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February 2015 H1 (March 2014 – August 2014)
Corporate Presentation

October 14, 2014

Ichigo Group Holdings Co., Ltd. (2337)

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With Thanks, Progress

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Creating peace of mind through honest and committed management.

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New ROE Targets for Shift Up 2016

Added ROE targets to Shift Up 2016 Mid-Term Business Plan

- ✓ For many investors, ROE is the most important indicator in assessing a company's value creation
- ✓ In the Ito Review METI calls for a "Capital Efficiency Revolution in which ROE Exceeds the Cost of Capital" and "Japanese-style ROE management"
- ✓ Ito Review establishes a minimum acceptable Japanese corporate ROE of 8%, while calling for continually seeking to grow ROE over 8%
- ✓ Ichigo is targeting 11.8% ROE for current FY15/2, >15% from FY16/2 onward

■ Newly-Added ROE Targets

	Feb 13 H1 (Actual)	Feb 14 H1 (Actual)	Feb 15 (Plan)	Feb 16 (Plan)
Return on Equity (ROE)	**6.0%**	**11.8%**	**11.8%**	**>15%**

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Shift Up 2016 Mid-Term Plan

- 4-5X EPS in 3 years
- Tokyo Stock Exchange First Section Listing by February 2016
- Enter JPX-Nikkei Index 400 by August 2016

Progress on Key Performance Indicators (KPI)

(Million yen)

	Feb 13 (Actual)	Feb 2014 (Plan)	Feb 2014 (Actual)	Feb 2015 (Plan)	Feb 2016 (Plan)
Revenues	**4,974**	**7,400**	**7,435**	**11,500**	**15,500**
Operating Profit	**1,844**	**3,900**	**3,912**	**7,700**	**11,400**
Net Income	**1,637**	**4,000**	**4,526**	**6,040**	**9,050**
EPS (yen)	**3.66**	**8.69**	**9.83**	**12.17**	**18.25**
Return on Equity (ROE)	**6.0%**	**–**	**11.8%**	**11.8%**	**>15%**
Expense Coverage Ratio (Structural Profitability)	**129%**	**139%**	**141%**	**150%**	**165%**

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Shift Up 2016 Mid-Term Business Plan

- New ROE Targets

Commitment: 100% Shift Up 2016 Achievement

- H1 Operating Profit 1.4X, Recurring Profit 1.3X Year-on-Year
- Highly-Productive Asset Sales
- Segment P&L Breakdown

Full-Service Real Estate

- Segment Asset Breakdown
- Asset Acquisition Detail – Fukuoka Retail
- Value-Add Detail – Kyoto Hotel

Clean Energy

- Solar Expansion on Track
- Two New Solar Plants Operating from October
- Near-Term Solar Earnings
- Long-Term Solar Earnings

Appendices: Financial & Real Estate Data
About Ichigo Group

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Commitment: 100% Shift Up 2016 Achievement

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H1 Operating Profit 1.4X, Recurring Profit 1.3X Year-on-Year

- 32% operating margin driven by highly-productive asset sales
- Asset acquisitions driving higher on-going stable rental income
- Decline in net profit due to non-repetition of FY14/2 H1's large extraordinary gains (JPY 673M)

(Million yen)

	Feb 14 H1 Actual	Feb 15 H1 Actual	YOY	Full -Year Forecast	vs Full -Year Forecast	Feb 14 Actual
Revenues	**20,586**	**9,879**	**-52.0%**	**42,000**	**23.5%**	**35,101**
Gross Profit	**3,940**	**5,110**	**+29.7%**	**11,742**	**43.5%**	**7,435**
Operating Profit	**2,243**	**3,124**	**+39.3%**	**7,700**	**40.6%**	**3,912**
Recurring Profit	**2,157**	**2,715**	**+25.9%**	**6,500**	**41.8%**	**3,597**
Net Income	**2,755**	**2,491**	**-9.6%**	**6,055**	**41.1%**	**4,526**
EPS (yen)	**6.14**	**5.01**	**-18.4%**	**12.17**	**41.2%**	**9.83**
Fixed Revenues	**2,271**	**3,423**	**+50.7%**	**-**	**-**	**4,917**
Fixed Expenses (Fixed SG&A + Interest Expense)	**1,686**	**2,159**	**+28.1%**	**-**	**-**	**3,499**
SG&A	**1,550**	**1,736**	**+12.0%**	-	-	-
Interest Expense	**136**	**423**	**+211.0%**	-	-	-
Expense Coverage Ratio (Structural Profitability)	**134.7%**	**158.5%**	**+17.7%**	**150%**	**-**	**140.5%**

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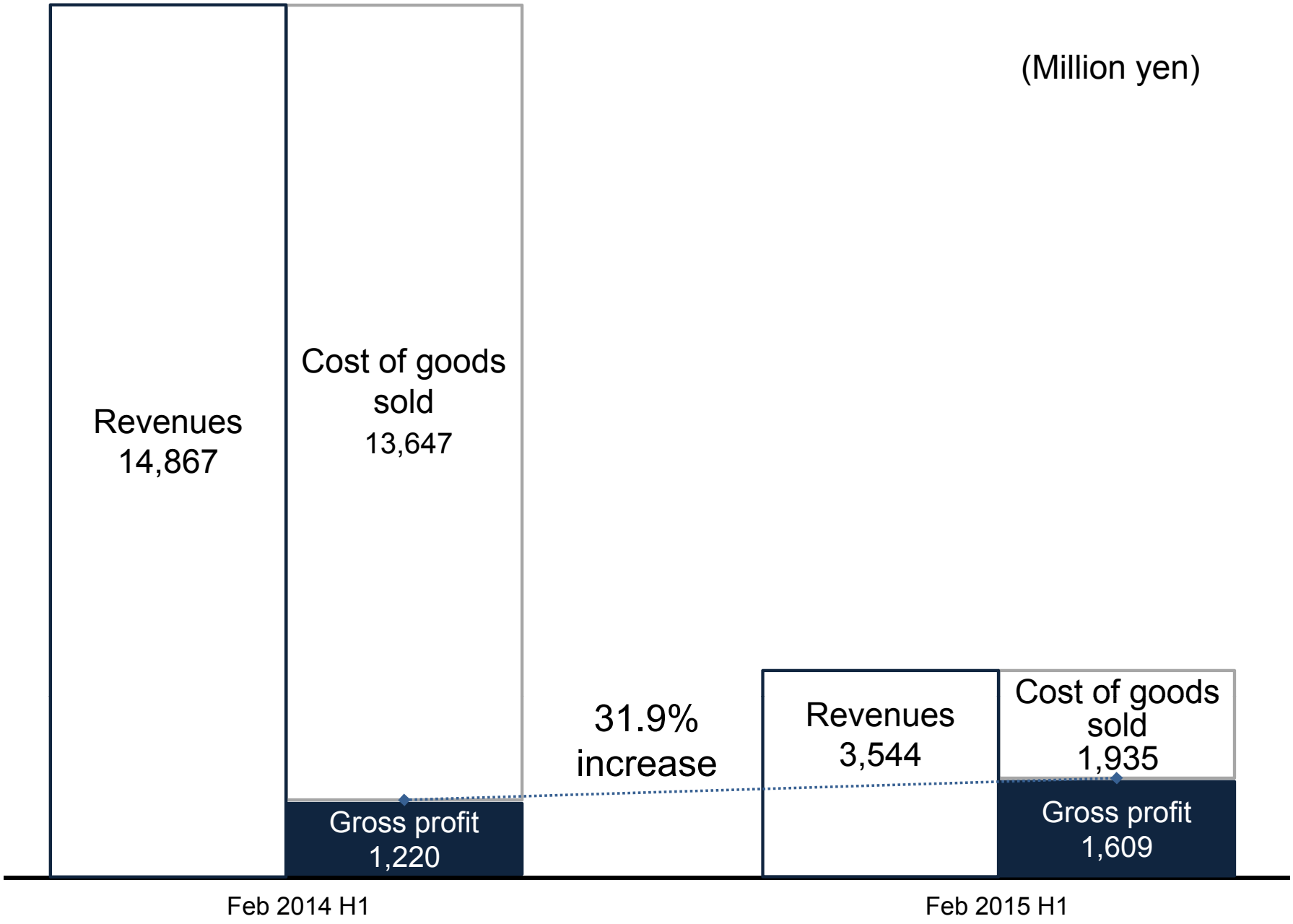
Highly-Productive Asset Sales



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Segment P&L Breakdown

- Growth Investments Driving Operating Profit in Real Estate and Value-Add
- Newly Operational Solar Plants in Clean Energy

(Million yen)

Segment	Revenues					Operating Profit					Earnings Drivers (YoY JPY change is shown in parentheses)
	Feb 14 H1 Cumulative	Feb 15 H1 Cumulative	Change (YoY)	Feb 15 Full-Year (Forecast)	vs. Full-Year Forecast	Feb 14 H1 Cumulative	Feb 15 H1 Cumulative	Change (YoY)	Feb 15 Full-Year (Forecast)	vs. Full-Year Forecast	
Asset Management	**2,129**	**2,042**	**-4.1%**	**3,634**	**56.2%**	**584**	**208**	**-64.3%**	**536**	**38.8%**	・AM Fee REIT: 382 (+28), Private: 66 (-82) ・Upfront/Disposition Fee: 196 (+23) ・One-Off Income: 61 (-242)
Real Estate	**2,559**	**2,435**	**-4.8%**	**15,591**	**15.6%**	**683**	**1,377**	**+101.7%**	**3,000**	**45.9%**	・Rental Income: 1,226 (+467) ・Capital Gains: 504 (+300)
Value-Add	**15,185**	**5,082**	**-66.5%**	**21,983**	**23.1%**	**1,187**	**1,881**	**+58.5%**	**4,905**	**38.3%**	・Rental Income: 1,217 (+611) ・Capital Gains: 1,104 (+88)
Clean Energy	**43**	**294**	**+583.7%**	**793**	**37.1%**	**-140**	**-43**	**-**	**-157**	**-**	・Solar Electricity Sales: 108 (+118)
Other	**666**	**24**	**-96.4%**	**0**	**-**	**123**	**-23**	**-**	**-43**	**-**	・Legacy Equity Investment Sales 0 (-149)
Total	**20,586**	**9,879**	**-52.0%**	**42,000**	**23.5%**	**2,438**	**3,401**	**+39.5%**	**8,241**	**41.3%**	**-**
Adjustment (including offsets of cross-segment transactions)	**-**	**-**	**-**	**-**	**-**	**-195**	**-277**	**-**	**-541**	**-**	**-**
Total	**20,586**	**9,879**	**-52.0%**	**42,000**	**23.5%**	**2,243**	**3,124**	**+39.3%**	**7,700**	**40.6%**	**-**

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Full-Service Real Estate

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Real Estate Segment Asset Breakdown

H1 acquired 7 assets, acquisition cost of JPY 12.3B, forecast NOI of JPY 700M

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Depreciation	IGH Investment	Forecast Equity Multiple
1	Retail	Fixed Asset	Minato-ku, Tokyo	12	<JPY 1B	2004/08	JPY 29M	JPY 5M	JPY 12M	-
2	Other	Fixed Asset	Matsudo City, Chiba	42	JPY 2B-3B	2005/06	JPY 265M	JPY 39M	JPY 1,900M	-
3	Retail	Fixed Asset	Minato-ku, Tokyo	45	JPY 2B-3B	2005/10	JPY 141M	JPY 6M	JPY 1,033M	-
4	Retail	Fixed Asset	Yokohama City, Kanagawa	9	JPY 1B-2B	2006/09	JPY 50M	JPY 7M	JPY 1,157M	-
5	Hotel	Fixed Asset	Kobe City, Hyogo	6	<JPY 1B	2006/09	JPY 94M	JPY 24M	JPY 811M	-
6	Office	Real Estate for Sale	Fukuoka City, Fukuoka	6	>JPY 3B	2006/12	JPY 381M	-	JPY 1,339M	-
7	Retail	Fixed Asset	Toshima-ku, Tokyo	3	>JPY 3B	2013/03	JPY 234M	JPY 31M	JPY 340M	-
8	Retail	Fixed Asset	Shibuya-ku, Tokyo	28	<JPY 1B	2013/05	JPY 51M	JPY 6M	JPY 154M	-
9	Retail	Real Estate for Sale	Chofu City, Tokyo	29	JPY 1B-2B	2013/06	JPY 134M	-	JPY 310M	-
10	Retail	Fixed Asset	Kobe City, Hyogo	14	JPY 1B-2B	2013/09	JPY 147M	JPY 39M	JPY 616M	-
11	Retail	Fixed Asset	Tokorozawa City, Saitama	6	JPY 1B-2B	2013/11	JPY 69M	JPY 11M	JPY 92M	-
12	Office	Real Estate for Sale	Saitama City, Saitama	27	>JPY 3B	2013/11	JPY 215M	-	JPY 1,285M	-
13	Office	Real Estate for Sale	Sendai City, Miyagi	5	JPY 1B-2B	2013/12	JPY 127M	-	JPY 352M	-
14	Hotel	Real Estate for Sale	Hamamatsu City, Shizuoka	4	JPY 1B-2B	2013/12	JPY 98M	-	JPY 393M	-
15	Ground Lease	Real Estate for Sale	Chiba City, Chiba	2	JPY 2B-3B	2014/02	JPY 126M	-	JPY 342M	-
16	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	22	>JPY 3B	2014/03	JPY 187M	-	JPY 710M	1.18 x
17	Office	Real Estate for Sale	Koriyama City, Fukushima	13	JPY 1B-2B	2014/03	JPY 104M	-	JPY 282M	1.92 x
18	Office	Real Estate for Sale	Shinjuku-ku, Tokyo	20	JPY 1B-2B	2014/03	JPY 80M	-	JPY 445M	1.13 x
19	Retail	Fixed Asset	Fukuoka City, Fukuoka	8	JPY 1B-2B	2014/04	JPY 58M	JPY 5M	JPY 273M	-
20	Retail	Real Estate for Sale	Yokohama City, Kanagawa	12	JPY 1B-2B	2014/05	JPY 98M	-	JPY 480M	1.78 x
21	Retail	Fixed Asset	Fukuoka City, Fukuoka	10	<JPY 1B	2014/07	JPY 50M	JPY 3M	JPY 213M	-
22	Retail	Real Estate for Sale	Kawaguchi City, Saitama	16	JPY 2B-3B	2014/07	JPY 134M	-	JPY 560M	1.20 x
			Total 22 Assets		**JPY 45,716M**		**JPY 2,872M**	**JPY 177M**	**JPY 13,099M**	-
			Assets acquired in FY15/2	**7 Assets**	**JPY 12,345M**		**JPY 711M**	**JPY 9M**	**JPY 2,963M**	1.38 x

* Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and capital gain divided by IGH Investment. The total Forecast Equity Multiple for FY15/2 reflects only Real Estate for Sale assets and excludes the two Fixed Investments.

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Value-Add Segment Asset Breakdown (1)

H1 acquired 14 assets, acquisition cost of JPY 22.9B, forecast NOI of JPY 1.5B

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Depreciation	IGH Investment	Forecast Equity Multiple
1	Retail	Real Estate for Sale	Minato-ku, Tokyo	29	>JPY 3B	2006/03	JPY 169M	-	JPY 1,356M	-
2	Office	Real Estate for Sale	Sendai City, Miyagi	6	>JPY 3B	2006/10	JPY 254M	-	JPY 1,042M	-
3	Other	Fixed Asset	Isumi City, Chiba	-	JPY 1B-2B	2007/02	JPY 0M	-	JPY 1,055M	-
4	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	5	>JPY 3B	2007/03	JPY 207M	-	JPY 792M	-
5	Residence	Real Estate for Sale	Ohta-ku, Tokyo	9	JPY 1B-2B	2007/04	JPY 59M	-	JPY 403M	-
6	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	34	<JPY 1B	2007/06	JPY 86M	-	JPY 240M	-
7	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	33	<JPY 1B	2007/06	JPY 121M	-	JPY 233M	-
8	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	50	JPY 2B-3B	2007/06	JPY 262M	-	JPY 554M	-
9	Office	Fixed Asset	Minato-ku, Tokyo	41	>JPY 3B	2007/11	JPY 339M	JPY 55M	JPY 2,049M	-
10	Ground Lease	Real Estate for Sale	Atsugi City, Kanagawa	-	JPY 1B-2B	2011/06	JPY 175M	-	JPY 147M	-
11	Retail	Real Estate for Sale	Minato-ku, Tokyo	28	<JPY 1B	2011/11	JPY 26M	-	JPY 66M	-
12	Office/Retail	Real Estate for Sale	Hiratsuka City, Kanagawa	18	<JPY 1B	2012/02	JPY 76M	-	JPY 172M	-
13	Retail	Real Estate for Sale	Yokohama City, Kanagawa	0	<JPY 1B	2012/10	JPY 33M	-	JPY 171M	-
14	Residence	Real Estate for Sale	Kita-ku, Tokyo	25	<JPY 1B	2013/06	JPY 2M	-	JPY 31M	-
15	Other	Real Estate for Sale	Minato-ku, Tokyo	-	<JPY 1B	2013/06	JPY 44M	-	JPY 203M	-
16	Residence	Real Estate for Sale	Osaka City, Osaka	11	<JPY 1B	2013/07	JPY 31M	-	JPY 81M	-
17	Residence	Real Estate for Sale	Kobe City, Hyogo	16	<JPY 1B	2013/07	JPY 51M	-	JPY 134M	-
18	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	23	JPY 1B-2B	2013/08	JPY 87M	-	JPY 520M	-
19	Residence	Real Estate for Sale	Osaka City, Osaka	7	<JPY 1B	2013/08	JPY 49M	-	JPY 81M	-
20	Residence	Real Estate for Sale	Osaka City, Osaka	9	<JPY 1B	2013/08	JPY 41M	-	JPY 90M	-
21	Office	Real Estate for Sale	Minato-ku, Tokyo	2	JPY 1B-2B	2013/09	JPY 84M	-	JPY 237M	
22	Office/Retail	Real Estate for Sale	Shibuya-ku, Tokyo	4	>JPY 3B	2013/11	JPY 249M	-	JPY 750M	
23	Hotel	Real Estate for Sale	Kyoto City, Kyoto	5	JPY 1B-2B	2014/02	JPY 120M	-	JPY 690M	

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Value-Add Segment Asset Breakdown (2)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	Depreciation	IGH Investment	Forecast Equity Multiple
26	Ground Lease	Real Estate for Sale	Fujisawa City, Kanagawa	-	JPY 1B-2B	2014/03	JPY 113M	-	JPY 273M	7.52 x
27	Office/Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30	<JPY 1B	2014/03	JPY 51M	-	JPY 108M	6.95 x
28	Office	Real Estate for Sale	Shibuya-ku, Tokyo	3	JPY 1B-2B	2014/04	JPY 56M	-	JPY 1,090M	1.25 x
29	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	25	JPY 2B-3B	2014/05	JPY 151M	-	JPY 530M	2.04 x
30	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	21	JPY 1B-2B	2014/05	JPY 127M	-	JPY 515M	2.27 x
31	Office/Retail	Real Estate for Sale	Minato-ku, Tokyo	5	JPY 2B-3B	2014/05	JPY 137M	-	JPY 425M	3.08 x
32	Residence	Real Estate for Sale	Kumamoto City, Kumamoto	7	>JPY 3B	2014/06	JPY 204M	-	JPY 476M	3.52 x
33	Office	Real Estate for Sale	Minato-ku, Tokyo	25	<JPY 1B	2014/06	JPY 49M	-	JPY 251M	1.36 x
34	Office	Real Estate for Sale	Shinjuku-ku, Tokyo	27	JPY 1B-2B	2014/06	JPY 68M	-	JPY 356M	1.35 x
35	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	20	<JPY 1B	2014/06	JPY 42M	-	JPY 228M	1.21 x
36	Office	Real Estate for Sale	Chuo-ku, Tokyo	38	JPY 2B-3B	2014/06	JPY 138M	-	JPY 790M	1.10 x
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	42	<JPY 1B	2014/07	JPY 47M	-	JPY 76M	10.47 x
38	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	20	JPY 1B-2B	2014/07	JPY 87M	-	JPY 151M	3.12 x
39	Retail	Real Estate for Sale	Shinjuku-ku, Tokyo	38	>JPY 3B	2014/07	JPY 209M	-	JPY 645M	3.32 x
			Total 37 Assets		**JPY 62,700M**		**JPY 4,042M**	**JPY 55M**	**JPY 17,011M**	-
			Assets acquired in FY15/2 14 Assets		**JPY 22,915M**		**JPY 1,478M**	**-**	**JPY 5,914M**	**2.50 x**

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Asset Acquisitions Ahead of Plan

- H1 focus on new asset acquisitions to drive growth
- JPY42.2B real estate acquisitions completed
  - ✓ Another JPY 8.2B in advanced highly likely pipeline
  - ✓ Of the JPY 80B target growth investment in FY15/2, JPY 70B = real estate, so 72% of full-year acquisition target either already complete or in highly likely pipeline










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Asset Acquisition Detail – Fukuoka Retail

Valie Hotel Tenjin



BROOM Fukuoka



VIVEL DAIMYO





ALBORE TENJIN

TENJIN STATION

NEO DAIMYO - I

Tenjin Nishi-dori area

■ Area Dominant Strategy

- Acquired 5 assets (JPY 5B) in 6 months in Tenjin Nishi-dori area, which is the high-end area of Kyushu's largest commercial district, Fukuoka Tenjin
- 2 additional acquisitions planned by year-end
- Concentrating Ichigo investment in areas having highest potential for growth.
- Established Ichigo Fukuoka subsidiary to support dominant strategy execution via collaboration with local major real estate companies

Fukuoka City – High growth potential

- Kyushu's largest city. Known as "Asia's gateway" for its convenient location and transportation infrastructure.
  → 1 hr to Busan and 1.5 hrs to Seoul & Shanghai by air; 3 hrs from Hakata to Busan by high-speed ferry
- National Strategic Economic Zone to promote start-ups
  → Will further support growth in population and economy
- Long-term continuous growth in population; economic growth at 4.4% vs national 0.3% (FY12/3)
- Main economic sectors are wholesale, retail, and services
- Tenjin is in city center, growing presence of fast fashion brands such as Abercrombie & Fitch, H&M, FOREVER21

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Value-Add Detail – Kyoto Hotel







Property Summary	
Address	Shijo, Shimogyo-ku Kyoto City
Zoning	Retail
Land Area	200.51 Tsubo (662.83㎡)
Building Area	1,479.78 Tsubo (4,891.84㎡) (Total floor area)
Structure	RC/SRC B1F/10F
Use	Hotel (138 rooms)
Year Built	February 1991
Property right	Ownership
Access	5 min. walk from either Shijo Station or Karasumaru Station

- Acquired hotel in great location on Kyoto Shijo-dori, conveniently accessible to major tourist spots
- Rebranded and renovated all rooms and exterior and changed operator
- No downtime during renovation, completed in June, 100% occupancy for 3 consecutive months
- Improved hard and soft services and increased occupancy and average daily rate (ADR)

3-Year Operating Forecast

Occupancy: +5%

ADR: +26.3%

NOI: >2X

NOI 3.3% at acquisition → NOI 6.7%（+3.4%）

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Clean Energy

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Solar Expansion on Track

– As of October 2014, 11 Ichigo Solar Plants (13MW) Online

✓ Total operating and in-development: 24 plants, 83MW
(Feed-in tariff 40 yen: 20 plants, 34MW; 36yen: 4 plants, 49MW)

✓ Of 13 in-development plants, 9 in construction

✓ 2 new plants in operation from October

■ Ichigo Solar Plants

(11 plants, 13MW online)

Megasolar	Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date
Ichigo Tokushima Higashi-Okinosu ECO Power Plant	Shikoku	2.52	40	Aug-13
Ichigo Kiryu Okuzawa ECO Power Plant	Kanto	1.33	40	Sep-13
Ichigo Motomombetsu ECO Power Plant	Hokkaido	1.40	40	Feb-14
Ichigo Fuchu Jogecho Yano ECO Power Plant	Chugoku	0.99	40	Mar-14
Ichigo Muroran Hacchodaira ECO Power Plant	Hokkaido	1.24	40	Mar-14
Ichigo Engaru Kiyokawa ECO Power Plant	Hokkaido	1.12	40	Mar-14
Ichigo Yubetsu Barou ECO Power Plant	Hokkaido	0.80	40	Apr-14
Ichigo Iyo Nakayamacho Izubuchi ECO Power Plant	Shikoku	1.23	40	Apr-14
Ichigo Maebashi Naegashima ECO Power Plant	Kanto	0.67	40	Apr-14
Ichigo Betsukaio Kawakamicho ECO Power Plant	Hokkaido	0.88	40	Oct-14
Ichigo Toyokoro Sasadamachi ECO Power Plant	Hokkaido	0.61	40	Oct-14

(13 plants, 70MW under development)

Megasolar	Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date (expected)	Under Construction
Ichigo Nakashibetsu Midorigaoka ECO Power Plant	Hokkaido	1.93	40	Nov-14	○
Ichigo Abira Toasa ECO Power Plant	Hokkaido	1.16	40	Nov-14	○
Ichigo Toyokoro ECO Power Plant	Hokkaido	1.03	40	Dec-14	○
Ichigo Higashi-Hiroshima Saijocho Taguchi ECO Power Plant	Chugoku	2.64	40	Jan-15	○
Ichigo Akkeshi Shirahama ECO Power Plant	Hokkaido	0.81	40	Jan-15	○
Ichigo Engaru Higashimachi ECO Power Plant	Hokkaido	1.24	40	Feb-15	○
Ichigo Nago Futami ECO Power Plant	Okinawa	8.44	40	Mar-15	○
Ichigo Takamatsu Kokubunjicho Nii ECO Power Plant	Shikooku	2.43	36	Mar-15	○
Ichigo Miyakonojo Yasuhisacho ECO Power Plant	Kyushu	1.44	36	Jul-15	○
Ichigo Yonago Izumi ECO Power Plant	Chugoku	2.61	40	Dec-15	
Ichigo Yamaguchi Aionishi ECO Power Plant	Chugoku	1.13	40	Dec-15	
Ichigo Yamaguchi Sayama ECO Power Plant	Chugoku	2.36	36	Feb-16	
Ichigo Showamura Ogose ECO Power Plant	Kanto	43.01	36	Mar-17	

Operation Schedule:
17 solar plants, 22MW online by Feb 2015
7 solar plants, 61MW online after Feb 2015

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Two New Solar Plants Operating from October

■ Ichigo Betsukai Kawakamicho ECO Power Plant



Address	Betsukai Kawakamicho, Betsukaicho, Notsuke Gun, Hokkaido
Operator	Ichigo ECO Energy Co., Ltd.
EPC	Nippon Densetsu Kogyo
Area	19,011m^2
Number of Panels	3,456
Panel Output	0.88MW
Annual Energy Output	1,097,223MWh (provides power for 300 households)
FIT (fixed for 20 years)	40 yen/kWh + Consumption Tax
Former Use	Unused Land

■ Ichigo Toyokoro Sasadamachi ECO Power Plant



Address	Toyokoro Sasadamachi, Toyokorocho, Nakagawa Gun, Hokkaido
Operator	Ichigo ECO Energy
EPC	Toko Electrical Construction
Area	15,781m^2
Number of Panels	2,380
Panel Output	0.61MW
Annual Energy Output	760,880MWh (provides power for 200 households)
FIT (fixed for 20 years)	40 yen/kWh + Consumption Tax
Former Use	Out of Use, Former School Ground

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Near-Term Solar Earnings

- Substantial revenue and gross profit growth
- Expecting a turnaround of operating income in FY16/2

(Million yen)

	Feb 14 (12M)	Feb 15 Q1 (3M)	Feb 15 H1 Cumulative (6M)	Feb 15 Full-Year Forecast (12M)	vs. Full-Year Forecast
Revenues	126	125	294	793	37.1%
Cost of Goods Sold	123	85	185	596	-
Gross Profit	3	39	109	197	55.3%
SG&A	266	81	153	363	-
Adjustment (including offsets of cross-segment transactions)	8	-	-	8	-
Operating Profit	-253	-41	-43	-157	-
Reference: Interest Expense	6	8	23	132	-

Solar Power Plant Schedule



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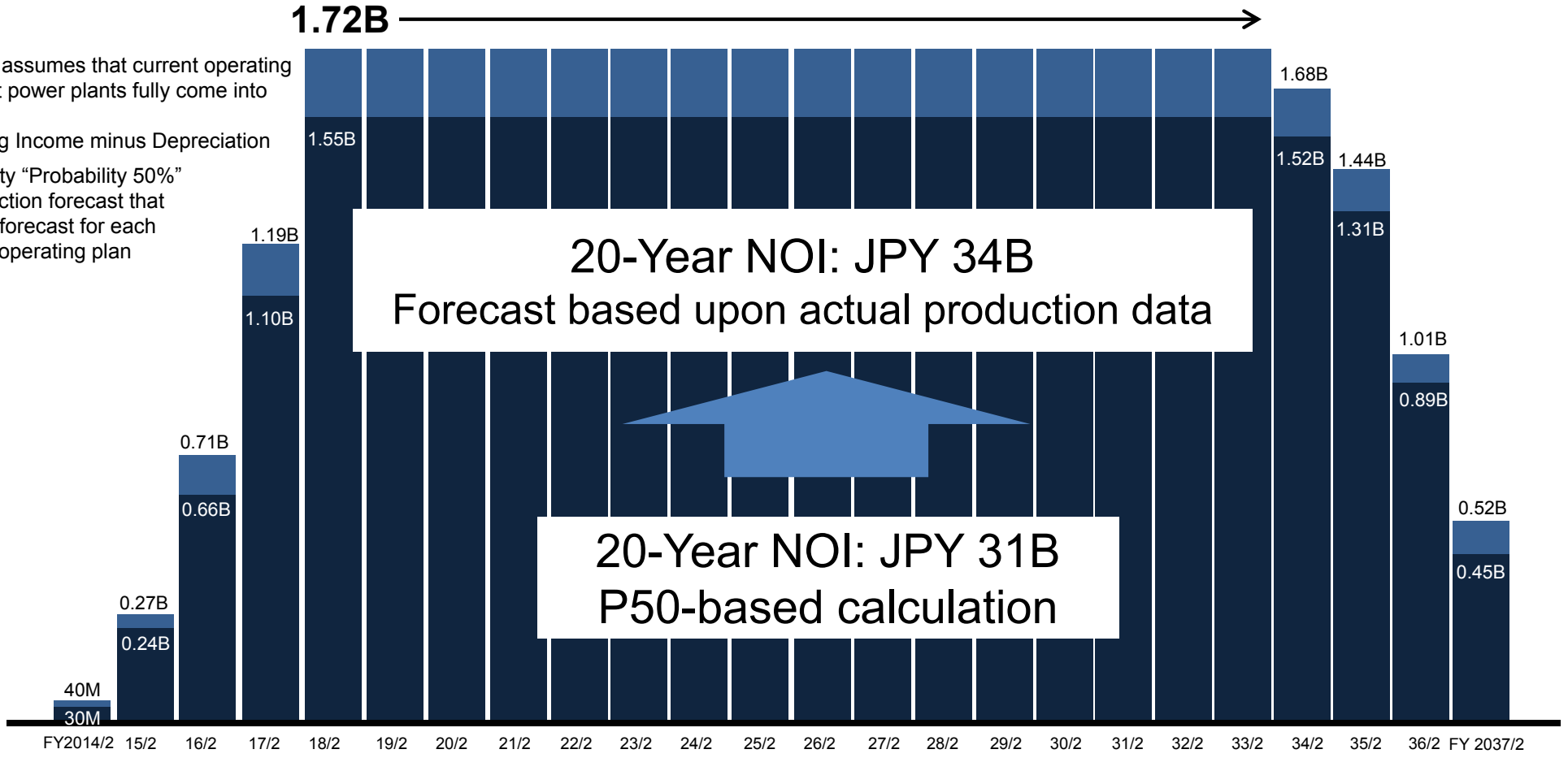
Long-Term Solar Earnings

JPY 1.7B NOI by FY18/2 – actual production beating P50 forecasts

■ Revenue Forecast based on 24 Plants, 83MW

* Revenue forecast assumes that current operating and in-development power plants fully come into operation
NOI = Net Operating Income minus Depreciation

** P50 is a third-party "Probability 50%" mean annual production forecast that serves as the base forecast for each solar power plant's operating plan



Actual production NOI forecast +10.6% vs. P50 forecast

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Appendix: Financial & Real Estate Data

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Note on More Detailed Consolidated and Asset Disclosure

As of FY14/2 full-year financials, we have increased our disclosure with respect to our statutory consolidated financials and assets, including risk-based disclosure of our balance sheet that separates out client and non-recourse assets and liabilities and discontinuing “Pro Forma” financial reporting. We take investor feedback seriously and that feedback has been that more detailed disclosure with respect to our consolidated P&L financials and assets is needed in lieu of Pro Forma numbers.

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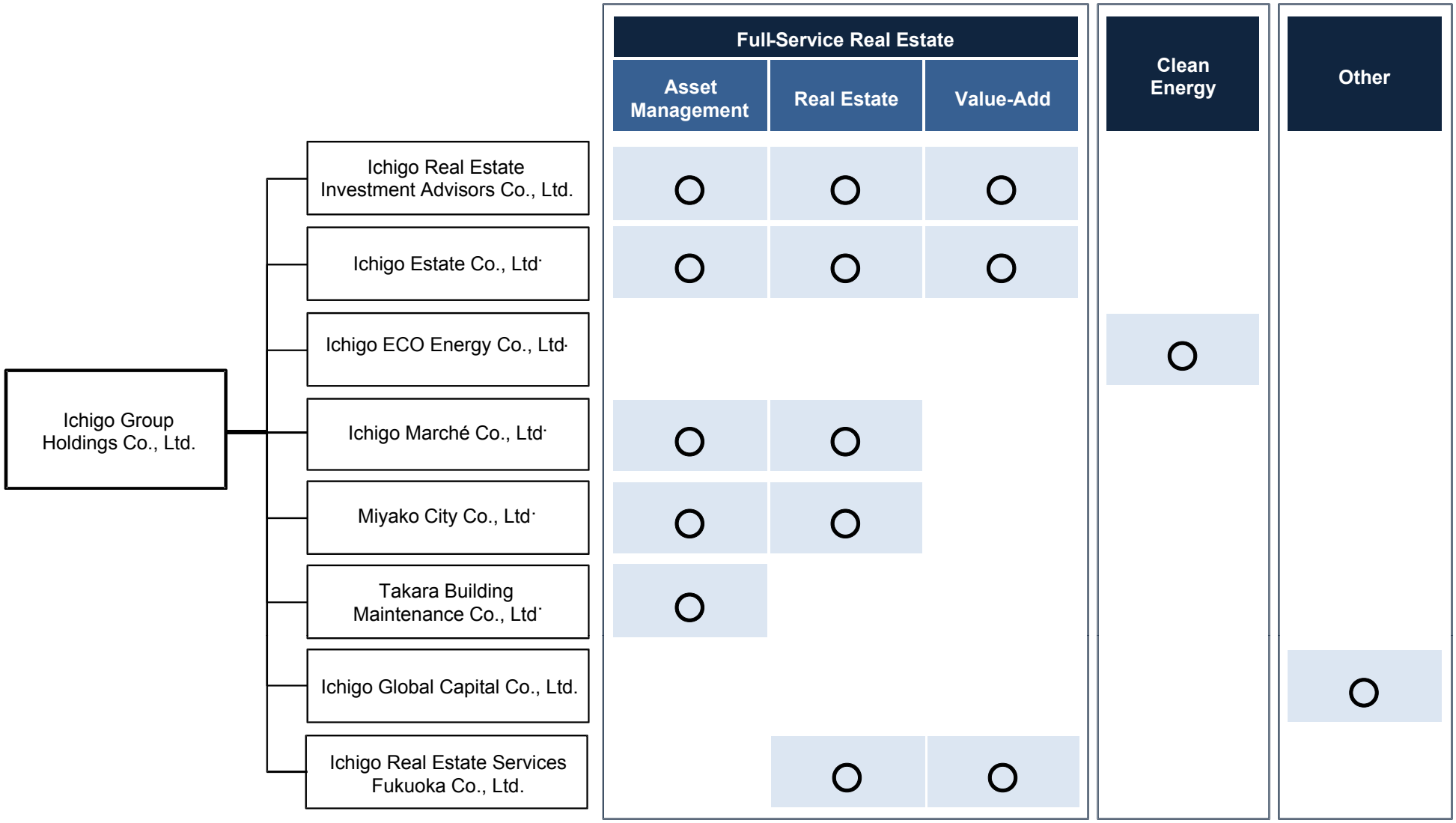
Corporate Structure and Earnings Segments

– Asset Management, Real Estate, Value-Add, Clean Energy, Other



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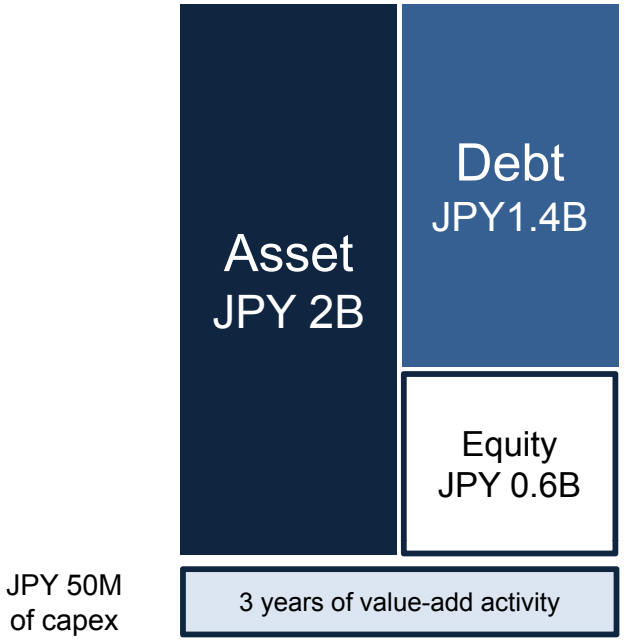
Value-Add Sample Earnings Model

- 5.5% NOI, JPY 2B purchase, LTV 70%, 1.5% interest rate, JPY 50M capex, 20% increase in NOI, 3-year holding period
- Tenant leasing, aesthetic improvement, building code violation remedy, earthquake retrofit, etc.



<u>At Acquisition NOI</u>
(JPY 110M NOI/year) − (JPY 21M interest/year) = JPY 89M NOI
NOI÷ Initial Investment =14.8% NOI return during investment period

<u>After Value-Add NOI</u>
(JPY 132M NOI/year) − (JPY 21M interest/year) = JPY 111M net income/year
Net income ÷ Total Investment (JPY 600M + JPY 50M) =17.1% return during investment period

<u>Value-Add for Capital Gain</u>
Value-Add to increase NOI 20% at equivalent cap rate increases exit price by 20%: JPY 2B * 120% = JPY 2.4B
JPY 2.4B – (JPY 2B + JPY 50M) = JPY 350M capital gain

<u>Result</u>
JPY 650M investment generates JPY 617M over 3 years → 31.6% p.a.

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Consolidated Balance Sheet

(Million yen)

	Feb 14	Feb 15 Q1	Feb 15 H1		Quarter-on-Quarter	Market Value	Unrealized Gain
			B/S	Outside Investors' Interests			
Cash and Cash Equivalents	**24,991**	**20,493**	**20,264**	**673**	**-229**	**20,264**	**0**
Operating Loans Receivable	**1,100**	**2,100**	**2,100**	**-**	**0**	**2,100**	**0**
Real Estate	1,100	1,100	1,100	-	0	1,100	0
Value-Add	0	1,000	1,000	-	0	1,000	0
Operational Investments in Securities	**3,583**	**2,247**	**1,657**	**-**	**-590**	**1,993**	**335**
Real Estate	369	0	0	-	0	74	74
Value-Add	2,125	999	392	-	-607	651	259
Other	1,090	1,248	1,265	-	+17	1,267	1
Real Estate For Sale	**54,084**	**70,168**	**86,288**	**-**	**+16,120**	**99,915**	**13,626**
Real Estate	17,187	25,226	27,624	-	+2,398	29,640	2,015
Value-Add	36,897	44,943	58,663	3,360	+13,720	70,275	11,611
Fixed Assets	**21,300**	**30,614**	**32,892**	**-**	**+2,278**	**35,600**	**2,707**
Asset Management	48	49	47	-	-2	48	1
Real Estate	16,876	17,950	18,905	-	+955	21,197	2,292
Value-Add	371	7,027	7,028	-	+1	7,441	413
Clean Energy	3,939	5,526	6,852	-	+1,326	6,852	0
Unallocated*	66	63	59	-	-4	59	0
Intangible Assets	**2,686**	**2,669**	**2,632**	**-**	**-37**	**2,632**	**0**
Investments in Securities	**4,278**	**4,409**	**4,578**	**-**	**+169**	**4,593**	**14**
Other	4,278	4,409	4,578	-	+169	4,593	14
Other Assets	**2,922**	**3,707**	**3,617**	**21**	**-90**	**3,617**	**0**
Total Assets	**114,944**	**136,407**	**154,033**	**4,054**	**+17,626**	**170,717**	**16,683**

* Company assets that are not allocated to above segments

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Consolidated Balance Sheet: Segment Breakdown

(Million yen)

Segment	Cash and Cash Equivalents	Operating Loans Receivable	Operational Investments in Securities	Real Estate For Sale	Fixed Assets	Intangible Assets	Investments in Securities	Other Assets	Total Assets
Asset Management	442	-	-	-	47	1,805	-	464	**2,758**
Real Estate	2,798	1,100	0	27,624	18,905	198	-	557	**51,185**
Value-Add	5,035	1,000	392	58,663	7,028	-	-	747	**72,866**
Clean Energy	1,567	-	-	-	6,852	606	-	458	**9,484**
Other*	10,421	-	1,265	-	59	22	4,578	1,390	**17,737**
Total	**20,264**	**2,100**	**1,657**	**86,288**	**32,892**	**2,632**	**4,578**	**3,617**	**154,033**

* Includes company assets that are not allocated to above segments

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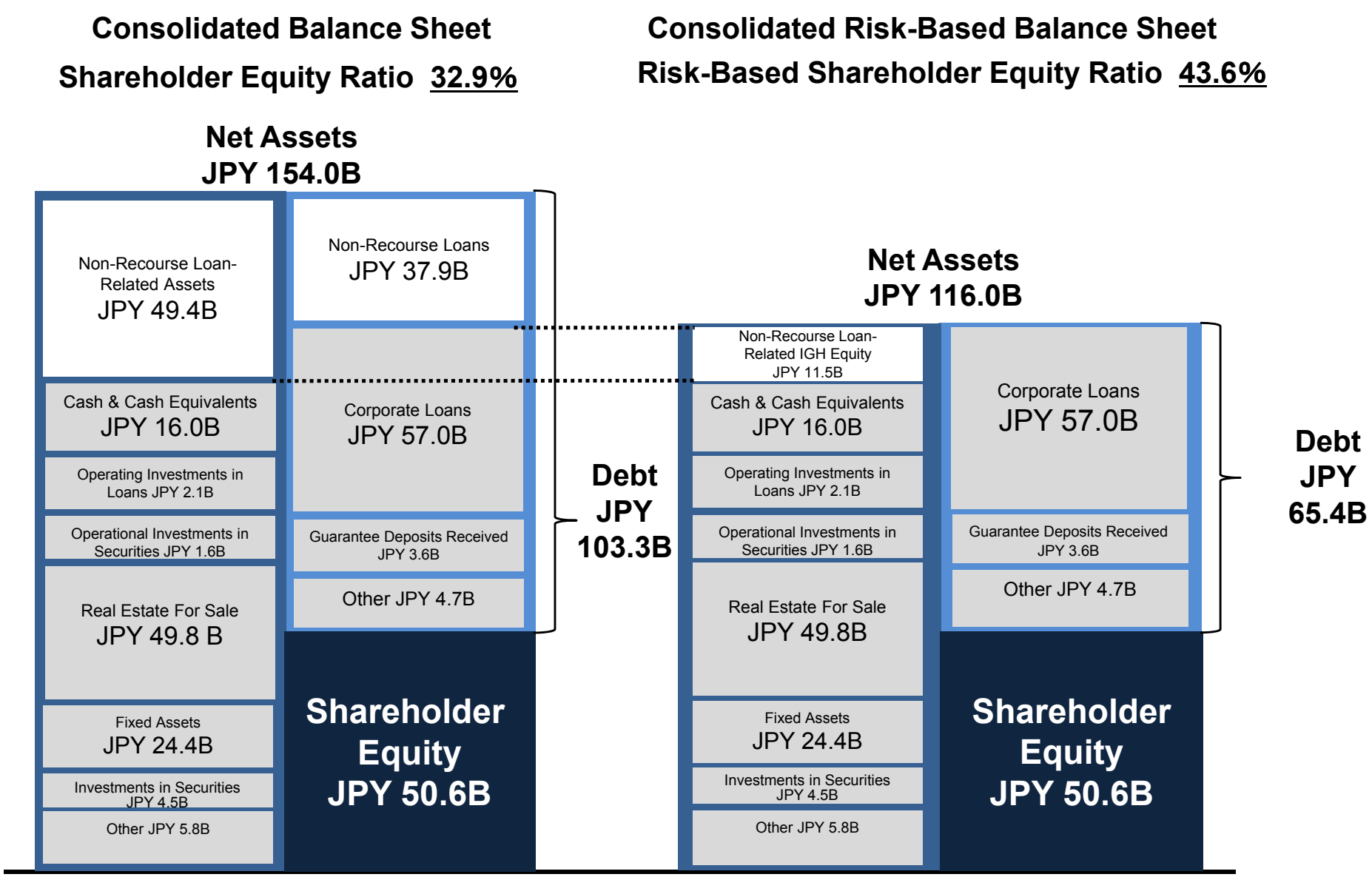
Consolidated Risk-Based Balance Sheet



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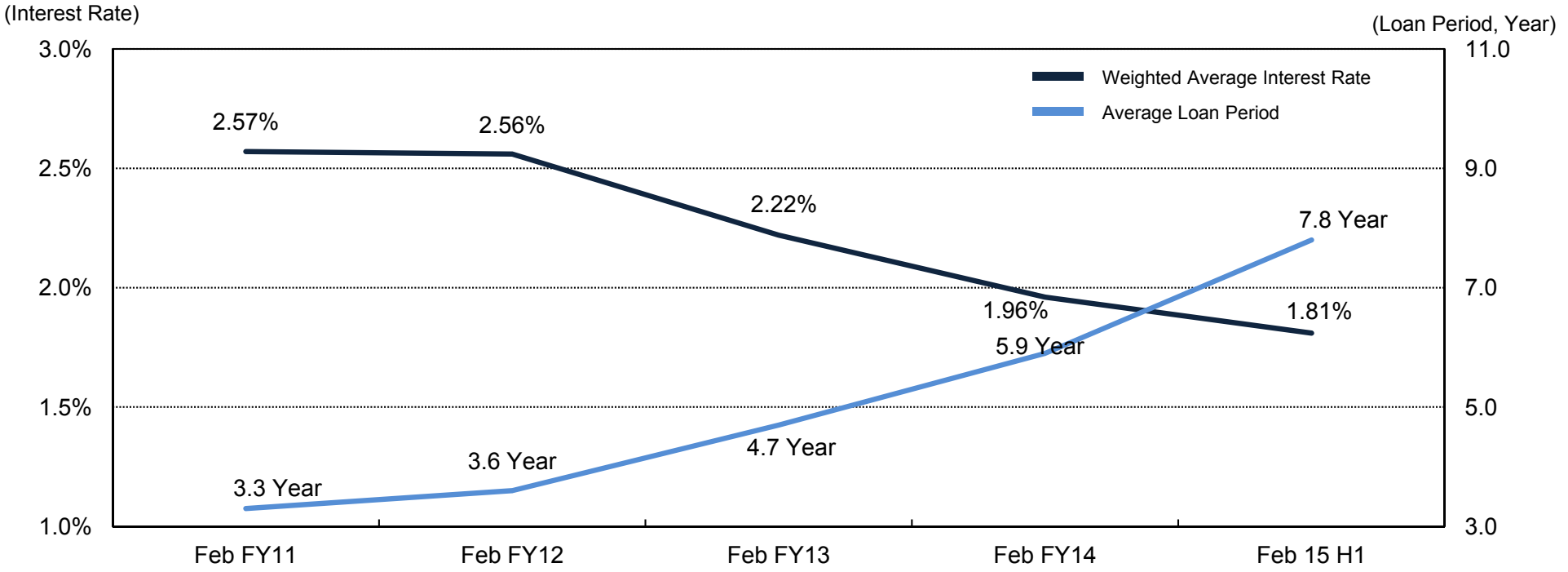
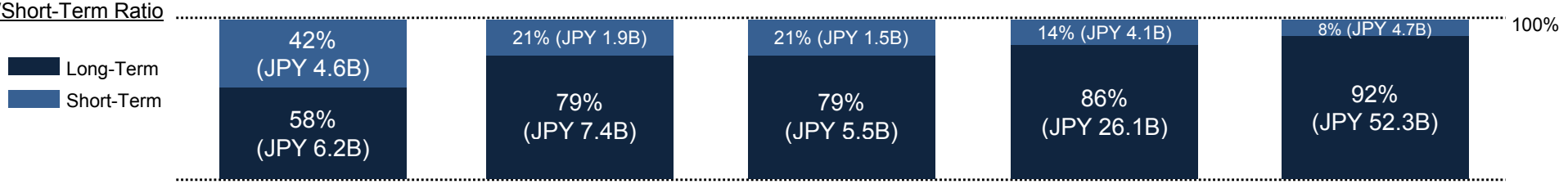
Corporate Loan Detail

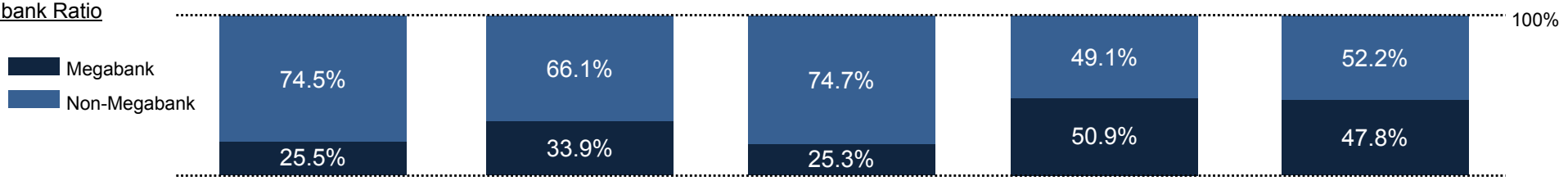
■ Weighted Average Interest Rate and Average Loan Period



■ Long/Short-Term Ratio



■ Megabank Ratio



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Asset Management AUM Detail

Have shrunk low-profitability private equity real estate funds to drive higher AM fee levels and profitability

		Feb 11 (12M)	Feb 12 (12M)	Feb 13 (12M)	Feb 14 (12M)	Feb 15 H1 Cumulative (6M)
Ichigo REIT	AUM (Fiscal Year End)	114billion yen	106billion yen	104billion yen	121billion yen	114billion yen
	AM Fee % (Average)	0.56%	0.61%	0.63%	0.65%	0.66%
	AM Gross Profit (Actual)	54million yen	719million yen	663million yen	733million yen	381million yen
Private Equity Real Estate Funds (excluding IGH consolidated)	AUM (Fiscal Year End)	187billion yen	213billion yen	170billion yen	63billion yen	28billion yen
	AM Fee % (Average)	0.15%	0.15%	0.15%	0.26%	0.34%
	AM Gross Profit (Actual)	290million yen	284million yen	285million yen	257million yen	66million yen
Total (excluding IGH consolidated)	AUM (Fiscal Year End)	301billion yen	319billion yen	274billion yen	184billion yen	142billion yen
	AM Fee % (Average)	0.17%	0.33%	0.33%	0.47%	0.58%
	AM Gross Profit (Actual)	344million yen	1,004million yen	948million yen	989million yen	448million yen

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Consolidated P&L: Gross Profit Segment Breakdown

(Million yen)

	Revenues			Gross Profit			YoY (Gross Profit)
	Feb 14 H1 Cumulative	Feb 15 H1 Cumulative	Change	Feb 14 H1 Cumulative	Feb 15 H1 Cumulative	Change	
Asset Management	**2,129**	**2,042**	**-87**	**1,217**	**930**	**-287**	**-23.6%**
Asset Management Fees	760	712	-48	687	652	-35	**-5.2%**
PM / BM Fees	1,054	1,264	+209	226	216	-9	**-4.4%**
Other	314	65	-249	303	61	-242	**-79.9%**
Real Estate	**2,559**	**2,435**	**-124**	**963**	**1,731**	**+768**	**+79.8%**
Rental Income	1,297	1,930	+633	758	1,226	+467	**+61.7%**
Real Estate Sales	1,262	504	-757	204	504	+300	**+147.1%**
Value-Add	**15,185**	**5,082**	**-10,103**	**1,607**	**2,322**	**+714**	**+44.5%**
Rental Income	1,580	2,042	+461	605	1,217	+611	**+101.0%**
Real Estate Sales	13,604	3,039	-10,565	1,015	1,104	+88	**+8.7%**
Other	-	-	-	-14	-	+14	**-**
Clean Energy	**43**	**294**	**+250**	**-7**	**109**	**+117**	**-**
Other	**666**	**24**	**-642**	**159**	**16**	**-143**	**-89.6%**
Advisory Fees	21	25	+4	21	25	+4	**+22.8%**
Securities Sales	645	-1	-646	147	-1	-148	**-**
Other	0	0	0	-8	-7	0	**-**
Total	**20,586**	**9,879**	**-10,706**	**3,940**	**5,110**	**+1,169**	**+29.7%**

Note: Operating Profit Segment Breakdown on p. 11

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Consolidated P&L: Segment H1 Actual vs Full-Year Forecast

(Million yen)

Segment	Feb 15 H1 Cumulative (6M)						Feb 15 Full-Year Forecast (12M)		
	Revenues	vs. Full-Year Forecast	Gross Profit	vs. Full-Year Forecast	Operating Profit	vs. Full-Year Forecast	Revenues	Gross Profit	Operating Profit
Asset Management	**2,042**	**56.2%**	**930**	**55.8%**	**208**	**39.0%**	**3,634**	**1,667**	**536**
Asset Management Fees	712	57.7%	652	55.1%	-	-%	1,234	1,185	-
PM / BM Fees	1,264	52.8%	216	45.4%	-	-%	2,393	477	-
Other	65	1093.7%	61	1018.0%	-	-%	6	6	-
Real Estate	**2,435**	**15.6%**	**1,731**	**42.6%**	**1,377**	**45.9%**	**15,591**	**4,064**	**3,000**
Rental Income	1,930	36.4%	1,226	34.3%	-	-%	5,307	3,574	-
Real Estate Sales	504	4.9%	504	103.0%	-	-%	10,284	490	-
Value-Add	**5,082**	**23.1%**	**2,322**	**39.9%**	**1,881**	**38.4%**	**21,983**	**5,813**	**4,905**
Rental Income	2,042	52.8%	1,217	52.2%	-	-%	3,870	2,333	-
Real Estate Sales	3,039	16.8%	1,104	31.7%	-	-%	18,113	3,480	-
Other	0	-%	0	-%	-	-%	-	-	-
Clean Energy	**294**	**37.2%**	**109**	**55.7%**	**-43**	**27.9%**	**793**	**197**	**-157**
Other	**24**	**-%**	**16**	**-%**	**-23**	**53.9%**	**0**	**0**	**-43**
Advisory Fees	25	-%	25	-%	-	-%	0	0	-
Securities Sales	-1	-%	-1	-%	-	-%	0	0	-
Other	0	-%	-7	-%	-	-%	0	0	-
Total	**9,879**	**23.5%**	**5,110**	**43.5%**	**3,401**	**41.3%**	**42,000**	**11,742**	**8,241**
Adjustment (including offsets of cross-segment transactions)	-	-	-	-	-277	-	-	-	-541
Total	**9,879**	**23.5%**	**5,110**	**43.5%**	**3,124**	**40.6%**	**42,000**	**11,742**	**7,700**

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Consolidated Balance Sheet: Unrealized Gains

Real estate directly held by IGH (either on IGH balance sheet or in SPCs where IGH is sole equity holder)

(Million yen)

Location	Book Value as of August 2014	NOI	Cap Rate NOI / Book Value after write-down	Appraisal Value as of August 2014	Unrealized Gain
Tokyo	53,967	3,413	6.6%	63,335	+9,367
Outside Tokyo	49,855	3,457	7.1%	55,855	+6,000
Total	103,823	6,840	6.9%	119,190	+15,367

(Note) Excludes two development assets (c. JPY 1,150M) which are not currently generating NOI

Real estate held by IGH within IGH-managed funds (SPCs) where there are other non-IGH equity holders

	Book Value as of August 2014	Appraisal Value as of August 2014	Unrealized Gain
Equity Investments (Non-Consolidated)	368	702	+333
Equity Investments (Consolidated)	852	1,135	+283
Total	1,220	1,837	+617

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Consolidated Balance Sheet: Assets

(Million yen)

	2011/02	2012/02	2013/02	2014/02	2015/02 Q1	2015/02 H1	Quarter-on-Quarter (in JPY)
Assets							
Current Assets							
Cash and cash equivalents	12,343	9,791	9,713	24,991	20,493	20,264	-229
Trade notes and accounts receivable	696	1,069	548	451	597	591	-6
Operational investments in loans	1,135	2,527	3,636	1,100	2,100	2,100	0
Operational investments in securities	8,035	4,226	4,271	3,583	2,247	1,657	-590
Real estate for sale	68,823	49,674	46,176	54,084	70,168	86,288	+16,120
Deferred tax assets	—	—	369	576	576	609	+33
Other	780	1,465	2,042	1,384	1,858	1,597	-261
Less: allowance for doubtful accounts	-4,600	-2,930	-3,177	-410	-413	-422	-9
Total Current Assets	87,215	65,824	63,581	85,761	97,628	112,688	+15,060
Fixed Assets							
Property, Plant and Equipment							
Land	1,568	7,114	7,082	12,433	19,219	20,108	+889
Other (net)	1,610	2,994	2,965	8,867	11,395	12,784	+1,389
Total Tangible Assets	3,178	10,109	10,047	21,300	30,614	32,892	+2,278
Intangible Assets							
Goodwill	1,970	2,077	2,203	2,221	2,186	2,151	-35
Leasehold rights	—	—	—	392	392	392	0
Other	39	27	20	71	90	88	-2
Total Intangible Assets	2,009	2,105	2,223	2,686	2,669	2,632	-37
Investments and Other Assets							
Investments in securities	5,682	3,589	4,117	4,278	4,409	4,578	+169
Long-term loans receivable	14	14	13	13	13	12	-1
Deferred tax assets	—	—	0	222	222	219	-3
Other	684	623	545	780	946	1,104	+158
Less: allowance for doubtful accounts	-131	-96	-101	-97	-97	-96	+1
Total Investments and Other	6,249	4,131	4,575	5,196	5,494	5,819	+325
Total Fixed Assets	11,438	16,346	16,846	29,183	38,778	41,344	+2,566
Total Assets	**98,653**	**82,170**	**80,428**	**114,944**	**136,407**	**154,033**	**+17,626**

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Consolidated Balance Sheet: Liabilities & Net Assets

(Million yen)

	2011/02	2012/02	2013/02	2014/02	2015/02 1Q	2015/02 2Q (This quarter)	vs 2015/02 1Q (increase/decrease)
Liabilities							
Current Liabilities							
Trade notes and accounts payable	47	57	64	132	152	178	+26
Short-term borrowings	1,293	170	484	950	765	1,454	+689
Short-term non-recourse loans	—	—	—	—	—	48	+48
Corporate bond (due within one year)	400	—	—	—	—	—	—
Non-recourse corporate bond (due within	1,280	—	—	—	—	—	—
Long-term borrowings (due within one	2,874	1,768	966	3,123	2,760	3,231	+471
Long-term non-recourse loans (due within	25,243	8,793	2,263	428	1,277	1,230	-47
Income taxes payable	99	115	65	96	178	120	-58
Deferred tax liabilities	—	—	15	24	32	32	0
Accrued bonuses	24	22	25	14	141	118	-23
Other current liabilities	4,155	2,974	3,419	2,817	3,270	3,196	-74
Total Current Liabilities	35,417	13,902	7,304	7,588	8,578	9,610	+1,032
Long-Term Liabilities							—
Non-recourse bonds	—	—	—	—	100	100	0
Long-term borrowings	6,215	7,413	5,456	26,126	40,874	52,342	+11,468
Long-term non-recourse loans	25,390	28,899	32,776	24,178	26,908	30,745	+3,837
Deferred tax liabilities	—	6	277	1,213	1,212	1,214	+2
Long-term security deposits received	3,392	3,362	3,230	4,770	6,016	6,531	+515
Negative goodwill	451	360	270	180	157	135	-22
Other long-term liabilities	13	36	46	44	61	73	+12
Total Long-Term Liabilities	35,463	40,080	42,056	56,513	75,331	91,143	+15,812
Total Liabilities	**70,881**	**53,982**	**49,361**	**64,102**	**83,910**	**100,754**	**+16,844**
Net Assets							
Shareholders' Equity							
Capital	18,078	18,078	18,113	26,443	26,443	26,446	+3
Capital surplus	2,447	2,395	2,429	10,808	10,813	10,817	+4
Retained earnings	5,155	6,298	7,923	10,891	12,306	12,933	+627
Treasury stock	-36	-187	-187	-92	-84	-82	+2
Total Shareholders' Equity	25,644	26,584	28,279	48,050	49,479	50,114	+635
Accumulated Other Comprehensive Income							
Unrealized gain on other securities, net	362	-604	160	400	456	561	+105
Deferred loss on hedges	—	—	—	—	-16	-28	-12
Foreign currency translation adjustment	-492	-7	16	9	8	7	-1
Total Accumulated Other Comprehensive	-130	-612	177	409	448	539	+91
Stock Options	80	116	143	121	151	182	+31
Minority Interests	2,177	2,099	2,466	2,261	2,418	2,441	+23
Total Net Assets	27,771	28,187	31,066	50,842	52,497	53,278	+781
Total Liabilities and Net Assets	**98,653**	**82,170**	**80,428**	**114,944**	**136,407**	**154,033**	**+17,626**

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Consolidated P&L

(Million yen)

	Feb 11 (12M)	Feb 12 (12M)	Feb 13 (12M)	Feb 14 (12M)	Feb 15 H1 Cumulative (6M)	Feb 14 H1 Cumulative (6M)	Change (YoY)	Feb 15 Full-Year Forecast	vs. Forecast
Revenues	**12,760**	**18,952**	**16,397**	**35,101**	**9,879**	**20,586**	**-10,707**	**42,000**	**23.5%**
Cost of Goods Sold	8,805	15,030	11,422	27,666	4,769	16,645	-11,876	–	–
Gross Profit	**3,954**	**3,921**	**4,974**	**7,435**	**5,110**	**3,940**	**+1,170**	**11,742**	**43.5%**
SG&A	2,603	2,871	3,130	3,522	1,986	1,697	+289	–	–
Operating Profit	**1,351**	**1,050**	**1,844**	**3,912**	**3,124**	**2,243**	**+881**	**7,700**	**40.6%**
Non-Operating Profit									
Interest income	35	5	3	4	2	1	+1	–	–
Dividend income	11	20	24	112	10	11	-1	–	–
Equity in earnings of affiliates	466	141	–	–	–	–	–	–	–
Amortization of negative goodwill	90	90	90	90	45	45	0	–	–
Valuation gain on foreign currency	2	–	–	–	–	–	–	–	–
Valuation gain on derivatives	28	–	–	–	–	–	–	–	–
Other	58	33	36	31	10	10	0	–	–
Total Non-Operating Profit	694	291	155	238	69	69	0	–	–
Non-Operating Expenses									
Interest on debt	340	284	238	370	423	136	+287	–	–
Issuance cost of corporate bonds	–	48	–	–	–	–	–	–	–
Stock issuance cost	–	–	0	89	–	–	–	–	–
Other	87	29	26	93	55	17	+38	–	–
Total Non-Operating Expenses	428	361	265	553	478	154	+324	–	–
Recurring Profit	**1,616**	**979**	**1,734**	**3,597**	**2,715**	**2,157**	**+558**	**6,500**	**41.8%**
Extraordinary Gain									
Gain on sales of fixed assets	–	–	9	7	–	–	–	–	–
Gain on sales of investment securities	1,476	–	72	204	–	204	-204	–	–
Gain on sales of equity holdings in affiliates	2,344	1,173	–	–	–	–	–	–	–
Receipt of share trading proceeds	–	–	–	434	–	434	-434	–	–
Other	181	75	0	33	–	33	-33	–	–
Total Extraordinary Gain	4,002	1,248	83	680	–	673	-673	–	–
Extraordinary Loss									
Loss on sale and retirement of fixed assets	–	38	1	1	–	–	–	–	–
Loss on sale of investment securities	–	62	–	–	–	–	–	–	–
Loss on valuation of investment securities	–	–	62	–	–	–	–	–	–
Office move expenses	–	14	19	21	–	–	–	–	–
Impairment loss	–	–	33	307	–	–	–	–	–
Loss on business liquidation	2,643	26	–	–	–	–	–	–	–
Other	86	109	8	13	–	–	–	–	–
Total Extraordinary Loss	2,730	251	124	344	–	–	–	–	–
Profit before Income Taxes	2,889	1,976	1,693	3,933	2,715	2,831	-116	–	–
Income taxes – current	41	159	54	43	193	46	+147	–	–
Income taxes – deferred	–	–	-106	-616	-37	-0	-37	–	–
Total income taxes	41	159	-51	-573	155	46	+109	–	–
Profit before Gain (loss) on Minority Interests	2,847	1,817	1,745	4,506	2,560	2,784	-224	–	–
Gain (loss) on Minority Interests	2,227	47	108	-19	68	29	+39	–	–
Net Income	**620**	**1,770**	**1,637**	**4,526**	**2,491**	**2,755**	**-264**	**6,055**	**41.1%**

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Consolidated Cash Flows from Operating Activities

(Million yen)

	Feb 11 (12M)	Feb 12 (12M)	Feb 13 (12M)	Feb 14 (12M)	Feb 15 H1 Cumulative (6M)
Cash Flows from Operating Activities:					
Income before income taxes	2,889	1,976	1,693	3,933	2,715
Depreciation	168	166	230	304	256
Share-based compensation expenses	47	37	49	69	66
Amortization of goodwill	45	107	114	139	69
Amortization of negative goodwill	-90	-90	-90	-90	-45
Increase (decrease) in accrued bonuses	-20	-2	3	-11	104
Increase (decrease) in allowance for doubtful accounts	216	-3,529	195	33	14
Increase (decrease) in other allowances	143	-135	-11	—	—
Interest and dividend income	-47	-26	-28	-116	-13
Interest on debt	340	284	238	370	423
Issuance cost of corporate bonds	—	48	—	—	—
Foreign currency translation adjustment	3	—	—	—	—
Equity in earnings of affiliates (gain)	-466	-141	—	—	—
Loss (gain) on sales of equity holdings in affiliates	-2,344	-1,173	—	—	—
Loss (gain) on sales of investment securities	-1,476	62	-72	-204	—
Loss (gain) on sales/retirement of fixed assets	27	38	-8	-6	—
Impairment Loss	—	—	33	307	—
Loss on valuation of investment securities	0	—	62	—	—
Decrease (increase) in trading notes and receivable	14	-269	515	97	-140
Decrease (increase) in operating loans receivable	-471	454	-1,100	218	-1,000
Decrease (increase) in operational investments in securities	-250	3,068	723	1,635	1,098
Loss on valuation of investment securities	250	139	63	114	—
Decrease (increase) in operational investment	-5	—	—	—	—
Decrease (increase) in real estate for sale	1,609	610	2,556	-6,729	-32,203
Evaluation loss in real estate for sale	1,463	471	119	—	—
Valuation loss on investments	—	41	1	12	—
Decrease (increase) in accounts receivable	371	-179	-380	-255	180
Increase (decrease) in accounts payable	105	-137	-39	-139	142
Increase (decrease) in accrued expenses	726	1,067	519	137	-173
Increase (decrease) in advances received	131	-141	11	38	—
Increase (decrease) in security deposits received	-263	-81	-253	1,230	1,554
Others	593	-240	-239	522	22
Sub-total	3,713	2,425	4,908	1,611	-26,927
Interest and dividend income received	817	171	28	116	13
Interest expenses paid	-355	-315	-220	-378	-401
Income taxes paid	-81	-154	-106	-94	-22
Cash Flows from Operating Activities:	**4,094**	**2,127**	**4,609**	**1,254**	**-27,338**

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Consolidated Cash Flows from Investing & Financing Activities

(Million yen)

区分	Feb 11 (12M)	Feb 12 (12M)	Feb 13 (12M)	Feb 14 (12M)	Feb 15 H1 Cumulative (6M)
Cash Flows from Investing Activities:					
Payments into time deposits	—	-352	-0	-0	-325
Proceeds from withdrawal of time deposits	40	—	151	—	—
Acquisition of investment securities	—	—	-15	—	-167
Proceeds from sales of investment securities	1,596	137	76	282	—
Proceeds from redemption of investment securities	—	40	30	2	—
Proceeds from sale of securities in affiliates	2,499	3,327	—	—	—
Proceeds from capital decrease in affiliates	176	—	—	—	—
Acquisition of property and equipment	-72	-63	-124	-7,150	-5,515
Proceeds from sale of property and equipment	—	9	17	72	—
Acquisition of intangible assets	-20	-7	-0	-389	-22
Payments for investments in capital	—	—	-4	-5	-3
Proceeds from redemption of investments	—	—	0	7	0
Proceeds from sale of investments	—	4	—	—	—
Payments of deposits	—	—	—	—	-123
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	-2,346	-271	-218	-1,389	—
Payments of loans receivable	-30	—	—	—	—
Collection of loans receivable	982	—	—	—	0
Others	62	-14	60	-40	0
Cash Flows from Investing Activities:	**2,889**	**2,808**	**-27**	**-8,610**	**-6,156**
Cash Flows from Financing Activities:					
Increase (decrease) in short-term bank loans, net	-2,298	-1,123	314	465	503
Increase (decrease) in short-term non-recourse loans, net	—	—	—	—	48
Proceeds from issuance of corporate bonds	7,400	6,059	—	—	—
Redemption on corporate bonds	-8,750	-6,500	—	—	—
Proceeds from issuance of non-recourse bonds	300	2,100	—	—	—
Redemption of non-recourse bonds	-878	-2,455	—	—	—
Proceeds from long-term loans	4,860	2,900	5,440	26,777	29,872
Repayment of long-term loans	-2,625	-2,807	-8,199	-5,388	-3,549
Proceeds from long-term non-recourse loans	3,500	11,610	12,346	5,675	4,200
Repayment of long-term non-recourse loans	-4,810	-14,231	-13,885	-19,030	-2,073
Proceeds from issuance of common shares	—	—	—	16,387	—
Payment on share buyback	—	-935	—	—	—
Proceeds from exercise of stock option	—	—	48	242	17
Cash dividends paid	-0	-0	—	-445	-542
Share issuance to minority shareholders	—	—	20	—	—
Payments to minority shareholders for redemption of common stock	-1,161	-30	-19	—	—
Cash dividends paid to minority shareholders	-613	-65	-0	—	—
Cash Flows from Financing Activities:	**-5,078**	**-5,480**	**-3,935**	**24,682**	**28,476**

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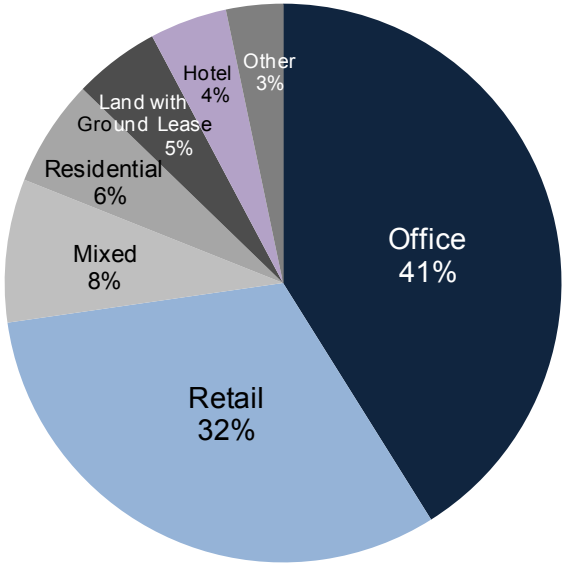
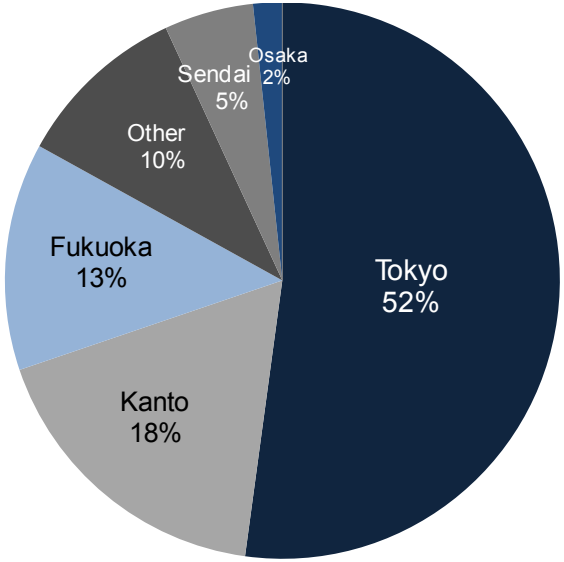
IGH-Owned Real Estate Portfolio

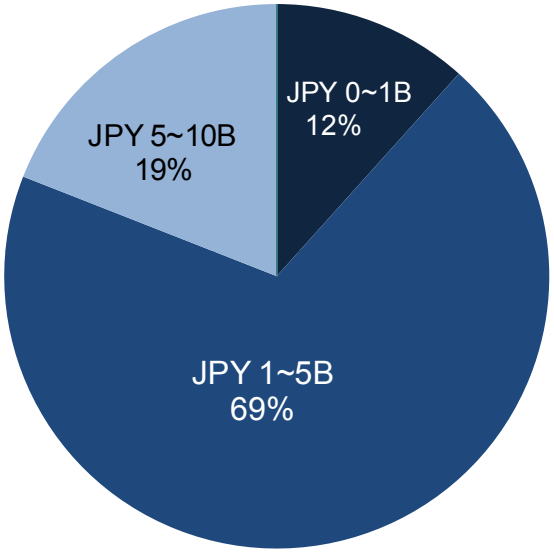
Assets by Type



Assets by Location

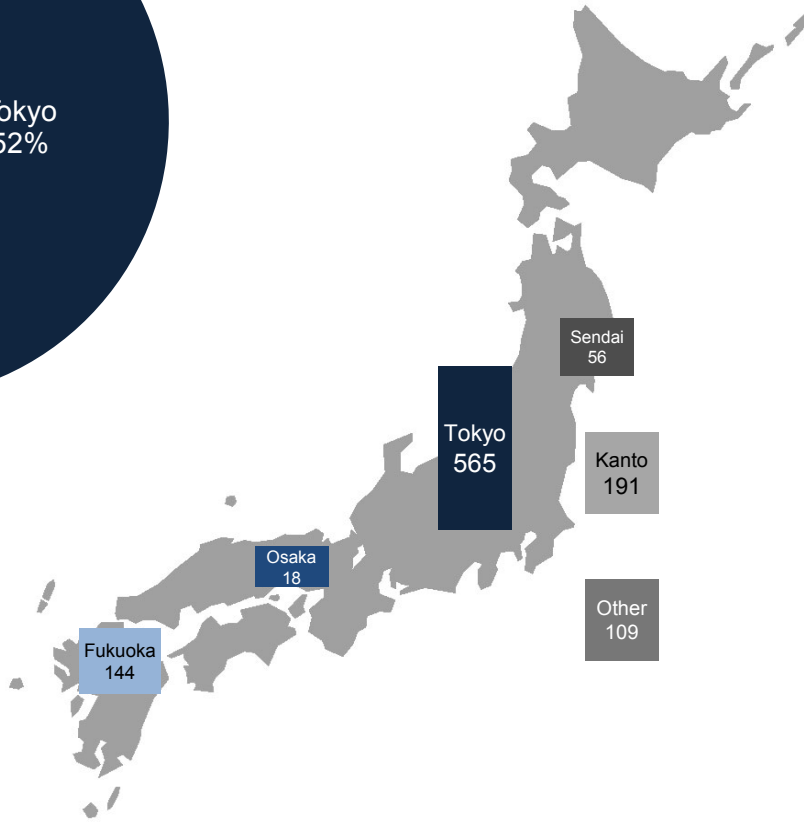


Assets by Size



(As of August 2014)

(Billion yen)



Total Assets: JPY 108B

Including Ichigo-Managed AUM: JPY 257B

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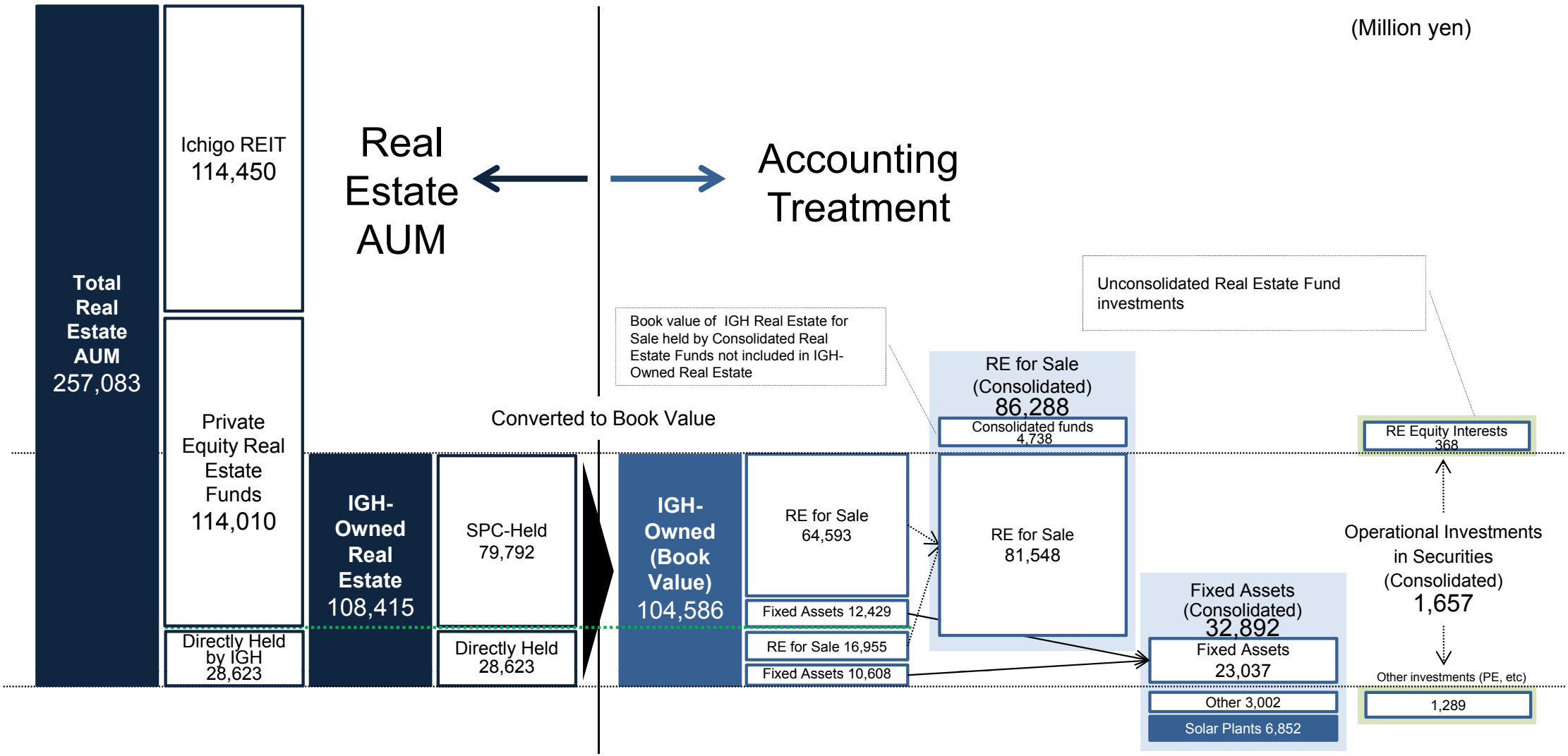
Reference: Real Estate AUM Accounting Treatment



Breakdown of Total Real Estate AUM

Breakdown of IGH-Owned Real Estate within Total Real Estate AUM, either held by IGH directly or via SPCs (i.e., IGH funds)

Breakdown of Book Value of IGH-Owned Real Estate
- Broken down into Real Estate for Sale and Fixed Assets respectively for SPC-Held and Directly Held by IGH

Sum of SPC-Held and Directly Held Real Estate for Sale

Sum of SPC-Held and Directly Held Fixed Assets

Operational Investment Securities Outside of IGH-Owned Real Estate

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Appendix：About Ichigo Group

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Full Service Real Estate & Clean Energy



Scott Callon　　Kenji Iwasaki

Scott Callon

Chairman & Representative Statutory Executive Officer

Callon has lived in Japan since 1994. Previous to Ichigo, he was with he Japan Development Bank, Bankers Trust, and the UK Prudential Group, and was Managing Director & Head of Equities of Morgan Stanley Japan. He established Ichigo Asset Management in 2006. He has been Chairman and Representative Statutory Executive Officer since October 2008. Callon is one of three judges for the Tokyo Stock Exchange's annual Corporate Value Improvement Award, as well as a member of the Ministry of Economy, Trade, and Industry's (METI) Ito Review – Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationship between Companies and Investors Project.

Kenji Iwasaki

President & Representative Statutory Executive Officer

Iwasaki has been President and Representative Statutory Executive Officer since October 2008, with 18 years of real estate experience. From 2004-2008, he was the head of the Company's real estate fund business. Prior to joining the Company in 2001, he was engaged in urban development projects at Fujita Corporation.

Ichigo comes from an ancient Japanese proverb, *Ichigo Ichie*, meaning "One lifetime, one encounter"

As the core company of the Ichigo Group, Ichigo Group Holdings seeks to serve the needs of society by investing in Japanese real estate. We draw upon our extensive experience in real estate and financial services to provide our shareholders and clients secure long-term returns. As Japan's first zero-carbon public real estate firm, we are deeply committed to supporting the balanced, green, and ecologically-responsible development of Japan's economy and society through our real estate investment activities.

We were established in March 2000 and listed on NASDAQ Japan (now JASDAQ) in November 2002. We are focused on stable and profitable growth for our shareholders.

To strengthen Ichigo Group's capabilities as a real estate owner/operator, we merged our key real estate subsidiaries on July 1, 2012. The mergers bring together our J-REIT and private equity real estate asset management companies, providing more scale to our teams and enabling us to add further value to small-to-mid-sized assets and ground leases. In addition, Ichigo Group entered the clean energy industry in November of the same year, enabling the Group to promote ecologically-friendly value enhancement of its properties. We operate and add value across the full spectrum of Japanese real estate assets, including a Tokyo Stock Exchange-listed J-REIT (Ichigo REIT, 8975), private equity real estate funds, property management, and facility management.

We look forward to building upon our track record as a Japanese real estate services provider, creating success for our clients and our shareholders and working to be prudential stewards on behalf of society and our shared environment.

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Corporate History

A Pioneer in the Real Estate Securitization and Fund Businesses in Japan

2000	**March**	Establish PI Technology Co., Ltd.
	April	Establish Asset Managers Co., Ltd.
2001	**August**	Asset Managers arranges the securitization of assets from the Ikebukuro store of The Seibu Department Stores, Ltd.
	September	Merger between Asset Managers and PI Technology

Successful Public Listing, Accelerated Business Expansion

2002	**November**	List on NASDAQ Japan (now JASDAQ, Ticker:2337)
2006	**May**	Set up a board committee system to support corporate governance
	December	Acquire an equity stake in CITIC International Assets Management Limited, part of the CITIC Group, China's largest banking and financial services group
2007	**April**	Establish private equity real estate fund management company
2008	**March**	Establish Group holding company

Ichigo Trust Becomes Major Shareholder, Focus on the Core Business of Japanese Real Estate Asset Management

2008	**August**	Bolster capital through a third-party allotment of new shares to Ichigo Trust
	October	Appoint Scott Callon and Kenji Iwasaki as Chairman and President, respectively
2009	**February**	Win noteholder approval to strengthen Group balance sheet by revising terms of the Zero Coupon Convertible Notes due March 18, 2011

Full-Service Real Estate and Clean Energy

2010	**February**	Ichigo Trust becomes our controlling shareholder
	September	Change in Company Name to Ichigo Group Holdings Co., Ltd.
2011	**January**	Acquire Japan Office Advisors, Inc., the asset manager of a J-REIT, Japan Office Investment Corporation (Ticker: 8983)
		Establish Ichigo Estate Co., Ltd., specializing in small-sized assets and ground leases
	March	Japan Office REIT renamed Ichigo Real Estate Investment Corporation (Ticker: 8983)
	August	Acquire Fund Creation REIT Advisers Co., Ltd., the asset manager of a J-REIT, FC Residential Investment Corporation (”FCR”, Ticker: 8975)
	November	Merger between FCR and Ichigo Real Estate Investment Corporation (New REIT name: Ichigo Real Estate Investment Corporation, Ticker: 8975)
		Merger between the two REIT asset management companies
2012	**July**	Merger between J-REIT and private equity real estate fund management companies (New name: Ichigo Real Estate Investment Advisors Co., Ltd.)
		Merger between Ichigo Estate and Ichigo Solutions Co., Ltd. (New name: Ichigo Estate Co., Ltd.)
		Establish Ichigo Global Capital Co., Ltd. specializing in cross-border fundraising and M&A advisory
		Ichigo’s Miyake wins a silver medal at London Olympics, the first Japanese medalist in women’s weightlifting
	November	Establish Ichigo ECO Energy Co., Ltd., specializing in clean energy
2013	**November**	Ichigo Group and Ichigo REIT simultaneous PO (Japan’s first double PO)
2014	**January**	Announce Shift Up 2016 mid-term business plan

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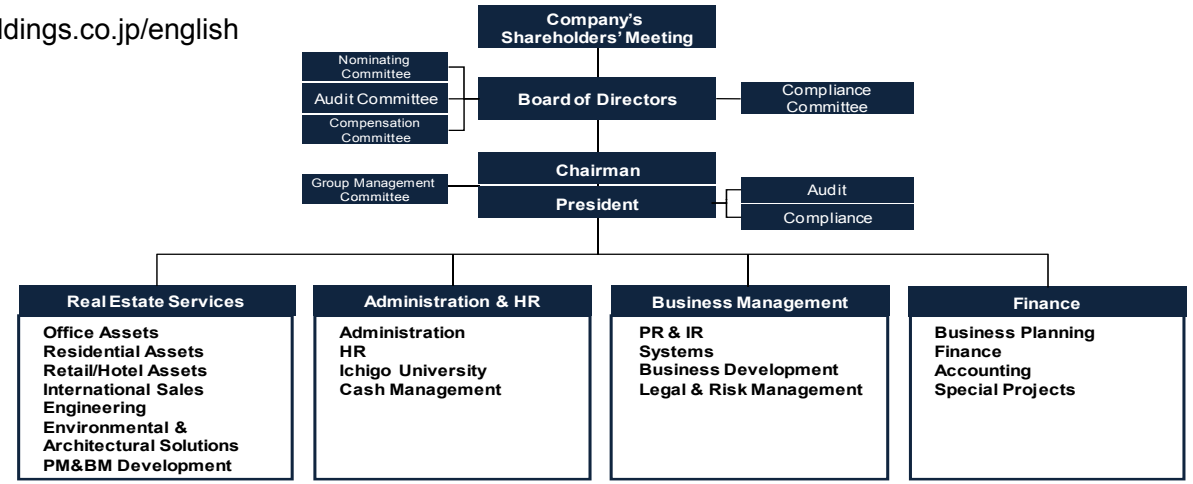
Ichigo Group Holdings Co., Ltd. Company Profile

Name	**Ichigo Group Holdings Co., Ltd.**
Address	The Imperial Hotel Tower, 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011
Established	March 17, 2000
Paid-in Capital	26,446 million yen (as of August 2014)
Major Shareholder	Ichigo Trust (as of August 2014)
Business	Full-Service Real Estate and Clean Energy
Registrations & Licenses	First-class Architectural Firm, Tokyo Metropolitan Government registration #55543 Real Estate Business, Tokyo Metropolitan Government (2) registration #90527 Construction Licenses, Tokyo Metropolitan Government (26) registration #141677
Listed Exchange	JASDAQ (Security code: 2337)
Consolidated Subsidiaries	63 companies (as of August 2014)
Website	www.ichigo-holdings.co.jp/english

Board and Senior Executives	8 Directors, of which 5 Independent Directors 12 Executive Officers	
Statutory Executive Officers (as of March 1, 2014)	Scott Callon	Chairman & Representative Statutory Executive Officer
	Kenji Iwasaki	President & Representative Statutory Executive Officer
	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Real Estate Services)
	Takashi Minamikawa	Executive Managing Director & Statutory Executive Officer (Finance)
	Eri Murai	Senior Statutory Executive Officer (Administration & HR)
	Katsuhiko Hattori	Statutory Executive Officer (Engineering, Environmental & Architectural Solutions)
	Haruki Nakane	Statutory Executive Officer (Compliance)
	Hiroshi Shimazu	Statutory Executive Officer (Audit)
	Hisayoshi Towata	Statutory Executive Officer (Finance)
	Kenichi Nagao	Statutory Executive Officer (Business Development, Special Projects)
	Takeyuki Yoshimatsu	Statutory Executive Officer (Business Management)
	Masaaki Yajima	Statutory Executive Officer (Real Estate Services)



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Group Structure

- Core Businesses = Full-Service Real Estate and Clean Energy
- Actively Promoting CSR through Environmental Activities and Sports Sponsorship



Hiromi Miyake

Full-Service Real Estate and Clean Energy

Ichigo Group Holdings Co., Ltd.
JASDAQ：2337
Real Estate & Value-Add Investment

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AM Business	Real Estate Solutions Business	ECO Energy Business	Retail PM Business	FM Business
Ichigo Real Estate Investment Advisors Co., Ltd. AM for Ichigo REIT (8975) and private equity RE funds	**Ichigo Estate Co., Ltd.** Real estate solutions business in small-sized assets & ground leases Bridge funds for Ichigo REIT	**Ichigo ECO Energy Co., Ltd.** Clean energy businesses, including nationwide utility-scale solar power production, ECO-related consulting, energy conservation, and LED exterior lighting enhancements	**Ichigo Marché Co., Ltd.** Operates Matsudo Nanbu Wholesale Market in Chiba **Miyako City Co., Ltd.** Operates Miyako City, large-scale shopping mall in Miyazaki Prefecture, Kyushu	**Takara Building Maintenance Co., Ltd.** Comprehensive Facilities Management (FM) Business

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These materials are based upon information available as of the publication date, and may contain forward-looking statements pertaining to the Company's expectations, targets, plans and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information currently available. Actual operating results or developments concerning the Company may differ substantially from those indicated by forward-looking statements. The information enclosed is subject to revision without prior notice.

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Ichigo Group is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions as well as working with organizations to invest in low-carbon technologies.

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