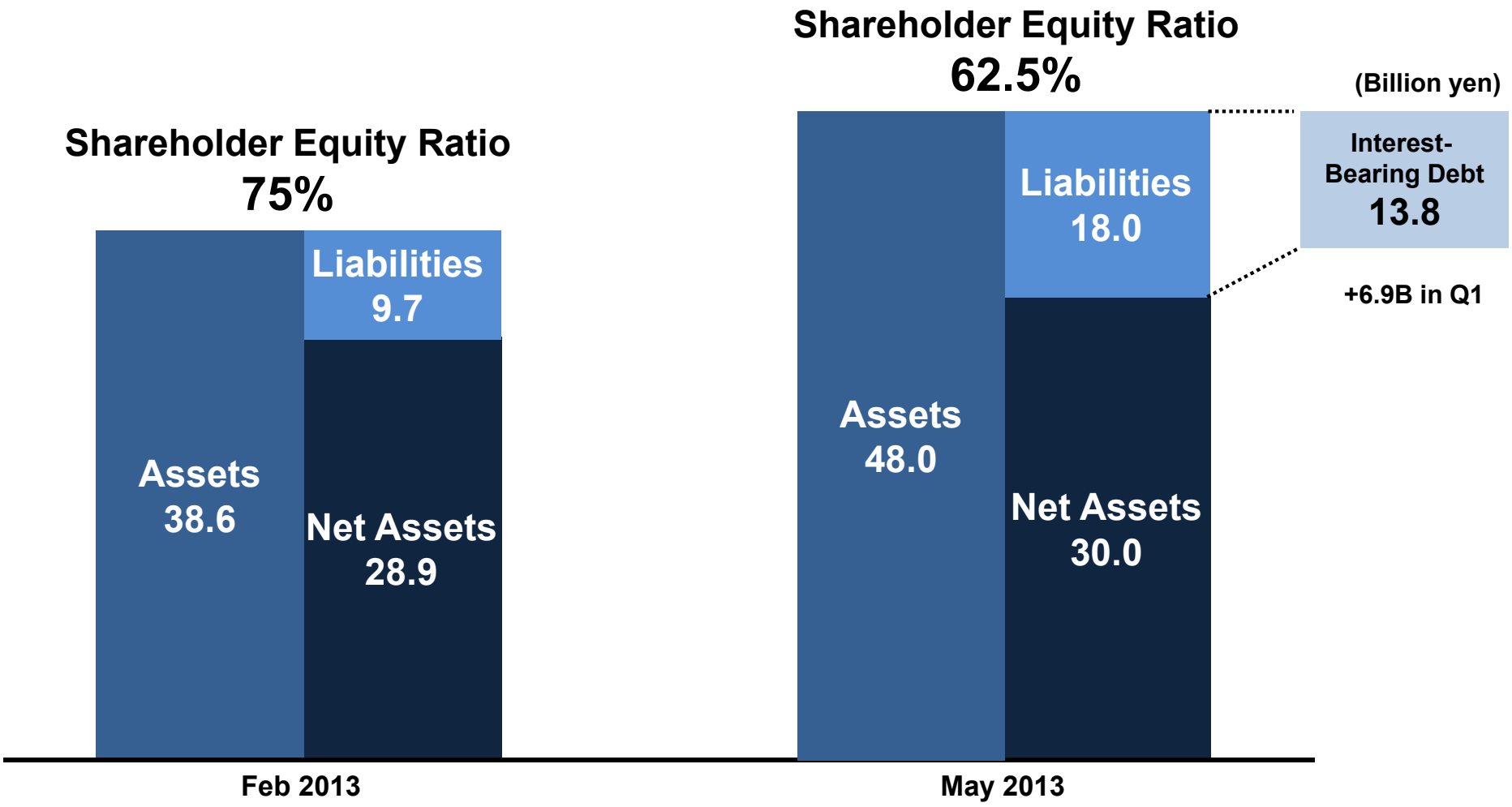
Significant Investment for Growth

Acquiring High-Return Assets with Low-Cost Debt



* Pro Forma (definition on p. 17)

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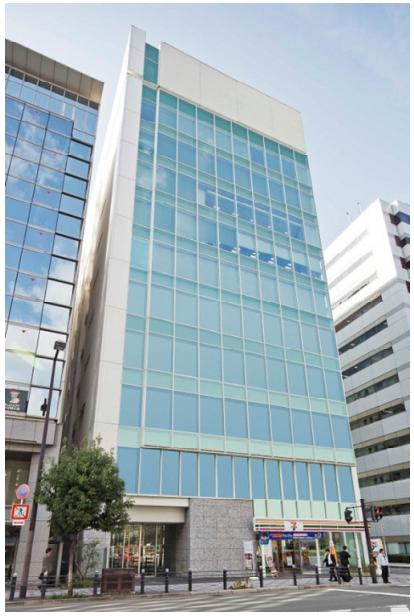
Accelerating Asset Acquisitions

Acquired 9 Assets (JPY18B) in Q1

- ✓ Ichigo REIT Bridge Assets
  - — Osaka office (JPY 1.9B)
  - — Osaka retail (JPY 1.2B)
- ✓ Tokyo Minami Ikebukuro, Chofu, and Daikanyama Retail (Ichigo Estate)
- ✓ Tokyo Azabu Juban Development (Ichigo Estate)
- ✓ Other Retail (Yokohama) and Residential (Osaka)







Osaka Office (Ichigo REIT)







Osaka Retail (Ichigo REIT)



Minami Ikebukuro Retail

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Profitable Asset Sales

Q1 Asset Sales

- ✓ JPY 1.5B in profits from the sales of central Tokyo office asset (Kyobashi) and Ichigo REIT bridge assets to support Ichigo REIT's public offering

Osaka Redevelopment (Asset Sold in May 2014)

- ✓ Deploying Ichigo's architectural, engineering, and leasing capabilities, Ichigo turned a single tenant movie theater into a multi-tenant entertainment complex housing a music club, a pro-wrestling arena, and a traditional Japanese theater







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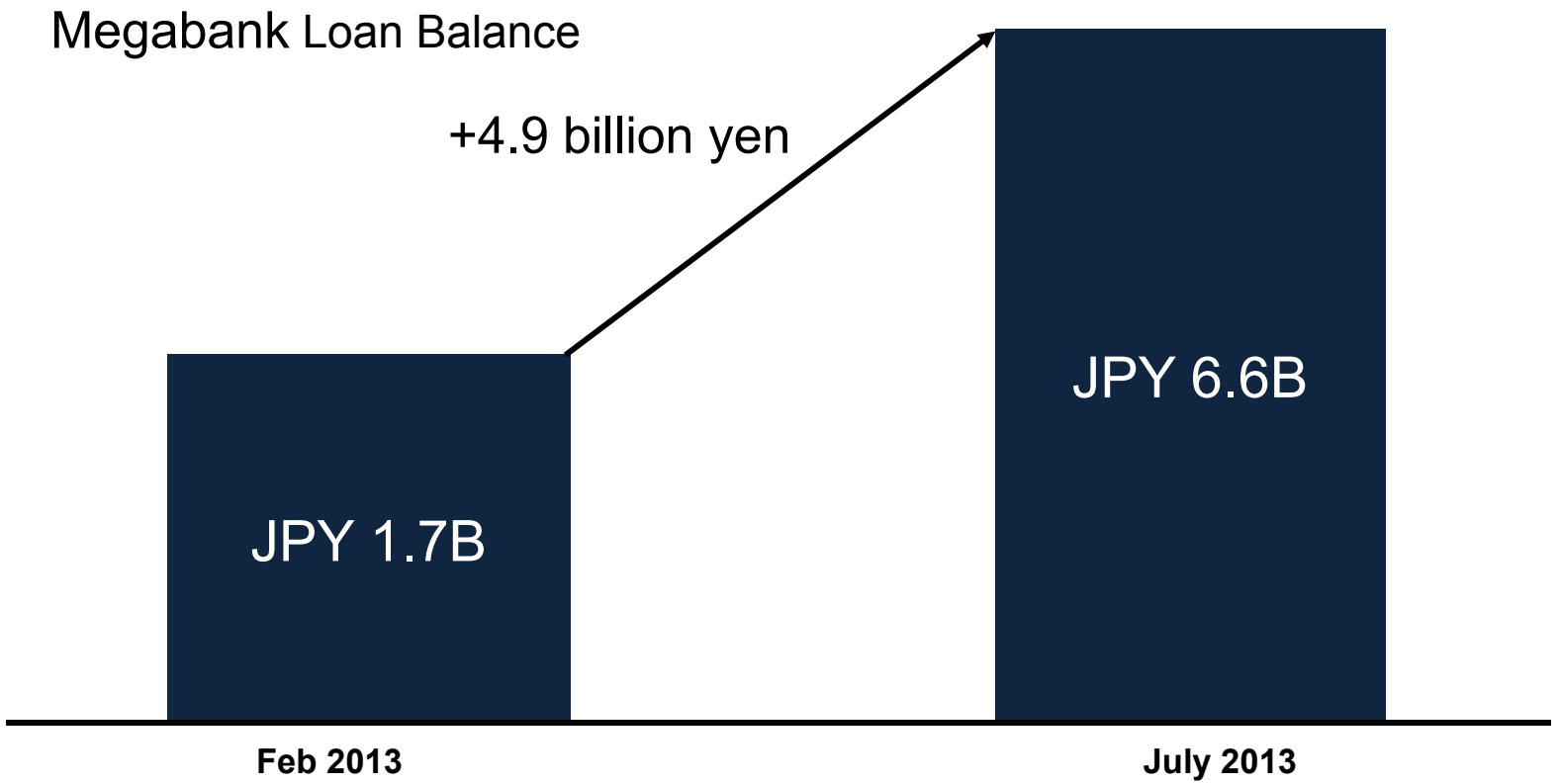
Strengthened Lender Base

Focusing on Key Megabank Relationships – Increased Megabanks from 25% to 45% of Total Borrowings



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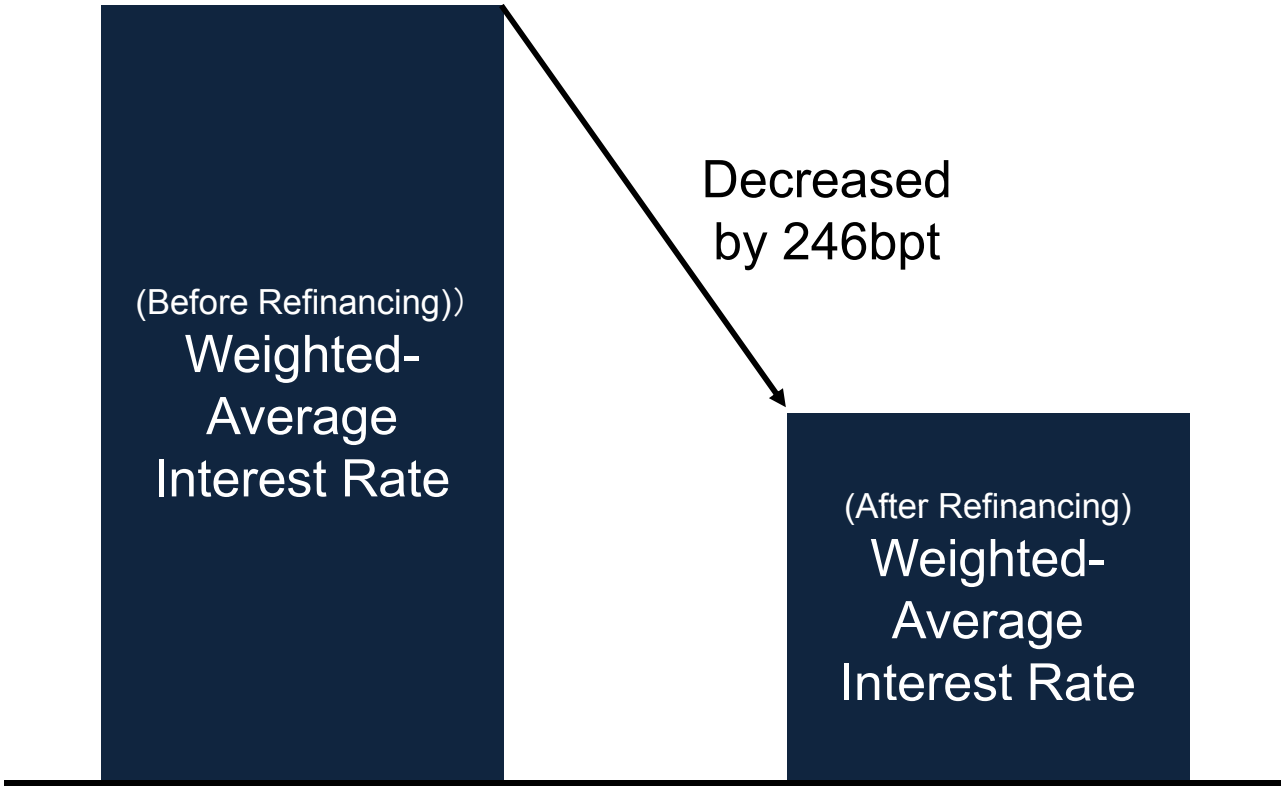
Improved Debt Terms

Two Large-Scale Refinancings Totaling JPY 3.9 Billion in Q1



IGH annual profit contribution of 89 million yen

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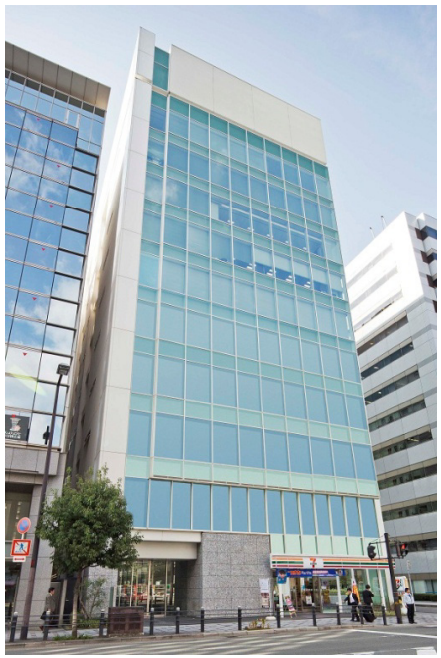
Successful Ichigo REIT (8975) Public Offering

- Backed REIT Growth via Provision of Bridge Assets (JPY8.6 B)
- Public Offering Outcomes
  - ✓ Improved portfolio quality
  - ✓ Increased profitability
  - ✓ Strengthened financial base

Ichigo REIT Public Offering Acquisitions: Ichigo Akihabara North Building, Ichigo Sakaisuji Honmachi Building, Konami Sports Club Izumi Fuchu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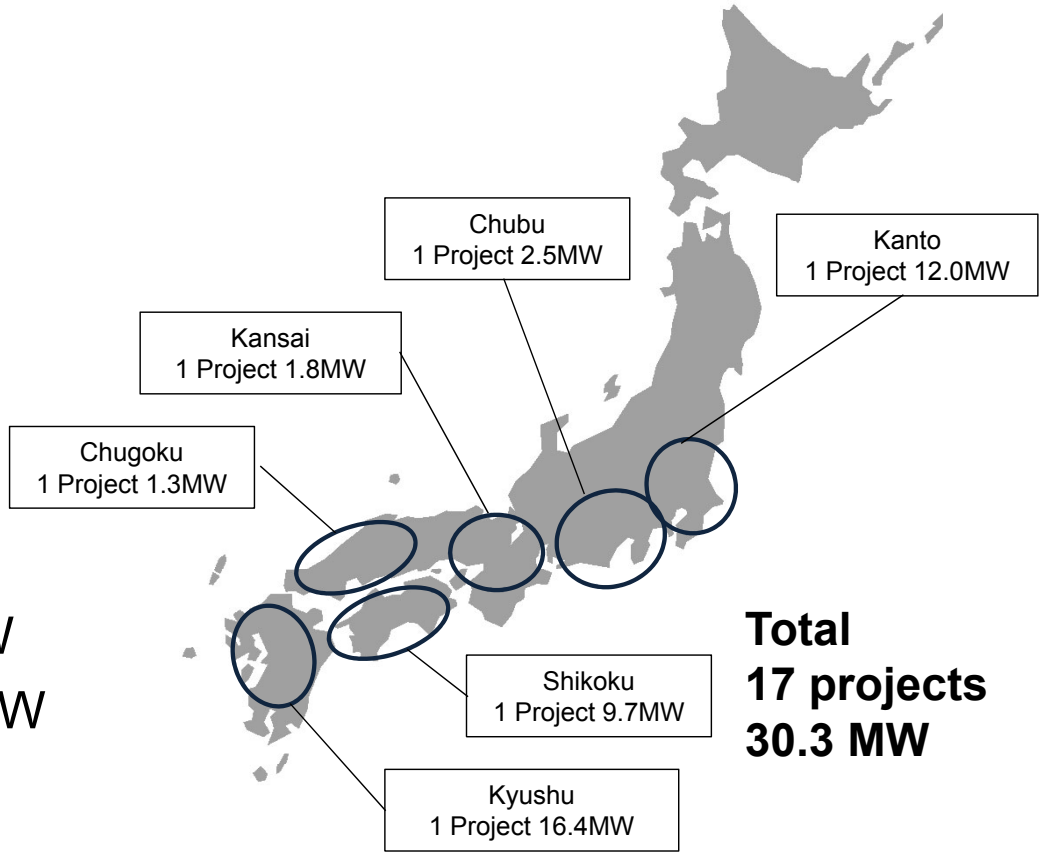
Ichigo ECO Energy Expansion

- 17 Projects Underway (30.3MW Output) that Qualify for 20-year Fixed Feed-in Tariff of 42 yen/kWh
  - ✓ Largest is Okinawa (8MW), due to start construction in August 2013

■ Artist Rendering of finished Nago Futami Power Plant





- New Project Pipeline
  - ✓ 6 planned projects totaling 43.7MW including several greater than 10MW

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Appendix: Pro Forma Financial Data

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Pro Forma Disclosure to Improve Transparency

- Under Japanese accounting rules, SPCs in which Ichigo Group Holdings ("IGH") is a greater than 50% investor or SPCs for which IGH is the asset manager and no single equity investor holds more than 50% of the total investment must be consolidated onto IGH's balance sheet.

- Our statutory consolidated and parent financial statements thus include client-related assets and liabilities and P&L which do not belong to IGH. In order to more accurately reflect the true economic exposures borne by our shareholders, we disclose Pro Forma financials which are intended to better reflect IGH's actual corporate financial position.

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Balance Sheet (Pro Forma)

(Million yen)

	Feb 13	Feb 14 Q1	Change (QoQ)
Total Assets	**38,565**	**47,964**	**9,399**
Cash and Cash Equivalents	5,744	5,892	148
Investment (Real Estate)	10,256	12,444	2,188
Investment (Domestic companies)	696	499	-197
Investment (Overseas companies)	4,815	4,662	-153
Real Estate Held for Sale	1,499	4,093	2,594
Fixed Assets	10,047	14,296	4,249
Intangible Assets	2,223	2,714	491
Others	3,285	3,364	79
Liabilities	**9,657**	**17,976**	**8,319**
Interest-Bearing Debt	6,907	13,779	6,872
Others	2,750	4,197	1,447
Net Assets	**28,908**	**29,987**	**1,079**

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P&L (Pro Forma)

(Million yen)

	Feb 13	Feb 14 Q1
Revenues	**13,341**	**2,636**
Cost of Revenues	8,486	1,035
Gross Profit	**4,855**	**1,601**
SG&A	3,130	870
Operating Profit	**1,724**	**731**
Non-Operating Gain (Loss), net	-110	-25
Recurring Profit	**1,614**	**706**
Extraordinary Gain (Loss), net	-41	667
Pre-tax Profit	**1,573**	**1,373**
Tax	-51	14
Minority Interests	-12	-2
Net Profit	**1,637**	**1,360**

Breakdown

(Million yen)

	Feb 14 Q1
Revenues	**2,636**
Real Estate Management Fees	714
Advisory Fees	10
Rental Income	444
Real Estate Sales / Dividends	537
Securities Sales / Dividends	392
Building Maintenance Fees	528
Others	11
Gross Profit	**1,601**
Real Estate Management Fees	674
Advisory Fees	10
Rental Income	263
Real Estate Sales / Dividends	537
Securities Sales / Dividends	6
Building Maintenance Fees	124
Others	-13

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Significant Unrealized Gains on Balance Sheet

Real Estate

(Million yen)

	Acquisition Value	Book Value (As of May 13)	Appraisal Value (As of Feb 13)	Unrealized Gain
Directly Owned on B/S	18,822	15,072	17,165	+2,093
Investment in IGH Funds	17,757	11,313	16,936	+5,622
Total	36,579	26,386	34,101	+7,715

Private Equity

(Million yen)

	Book Value (As of May 13)	Market Value (As of Jun 13)	Unrealized Gain
Domestic Securities	186	416	+230
Overseas Securities	240	462	+102
Total	426	878	+332

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Appendix：Consolidated Financial Data

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Balance Sheet (Consolidated)

(Million yen)

	Feb 13	Feb 14 Q1	QoQ change
Total Assets	**80,428**	**81,884**	**1,456**
Cash and Cash Equivalents	9,713	9,391	-322
Operating Investments in Securities	4,271	5,476	1,205
Real Estate Held for Sale	46,176	41,598	-4,578
Fixed Assets	10,047	14,296	4,249
Intangible Assets	2,223	2,714	491
Investments in Securities	4,117	4,224	107
Others	3,881	4,185	304
Liabilities	**49,361**	**49,701**	**340**
Interest-Bearing Debts (excl. Non-Recourse Loans)	6,907	13,779	6,872
Non-Recourse Loans	35,039	28,585	-6,454
Others	7,415	7,337	-78
Net Assets	**31,066**	**32,182**	**1,116**
Shareholders Equity	28,457	29,676	1,219
Minority Interests and Other	2,609	2,506	-103

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Breakdown of Assets (Consolidated)

(Million yen)

	Feb 13			Feb 14 Q1			QoQ Change in the Company's Interests
	Amount	Outside Investors' Interests	The Company's Interests	Amount	Outside Investors' Interests	The Company's Interests	
Cash and Cash Equivalents	9,713	-	-	9,391	-	-	-
Operating Investments in Securities	**4,271**	**0**	**4,271**	**5,476**	**0**	**5,476**	**1,205**
Domestic Real Estate	2,474	0	2,474	4,106	0	4,106	1,632
Listed Domestic Companies	0	0	0	0	0	0	0
Unlisted Domestic Companies	34	0	34	32	0	32	-2
Listed Overseas Companies	991	0	991	514	0	514	-477
Unlisted Overseas Companies	773	0	773	824	0	824	51
Reference: Allowance for Bad Debts for Operating Investments in Securities	-328	-	-328	-358	-	-358	-30
Operating Investments in Securities less Allowance for Bad Debts for Operating Investments in Securities	**3,944**	**-**	**3,944**	**5,119**	**-**	**5,119**	**1,175**
Real Estate Held for Sale	**46,176**	**38,997**	**7,179**	**41,598**	**28,521**	**13,077**	**5,898**
Investments in Securities	**4,117**	**0**	**4,117**	**4,224**	**0**	**4,224**	**107**
Domestic Companies	662	0	662	467	0	467	-195
Overseas Companies	3,380	0	3,380	3,682	0	3,682	302
Others	75	0	75	75	0	75	0
Reference: Allowance for Bad Debts for Investments in Securities	-75	-	-75	-75	-	-75	0
Investments in Securities less Allowance for Bad Debts for Investments in Securities	**4,043**	**-**	**4,043**	**4,134**	**-**	**4,134**	**91**
Fixed Assets	**10,047**	**-**	**-**	**14,296**	**-**	**-**	**-**
Intangible Assets	2,223	-	-	2,714	-	-	-
Other Assets	4,282	-	-	4,632	-	-	-
Total Assets	**80,428**	**-**	**15,166**	**81,884**	**-**	**22,330**	**7,164**

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P&L (Consolidated)

	Feb 13	Feb 14 Q1	Full-Year Forecast	vs. Forecast
Revenues	**16,397**	**11,023**	**26,000**	**42.4%**
Cost of Revenues	11,422	9,385	—	—
Gross Profit	**4,974**	**1,638**	**—**	**—**
SG&A	3,130	870	—	—
Operating Profit	**1,844**	**767**	**3,000**	**25.6%**
Non-Operating Gain (Loss), net	-110	-25	—	—
Recurring Profit	**1,734**	**742**	**2,700**	**27.5%**
Extraordinary Gain (Loss), net	-41	668	—	—
Pre-tax Profit	**1,693**	**1,410**	—	—
Tax	-51	14	—	—
Minority Interests	108	34	—	—
Net Profit	**1,637**	**1,360**	**3,000**	**45.3%**

Breakdown

(Million yen)

	Feb 14 Q1
Revenues	**11,023**
Real Estate Management Fees	627
Advisory Fees	10
Rental Income	1,371
Real Estate Sales / Dividends	8,091
Securities Sales / Dividends	392
Building Maintenance Fees	517
Others	15
Gross Profit	**1,638**
Real Estate Management Fees	587
Advisory Fees	10
Rental Income	635
Real Estate Sales / Dividends	295
Securities Sales / Dividends	6
Building Maintenance Fees	113
Others	-8

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Appendix：Real Estate Data

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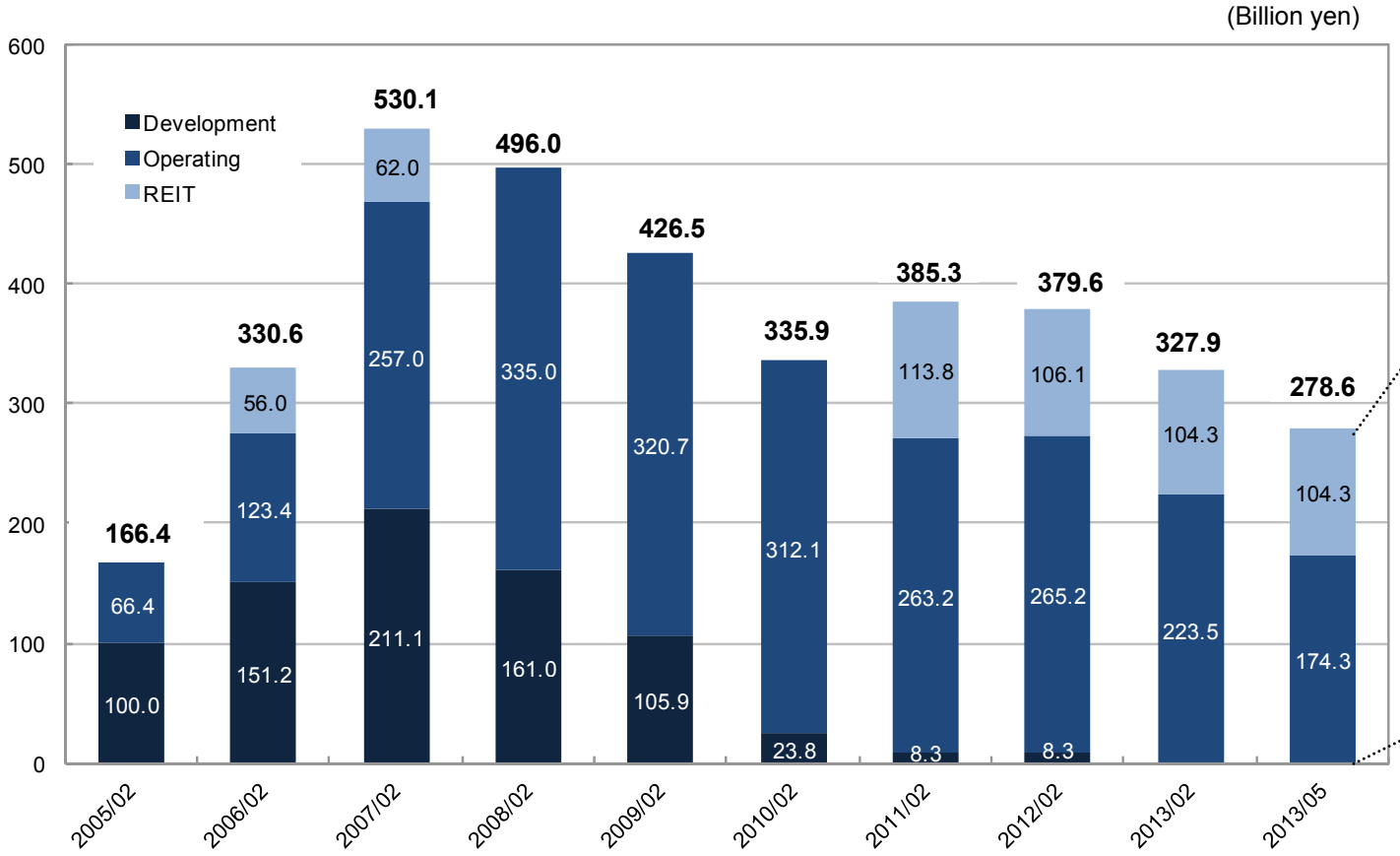
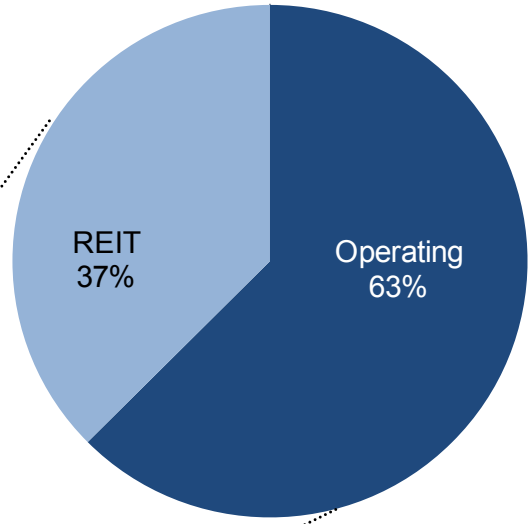
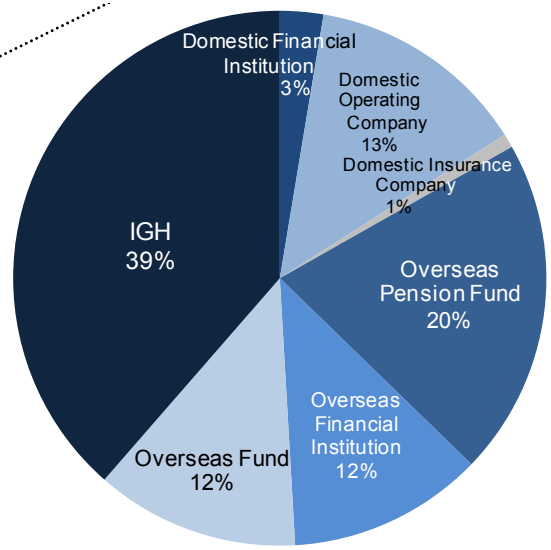
Historical Assets Under Management (AUM)



(As of May 2013)



Breakdown of Equity Investors



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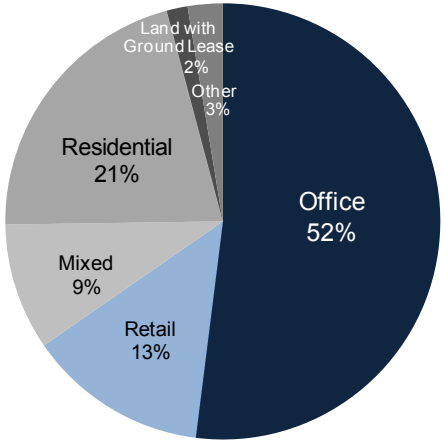
Real Estate Portfolio

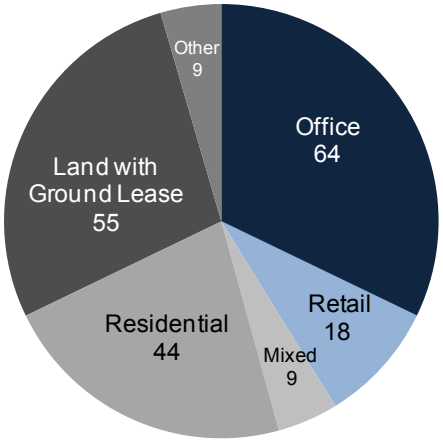
(As of May 2013)

AUM by Type



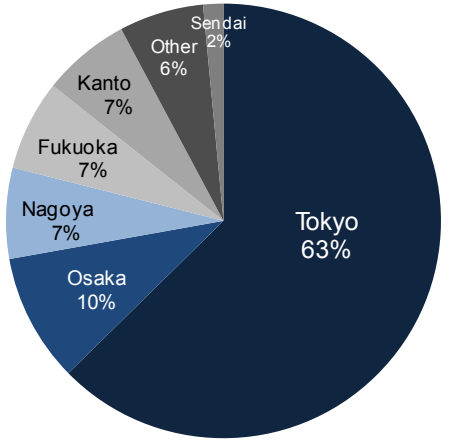
of Properties by Type

(Unit: # of buildings)

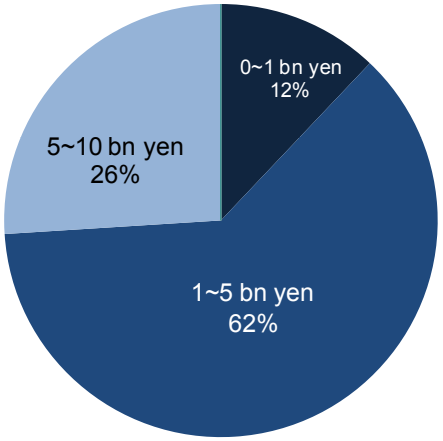


AUM by Location

(Unit: # of buildings)

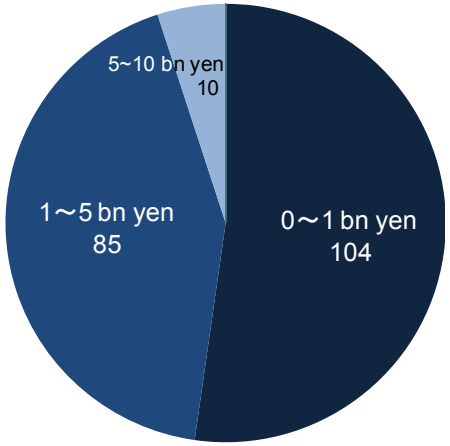


AUM by Size



of Properties by Size

(Unit: # of buildings)



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Real Estate Cap Rates

- Conservative assessment of cap rates vis-à-vis market cap rates
- Continually mark assets to market
- Unrealized gains in both client and IGH assets

(As of May 2013)

Real Estate Investments held by Ichigo Funds (SPCs)

(Million yen)

Location	Acquisition Value	Book Value (after write-down)	NOI (current)	Cap rate (at Acquisition) NOI / Acquisition Value	Cap Rate (current) NOI / Book Value after write-down	Appraisal Value as of February 2013	Unrealized Gain
Tokyo	93,929	85,746	4,953	5.9%	6.8%	89,281	+3,535
Outside Tokyo	68,923	59,604	4,141	6.0%	7.0%	62,107	+2,503
Total	162,852	145,350	9,094	6.0%	6.9%	151,388	+6,038

Real Estate Investments directly held by IGH

(Million yen)

Location	Acquisition Value	Book Value (after write-down)	NOI (current)	Cap rate (at Acquisition) NOI / Acquisition Value	Cap Rate (current) NOI / Book Value after write-down	Appraisal Value as of February 2013	Unrealized Gain
Tokyo	7,546	6,665	441	5.6%	6.3%	7,432	+767
Outside Tokyo	8,667	7,402	683	7.8%	9.1%	8,723	+1,321
Total	16,213	14,067	1,123	6.9%	8.0%	16,155	+2,088

*Excludes two development assets (c. JPY 1,005M) which are not currently generating NOI

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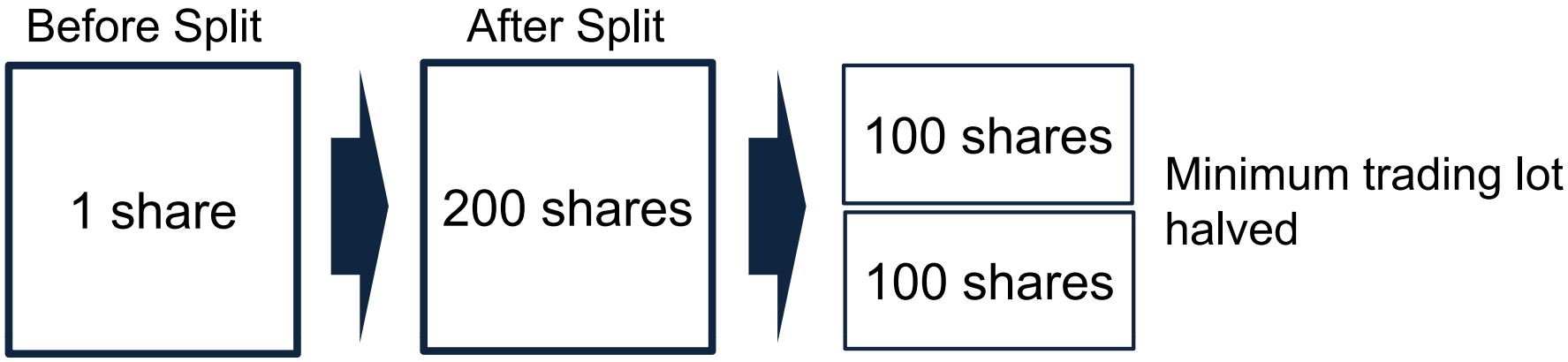
Stock Split to Promote Share Ownership & Liquidity

Ichigo will conduct a stock split to increase liquidity and promote share ownership by reducing the minimum trading amount.

- 1 share will become 200 shares
- Minimum Trading Lot: 100 shares
- Effective Date: September 1, 2013
- Total shares will rise from 2,750,000 to 550,000,000



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Ichigo Group Holdings is Japan's first zero-carbon listed real estate company. We are taking responsibility for the carbon emissions we create, such as via this presentation material, by taking measures to create offsets to our carbon emissions and working with organizations to invest in low-carbon technologies.

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