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Summary of Financial and Business Results for the First Half of the Fiscal Year Ending February 2014

October 11, 2013

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Filing of the *Shihanki Hokokusho* (Quarterly Report): October 15, 2013
Dividend Payment: N/A
Supplemental Materials to Financial and Business Results: Yes
Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Consolidated Financial Results for First Half (March 1, 2013 – August 31, 2013)

(1) Consolidated Financial Results (Cumulative)

(% change is year-on-year)

	Revenues (million yen)	(%)	Operating Profit (million yen)	(%)	Recurring Profit (million yen)	(%)	Net Profit (million yen)	(%)
Feb 14 H1	20,586	169.6	2,243	222.8	2,157	249.7	2,755	414.2
Feb 13 H1	7,637	-40.0	694	120.5	617	94.6	535	-58.5

Comprehensive income: Feb 14 H1: 2,551 million yen (+319.3%) Feb 13 H1: 608 million yen (-15.6%)

	Net Profit per Share (basic, yen)	Net Profit per Share (diluted, yen)
Feb 14 H1	6.14	6.05
Feb 13 H1	1.20	-

Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the net profit per share figures for both 2013 and 2014 reflect the stock split.

(2) Consolidated Financial Condition

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Feb 14 H1	88,085	33,377	35.1	68.66
Feb 13 FY	80,428	31,066	35.4	63.52

Shareholders' equity: Feb 14 H1: 30,941 million yen Feb 13 FY: 28,457 million yen
Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the net profit per share figures for both 2013 and 2014 reflect the stock split.

2. Dividends

	Dividend per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Feb 13	-	0	-	200.00	200.00
Feb 14	-	0			
Feb 14 (Expected)			-	1.10	1.10

Note 1: Changes since the previously announced forecast: None
Note 2: On September 1, 2013, Ichigo split each of its shares into 200 shares. The actual dividend for Feb 13 does not reflect the share price before the split while the forecast for Feb 14 reflects the split.

3. Consolidated Forecast for the Full Fiscal Year (March 1, 2013 – February 28, 2014)

(% change is year-on-year)

	Revenues (million yen)	(%)	Operating Profit (million yen)	(%)	Recurring Profit (million yen)	(%)
Feb 14 FY	30,000	83.0	3,400	84.4	3,100	78.8

	Net Profit (million yen)	(%)	Net Profit per Share (Yen)
Feb 14 FY	3,600	119.9	8.00

Note 1: Changes since the previously released forecast: None
Note 2: Net Profit per Share for FY14 is based on the average number of shares outstanding for FY14 assuming the number of shares outstanding as of September 30, 2013 remains unchanged throughout FY14.
Note 3: On September 1, 2013, Ichigo split each of its shares into 200 shares. The forecast Net Profit per Share for FY14 reflects the stock split.

4. Other

(1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation): Yes – one new subsidiary: GK Minami Ikebukuro *Tokumei Kumiai*

(2) Application of accounting treatment specific to interim consolidated financial statements: None

(3) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements: None

(4) Number of common shares outstanding

(i) Number of outstanding shares including treasury shares
Feb 14 H1: 453,388,000
Feb 13: 451,986,800

(ii) Number of treasury shares
Feb 14 H1: 2,773,400
Feb 13: 4,000,000

(iii) Average number of outstanding shares excluding treasury shares
Feb 14 H1: 448,959,503
Feb 13 H1: 447,263,800

Note: On September 1, 2013, Ichigo split each of its shares into 200 shares. For ease of comparison, the above share amounts for both 2013 and 2014 reflect the stock split.

Explanation: Appropriate Use of These Earnings Projections

Forward-looking statements contained in these materials are based on judgments regarding information that was available to the Company and the Group as of the announcement date. However, these statements involve risk and uncertainties. Therefore, please note that actual earnings may differ significantly from the indicated earnings projection as a result of various factors.

Consolidated Balance Sheet

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 H1 (Aug 31, 2013)
Assets		
Current Assets		
Cash and cash equivalents	9,713	11,517
Trade notes and accounts receivable	548	482
Operational investments in loans	3,636	1,100
Operational investments in securities	4,271	3,919
Real estate for sale	46,176	46,266
Deferred tax assets	369	369
Others	2,042	2,257
Less: allowance for doubtful accounts	(3,177)	(963)
Total Current Assets	**63,581**	**64,948**
Fixed Assets		
Property, Plant and Equipment		
Land	7,082	10,996
Others (net)	2,965	4,675
Total Tangible Assets	**10,047**	**15,671**
Intangible Assets		
Goodwill	2,203	2,290
Leasehold rights	-	376
Others	20	19
Total Intangible Assets	**2,223**	**2,687**
Investments and Other Assets		
Investments in securities	4,117	4,108
Long-term loans receivable	13	13
Others	545	756
Less: allowance for doubtful accounts	(101)	(101)
Total Investments and Other Assets	**4,575**	**4,777**
Total Fixed Assets	**16,846**	**23,137**
Total Assets	**80,428**	**88,085**

(Million Yen)

	Feb 13 Full Year (Feb 28, 2013)	Feb 14 H1 (Aug 31, 2013)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	64	85
Short-term borrowings	484	1,719
Long-term borrowings (due within one year)	966	2,707
Long-term non-recourse loans (due within one year)	2,263	1,109
Income taxes payable	65	56
Deferred tax liabilities	15	26
Accrued bonuses	25	43
Other current liabilities	3,419	2,987
Total Current Liabilities	**7,304**	**8,735**
Long Term Liabilities		
Long-term borrowings	5,456	12,274
Long-term non-recourse loans	32,776	28,335
Deferred tax liabilities	277	1,384
Long-term security deposits received	3,230	3,707
Negative goodwill	270	225
Other long-term liabilities	46	44
Total Long Term Liabilities	**42,056**	**45,972**
Total Liabilities	**49,361**	**54,707**
Net Assets		
Shareholders' Equity		
Capital	18,113	18,181
Capital reserve	2,429	2,527
Retained earnings	7,923	10,172
Treasury shares	(187)	(130)
Total Shareholders' Equity	**28,279**	**30,751**
Cumulative Other Comprehensive Income		
Unrealized gain on other securities, net	160	203
Foreign currency translation adjustment	16	(14)
Total Cumulative Other Comprehensive Income	**177**	**189**
Stock Acquisition Rights	**143**	**121**
Minority Interests	**2,466**	**2,315**
Total Net Assets	**31,066**	**33,377**
Total Liabilities and Net Assets	**80,428**	**88,085**

Consolidated Income Statement

(Million Yen)

	Feb 13 H1 (From Mar 1, 2012 To Aug 31, 2012)	Feb 14 H1 (From Mar 1, 2013 To Aug 31, 2013)
Revenues	**7,637**	**20,586**
Cost of Revenues	**5,419**	**16,645**
Gross Profit	**2,217**	**3,940**
SG&A	**1,522**	**1,697**
Operating Profit	**694**	**2,243**
Non-Operating Profit		
Interest income	0	1
Dividend income	13	11
Amortization of negative goodwill	45	45
Others	21	10
Total Non-Operating Profit	**81**	**69**
Non-Operating Expenses		
Interest on debt	143	136
Others	15	17
Total Non-Operating Expenses	**159**	**154**
Recurring Profit	**617**	**2,157**
Extraordinary Gain		
Gain on sales of investment securities	0	204
Receipt of share trading proceeds	-	434
Others	0	33
Total Extraordinary Gain	**1**	**673**
Extraordinary Loss		
Loss on sale and retirement of fixed assets	0	0
Office move expenses	13	-
Total Extraordinary Loss	**14**	**0**
Profit before Income Taxes	**603**	**2,831**
Income taxes – current	**29**	**46**
Income taxes – deferred	**-**	**(0)**
Total income taxes	**29**	**46**
Profit before Gain on Minority Interests	**573**	**2,784**
Gain on Minority Interests	**37**	**29**
Net Profit	**535**	**2,755**

Consolidated Income Statement

(Million Yen)

	Feb 13 H1 (From Jun 1, 2012 To Aug 31, 2012)	Feb 14 Q2 (From Jun 1, 2013 To Aug 31, 2013)
Revenues	**5,274**	**9,562**
Cost of Revenues	**4,158**	**7,260**
Gross Profit	**1,115**	**2,302**
SG&A	**756**	**827**
Operating Profit	**359**	**1,475**
Non-Operating Profit		
Interest income	0	1
Dividend income	4	2
Amortization of negative goodwill	22	22
Others	11	6
Total Non-Operating Profit	**38**	**32**
Non-Operating Expenses		
Interest on debt	73	78
Others	15	14
Total Non-Operating Expenses	**88**	**92**
Recurring Profit	**309**	**1,415**
Extraordinary Gain		
Gain on sales of investment securities	0	5
Others	0	0
Total Extraordinary Gain	**0**	**5**
Extraordinary Loss		
Loss on sale and retirement of fixed assets	0	0
Office move expenses	13	-
Total Extraordinary Loss	**14**	**0**
Profit before Income Taxes	**295**	**1,421**
Income taxes – current	**12**	**31**
Income taxes – deferred	**-**	**(0)**
Total income taxes	**12**	**31**
Profit before Gain on Minority Interests	**282**	**1,389**
Gain (Loss) on Minority Interests	**11**	**(5)**
Net Profit	**270**	**1,395**

Consolidated Statements of Comprehensive Income

(Million Yen)

	Feb 13 H1 (From Mar 1, 2012 To Aug 31, 2012)	Feb 14 H1 (From Mar 1, 2013 To Aug 31, 2013)
Profit before Gain on Minority Interests	**573**	**2,784**
Other Comprehensive Income		
Valuation gain (loss) on other securities	137	(107)
Foreign currency translation adjustment	(103)	(125)
Total Other Comprehensive Income	**34**	**(233)**
Comprehensive Income	**608**	**2,551**
(Breakdown)		
Comprehensive income for shareholders of the parent company	393	2,727
Comprehensive income for minority interests	214	(176)

Consolidated Statements of Comprehensive Income

(Million Yen)

	Feb 13 H1 (From Jun 1, 2012 To Aug 31, 2012)	Feb 14 Q2 (From Jun 1, 2012 To Aug 31, 2012)
Profit before Gain on Minority Interests	**282**	**1,389**
Other Comprehensive Income		
Valuation gain (loss) on other securities	215	(207)
Foreign currency translation adjustment	(143)	(100)
Total Other Comprehensive Income	**72**	**(307)**
Comprehensive Income	**354**	**1,081**
(Breakdown)		
Comprehensive income for shareholders of the parent company	162	1,154
Comprehensive income for minority interests	191	(72)

Consolidated Cash Flow Statement

(Million Yen)

	Feb 13 H1 (From Mar 1, 2012 To Aug 31, 2012)	Feb 14 H1 (From Mar 1, 2013 To Aug 31, 2013)
Cash Flows from Operating Activities:		
Income before income taxes	603	2,831
Depreciation	112	124
Share-based compensation expenses	15	39
Amortization of goodwill	55	69
Amortization of negative goodwill	(45)	(45)
Increase (decrease) in accrued bonuses	45	18
Increase (decrease) in allowance for doubtful accounts	165	34
Interest and dividend income	(14)	(13)
Interest on debt	143	136
Loss (gain) on sales of investment securities	0	(204)
Loss (gain) on sales/retirement of fixed assets	0	(0)
Decrease (increase) in trading notes and receivables	428	66
Decrease (increase) in operating loans receivable	-	200
Decrease (increase) in operational investments in securities	57	693
Loss on valuation of investment securities	25	14
Decrease (increase) in real estate for sale	334	2,093
Loss on valuation of real estate for sale	119	-
Decrease (increase) in accounts receivable	(103)	91
Increase (decrease) in accounts payable	59	(83)
Increase (decrease) in accrued expenses	169	(122)
Increase (decrease) in security deposits received	(83)	(22)
Others	(243)	631
Sub-total	**1,847**	**6,552**
Interest and dividend income received	14	13
Interest expenses paid	(137)	(134)
Income taxes paid	(88)	(56)
Net Cash from (Used for) Operating Activities	**1,635**	**6,374**

(Million Yen)

	Feb 12 H1 (From Mar 1, 2012 To Aug 31, 2012)	Feb 13 H1 (From Mar 1, 2013 To Aug 31, 2013)
Cash Flows from Investing Activities:		
Payments into time deposits	(0)	(0)
Proceeds from sales of investment securities	0	282
Proceeds from redemption of investment securities	30	2
Acquisition of property and equipment	(51)	(1,316)
Proceeds from sale of property and equipment	0	0
Acquisition of intangible assets	(0)	(315)
Payments for investments in capital	(1)	(3)
Proceeds from sales of investments in capital	-	5
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	-	(1,389)
Collection of loans receivable	0	0
Others	9	(0)
Net Cash from (Used for) Investing Activities	**(12)**	**(2,735)**
Cash Flows from Financing Activities:		
Increase (decrease) in short-term bank loans, net	370	1,234
Proceeds from long-term loans	2,150	10,850
Repayment of long-term loans	(2,913)	(3,729)
Proceeds from non-recourse loans	-	4,380
Repayment of non-recourse loans	(847)	(13,491)
Proceeds from exercise of stock options	-	161
Cash dividends paid	-	(444)
Share issuance to minority shareholders	20	-
Repayments to minority shareholders for redemption of common stock	(19)	-
Cash dividends paid to minority shareholders	(0)	-
Net Cash from (Used for) Financing Activities	**(1,240)**	**(1,041)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**19**	**36**
Increase (Decrease) in Cash and Cash Equivalents	**401**	**2,634**
Cash and Cash Equivalents at Beginning of Period	**9,438**	**9,512**
Cash and Cash Equivalents Excluded from Consolidation	**(117)**	**(1,039)**
Cash and Cash Equivalents at End of Period	**9,723**	**11,107**