

February 2016 Q1 (March – May 2015)
Corporate Presentation

July 14, 2015

Ichigo Group Holdings

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World-Class Excellence



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Creating peace of mind through honest and committed management.

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Commitment: 100% Shift Up 2016 Achievement

- FY16/2 Q1: Net Income 1.3X YOY
- Segment P&L Breakdown

Asset Management

- New Ichigo Hotel REIT to Further Drive AM Growth
- AM and Value-Add Business Model Synergies
- Ichigo REIT (8975) New A- Credit Rating

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Shift Up 2016 Mid-Term Business Plan Progress

- 5X EPS in 3 Years
- Achieved All Key Performance Indicator Targets in First 2 Years, Expect Full Achievement for Final 3rd Year
- 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)

	FY13/2 (Actual)	FY14/2 (Plan)	FY14/2 (Actual)	FY15/2 (Plan)	FY15/2 (Actual)	FY16/2 (Plan)
Gross Profit	**4,974**	**7,400**	**7,435**	**11,500**	**12,166**	**15,500**
Operating Profit	**1,844**	**3,900**	**3,912**	**7,700**	**8,189**	**11,400**
Net Income	**1,637**	**4,000**	**4,526**	**6,040**	**6,761**	**9,050**
EPS (yen)	**3.66**	**8.69**	**9.83**	**12.17**	**13.58**	**18.25**
Return on Equity (ROE)	**6.0%**	**—**	**11.8%**	**11.8%**	**13.0%**	**>15%**
Expense Coverage Ratio (Structural Profitability)	**129%**	**139%**	**141%**	**150%**	**175%**	**165%**

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Commitment: 100% Shift Up 2016 Achievement

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FY16/2 Q1: Net Income 1.3X YOY

(Million yen)

	FY15/2 Q1 Actual	FY16/2 Q1 Actual	YoY	Full-Year Forecast	vs Full-Year Forecast	FY15/2 Actual
Revenues	**6,528**	**8,903**	**+36.4%**	**45,000**	**19.8%**	**42,705**
Gross Profit	**3,257**	**3,627**	**+11.4%**	**16,500**	**22.0%**	**12,166**
Operating Profit	**2,236**	**2,492**	**+11.5%**	**11,700**	**21.3%**	**8,189**
Recurring Profit	**2,056**	**2,233**	**+8.6%**	**10,250**	**21.8%**	**7,255**
Net Income	**1,864**	**2,375**	**+27.4%**	**9,150**	**26.0%**	**6,761**
EPS (yen)	**3.75**	**4.76**	**+26.9%**	**18.3**	**26.0%**	**13.58**
Fixed Revenues	**1,639**	**2,502**	**+52.7%**	**—**	**—**	**7,613**
Fixed Expenses (Fixed SG&A + Interest Expense)	**1,079**	**1,184**	**+9.7%**	**—**	**—**	**4,342**
SG&A	896	919	+2.6%	—	—	3,398
Interest Expense	183	265	+44.8%	—	—	943
Expense Coverage Ratio	**151.9%**	**211.4%**	**+59.5%**	**—**	**—**	**175.3%**

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Segment P&L Breakdown

- Value-Add Rental Income 1.5X
- Clean Energy Has Turned Profitable

(Million yen)

Segment	Revenues					Segment Profit (Operating Profit)					Earnings Drivers (Note) YoY change is shown in parentheses
	FY15/2 Q1	FY16/2 Q1 Actual	Change (YoY)	FY16/2 Full-Year Forecast	vs Forecast	FY15/2 Q1	FY16/2 Q1 Actual	Change (YoY)	FY16/2 Full-Year Forecast	vs Forecast	
Asset Management	**1,095**	**1,529**	**+39.6%**	**4,713**	**+32.4%**	**284**	**875**	**+207.0%**	**2,140**	**40.9%**	AM Fees: REIT: 192(-0), Private: 19 (-13) Upfront/Disposition Fees: 291 (+107) Incentive/Brokerage Fees: 124 (+89) Sponsor Credit Support Fees: 360
Value-Add	**5,287**	**6,988**	**+32.2%**	**38,705**	**+18.1%**	**2,166**	**1,572**	**-27.4%**	**9,579**	**16.4%**	Rental Income: 1,716 (+641) Profits on Sale: 639 (-927)
Clean Energy	**125**	**379**	**+202.1%**	**1,581**	**+24.0%**	**-41**	**96**	**—**	**198**	**48.4%**	Solar Electricity Sales: 165 (+126)
Other	**19**	**6**	**-67.0%**	**—**	**—**	**-4**	**-16**	**—**	**-85**	**—**	Advisory Fee Income Decrease: (-15)
Total	**6,528**	**8,903**	**+36.4%**	**45,000**	**+19.8%**	**2,405**	**2,527**	**+5.1%**	**11,833**	**21.4%**	**—**
Adjustment (elimination of inter-segment transactions)	**—**	**—**	**—**	**—**	**—**	**-169**	**-34**	**—**	**-133**	**—**	**—**
Total	**6,528**	**8,903**	**+36.4%**	**45,000**	**+19.8%**	**2,236**	**2,492**	**+11.5%**	**11,700**	**21.3%**	**—**

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Asset Management

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New Ichigo Hotel REIT to Further Drive AM Growth

Ichigo Hotel REIT TSE Listing Preparation

- New hotel J-REIT to expand investment opportunities
- Ichigo's office REIT (8975) No. 1 among all J-REITs with ten consecutive periods of dividend growth
- Growth in Japanese hotel industry due to economic recovery and rapid growth of inbound tourism
- Driving higher average daily rates (ADR) and occupancy via Ichigo's expertise in hotel management

Value-Add Case – Kyoto Hotel



Acquired hotel 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 2014
Improved hard and soft services and increased occupancy and ADR

3-Year Operating Forecast
Occupancy : +5%
ADR : +26.3%
NOI : >2X

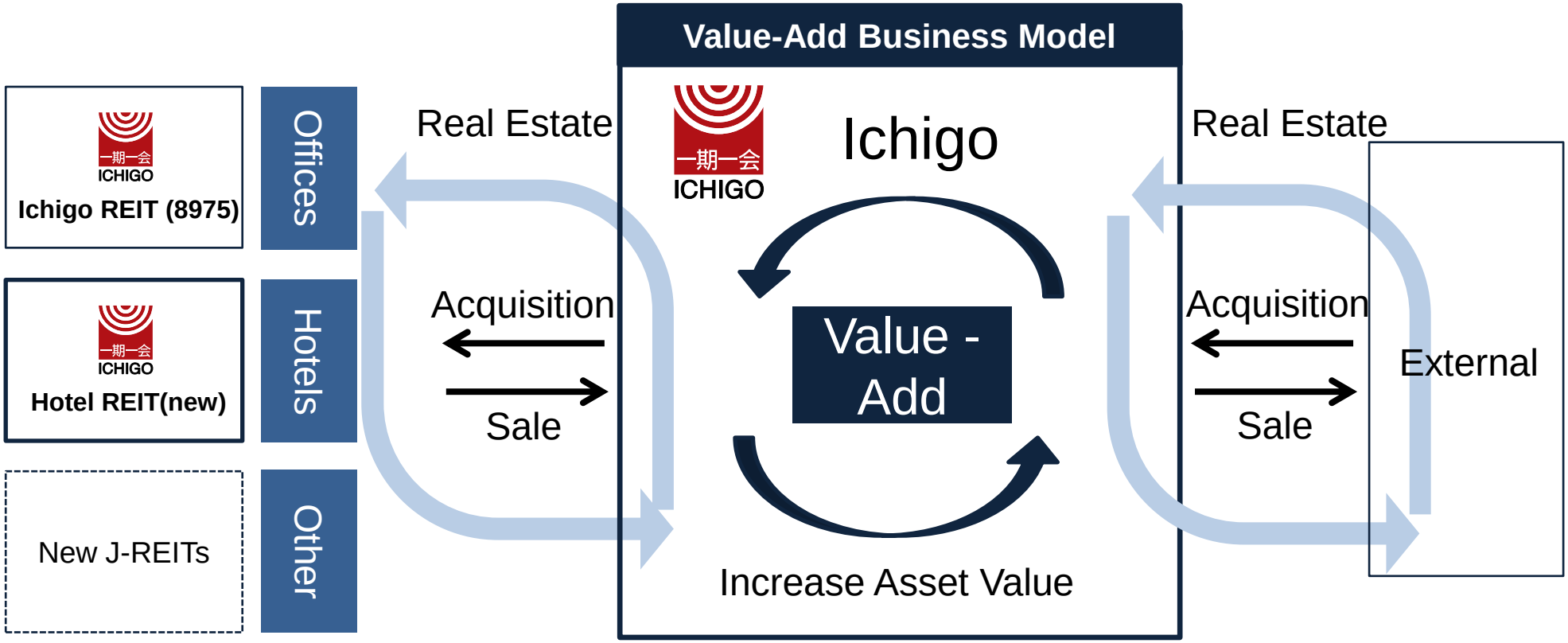
NOI 3.3% at acquisition → NOI 6.7%（+3.4%）

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AM & Value-Add Business Model Synergies

Ichigo Value-Add Drives AM Expansion and High Asset Turnover



ROE	Feb 2013	Feb 2014	Feb 2015	Feb 2016 Plan
	6.0%	11.8%	13.0%	>15%

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Ichigo REIT (8975) New A- Credit Rating

- Recognizing Ichigo REIT's continued stable growth, Ichigo REIT received a long-term issuer rating of A- on June 30, 2015

Credit Rating Agency	Type of Rating	Rating	Rating Outlook
Japan Credit Rating Agency (JCR)	**Long-term Issuer Rating**	**A-**	**Stable**

- Ichigo REIT focuses on mid-size offices, an asset class that offers both return stability and upside potential. It ranks No.1 among all J-REITs as the only J-REIT to achieve ten consecutive terms of dividend growth
- Ichigo will continue to work to increase the value of assets to drive higher earnings and sustainable growth for Ichigo REIT's shareholders

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Value-Add

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Highly Capital-Efficient Asset Acquisitions

Effective balance sheet management and synergies with Ichigo REIT driving higher ROE and higher earnings

FY16/2 Q1 Acquisitions
- Ichigo REIT: 12 assets, JPY 44B
- IGH: 4 assets, JPY 5.7B

FY16/2 Ichigo REIT Acquisitions


Shibuya-ku, Tokyo


Shibuya-ku, Tokyo


Chiyoda-ku, Tokyo


Shibuya-ku, Tokyo


Chuo-ku, Tokyo


Minato-ku, Tokyo


Shibuya-ku, Tokyo


Chuo-ku, Tokyo


Toshima-ku, Tokyo


Chuo-ku, Tokyo


Shinagawa-ku, Tokyo


Koriyama City, Fukushima

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Hands-On Value Creation

Established Ichigo Wakei-Kai in June 2015 to Instill and Refine Ichigo's Property Management Standards with Partner Property Management Companies

- The term *wakei* comes from a phrase used in tea ceremony, *wakei seijaku*, describing the sincere efforts of the tea master and guests to make each other feel at ease and show mutual respect
- Twenty companies participated in the first gathering of Wakei-Kai

First Ichigo Wakei-Kai



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Value-Add Case (1) – Fukuoka Hotel

Acquired and Renovated Valie Hotel Tenjin in Fukuoka, Capitalizing on Rapid expansion of Inbound Tourism

- Forecast increase in ADR: +15%
- Targeted increase in NOI: +2.03%

Before








After







Quick renovation to raise the sophistication of the hotel's exterior and interior

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Value-Add Case (2) – Central Tokyo Office

Full Renovation of the Ichigo Akasaka 317 Building, a Prime Location Office Building Targeting Fast-Growing Companies as Tenants

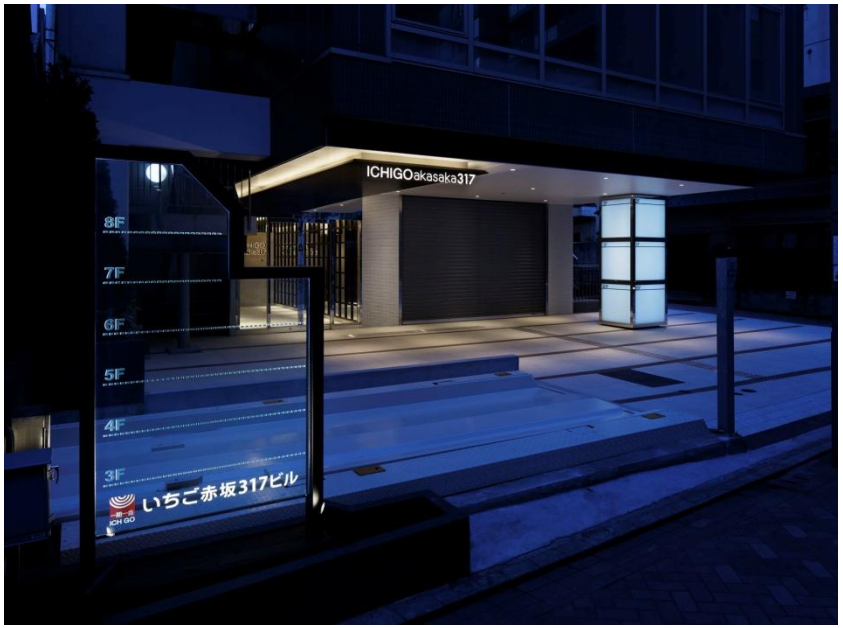
- Significantly upgraded the design content of the entrance lobby
- Highly-flexible office configurations received favorable reviews from tenants looking for unique and creative office space

Before





After







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Ichigo Solar Power Plant National Map

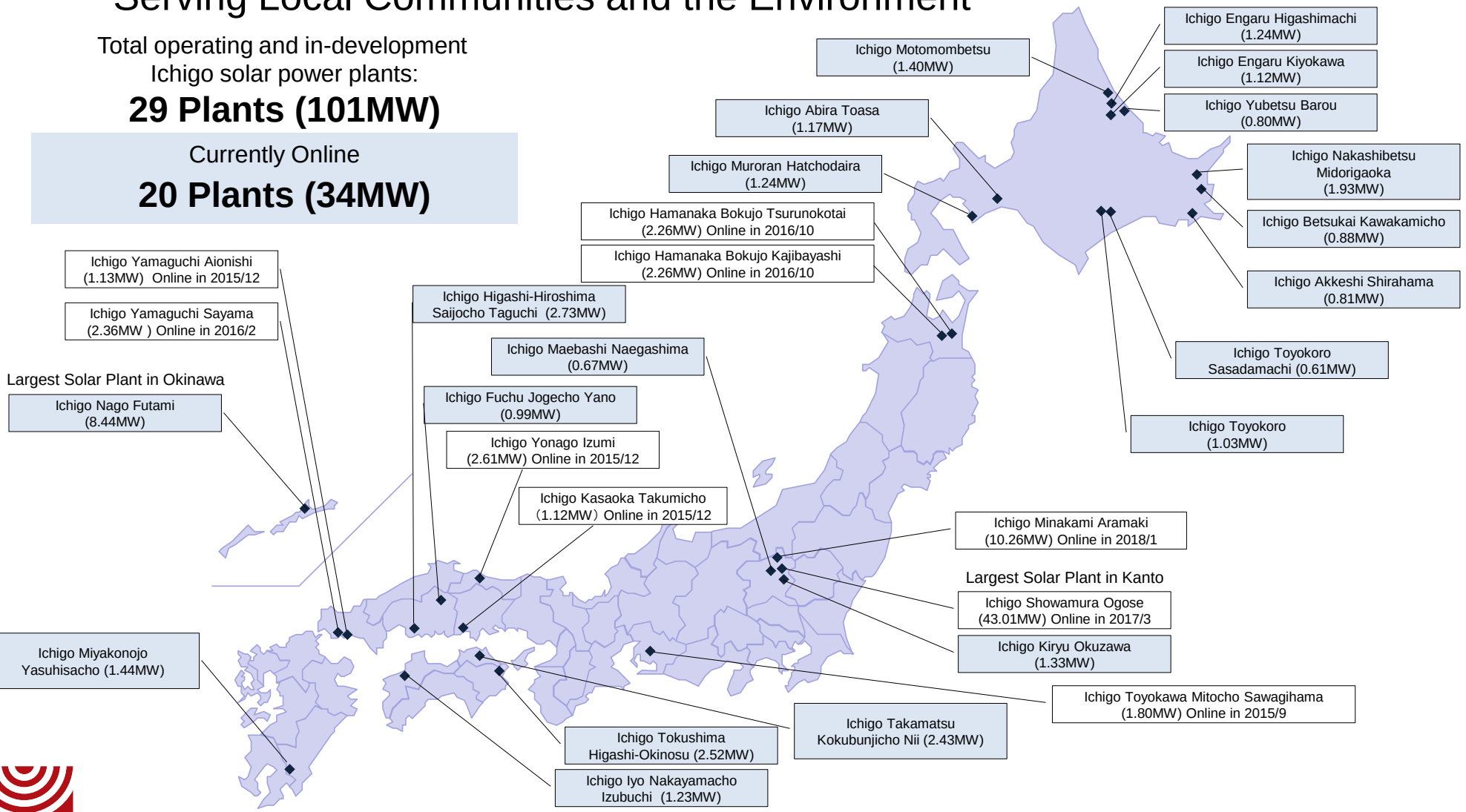
Serving Local Communities and the Environment

Total operating and in-development Ichigo solar power plants:

29 Plants (101MW)

Currently Online

20 Plants (34MW)



As of July 8, 2015

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Expansion on Track

As of May 2015, 29 Ichigo Solar Plants (101MW) Operating or In-Development

- 20 operating plants (34 MW) as of early July, 2015
- All 29 plants have approved grid interconnections and/or signed power sale contracts with the regional electric utility. None of the projects are subject to the utilities' suspension of acceptance of applications
- Feed-in tariff: 40 yen: 20 plants, 34MW; 36 yen: 7 plants, 64MW; 32 yen: 2 plants, 3MW

Construction of 43MW Ichigo Showamura Ogose ECO Power Plant, the largest solar plant in Kanto (Tokyo area)





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Individual Power Plant P&L Breakdown (1)

Total 20-Year Forecast IRR for All Plants: 25.4% p.a.

No.		Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date	Expected NOI/Year	Depreciation	IGH Investment	Forecast Equity Multiple (Held for 20 years)[1]	Forecast IRR[2]
1	Ichigo Tokushima Higashi-Okinosu ECO Power Plant	Shikoku	2.52	40	Aug-13	JPY 84M	JPY 36M	JPY 129M	7.43 x	26.1%
2	Ichigo Kiryu Okuzawa ECO Power Plant	Kanto	1.33	40	Sep-13	JPY 42M	JPY 20M	JPY 94M	4.84 x	17.9%
3	Ichigo Motomombetsu ECO Power Plant	Hokkaido	1.40	40	Feb-14	JPY 45M	JPY 21M	JPY 134M	3.99 x	15.9%
4	Ichigo Fuchu Jogecho Yano ECO Power Plant	Chugoku	0.99	40	Mar-14	JPY 28M	JPY 15M	JPY 102M	3.05 x	12.2%
5	Ichigo Muroran Hatchodaira ECO Power Plant	Hokkaido	1.24	40	Mar-14	JPY 42M	JPY 20M	JPY 138M	3.37 x	12.8%
6	Ichigo Engaru Kiyokawa ECO Power Plant	Hokkaido	1.12	40	Mar-14	JPY 36M	JPY 16M	JPY 93M	4.38 x	17.5%
7	Ichigo Yubetsu Barou ECO Power Plant	Hokkaido	0.80	40	Apr-14	JPY 24M	JPY 13M	JPY 32M	5.65 x	16.4%
8	Ichigo Iyo Nakayamacho Izubuchi ECO Power Plant	Shikoku	1.23	40	Apr-14	JPY 44M	JPY 19M	JPY 73M	6.77 x	26.2%
9	Ichigo Maebashi Naegashima ECO Power Plant	Kanto	0.67	40	Apr-14	JPY 25M	JPY 9M	JPY 40M	8.36 x	33.4%
10	Ichigo Betsukai Kawakamicho ECO Power Plant	Hokkaido	0.88	40	Oct-14	JPY 29M	JPY 14M	JPY 42M	6.43 x	23.7%
11	Ichigo Toyokoro Sasadamachi ECO Power Plant	Hokkaido	0.61	40	Oct-14	JPY 23M	JPY 10M	JPY 31M	7.55 x	28.8%
12	Ichigo Nakashibetsu Midorigaoka ECO Power Plant	Hokkaido	1.93	40	Nov-14	JPY 66M	JPY 29M	JPY 175M	4.34 x	16.5%
13	Ichigo Abira Toasa ECO Power Plant	Hokkaido	1.17	40	Dec-14	JPY 39M	JPY 19M	JPY 36M	10.20 x	35.9%
14	Ichigo Toyokoro ECO Power Plant	Hokkaido	1.03	40	Dec-14	JPY 41M	JPY 16M	JPY 65M	7.62 x	33.2%
15	Ichigo Higashi-Hiroshima Saijocho Taguchi ECO Power Plant	Chugoku	2.73	40	Jan-15	JPY 97M	JPY 41M	JPY 241M	5.14 x	20.3%
16	Ichigo Nago Futami ECO Power Plant	Okinawa	8.44	40	Feb-15	JPY 309M	JPY 132M	JPY 1,189M	3.51 x	12.1%
17	Ichigo Engaru Higashimachi ECO Power Plant	Hokkaido	1.24	40	Feb-15	JPY 41M	JPY 19M	JPY 33M	11.52 x	40.9%

[1] Forecast Equity Multiple is based on the P-50* business plan of each plant and is the expected sum of income divided by IGH Investment.
[2] Forecast IRR is the internal rate of return based on each plant's P50 forecast cash flow.
* P50 is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant's operating plan.

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Individual Power Plant P&L Breakdown (2)

No.		Area	Panel Output (MW)	Fixed Tariff (Pre-tax, yen)	Operation Start Date	Expected NOI/Year	Depreciation	IGH Investment	Forecast Equity Multiple (Held for 20 years)[1]	Forecast IRR[2]
18	Ichigo Akkeshi Shirahama ECO Power Plant	Hokkaido	0.81	40	Mar-15	JPY 23M	JPY 13M	JPY 43M	4.42 x	15.6%
19	Ichigo Takamatsu Kokubunjicho Nii ECO Power Plant	Shikoku	2.43	36	Jun-15	JPY 76M	JPY 32M	JPY 66M	13.61 x	29.0%
20	Ichigo Miyakonojo Yasuhisacho ECO Power Plant	Kyushu	1.44	36	Jul-15	JPY 47M	JPY 19M	—	—	—
21	Ichigo Toyokawamitocho Sawakihama ECO Power Plant	Chubu	1.80	32	Sep-15	JPY 38M	JPY 21M	JPY 14M	22.97 x	53.7%
22	Ichigo Yamaguchi Aionishi ECO Power Plant	Chugoku	1.13	40	Dec-15	JPY 41M	JPY 18M	JPY 44M	10.65 x	34.3%
23	Ichigo Yonago Izumi ECO Power Plant	Chugoku	2.61	40	Dec-15	JPY 89M	JPY 36M	—	—	—
24	Ichigo Kasaoka Takumicho ECO Power Plant	Chugoku	1.12	32	Dec-15	JPY 25M	JPY 13M	JPY 41M	6.67 x	21.1%
25	Ichigo Yamaguchi Sayama ECO Power Plant	Chugoku	2.36	36	Feb-16	JPY 69M	JPY 32M	JPY 52M	15.29 x	62.0%
26	Ichigo Hamanakabokujo Tsurunokotai ECO Power Plant	Tohoku	2.26	36	Oct-16	JPY 70M	JPY 32M	JPY 85M	8.62 x	22.9%
27	Ichigo Hamanakabokujo Kajibayashi ECO Power Plant	Tohoku	2.26	36	Oct-16	JPY 70M	JPY 32M	JPY 82M	8.99 x	23.6%
28	Ichigo Showamura Ogose ECO Power Plant	Kanto	43.01	36	Mar-17	JPY 1,354M	JPY 607M	JPY 1,284M	11.07 x	20.5%
29	Ichigo Minakami Aramaki ECO Power Plant	Kanto	10.26	36	Jan-18	JPY 314M	JPY 175M	JPY 460M	6.68 x	13.5%
		Total 100.82MW				**JPY 3,230M**	**JPY 1,479M**	**JPY 4,818M**	**7.89 x**	**25.4%**

[1] Forecast Equity Multiple is based on the P-50* business plan of each plant and is the expected sum of income divided by IGH Investment.
[2] Forecast IRR is the internal rate of return based on each plant's P50 forecast cash flow.
* P50 is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant's operating plan.

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Near-Term Earnings

- Significant Revenue Growth
- Now Profitable (FY15/2 Q1 OP JPY -41M vs. FY16/2 Q1 96M)

(Million yen)

	FY15/2 (12M)	FY16/2 Q1 (3M)	FY16/2 Full-Year Forecast (12M)	vs, Full-Year Forecast
Revenues	605	379	1,581	24.0%
Cost of Goods Sold	411	213	992	–
Gross Profit	194	165	589	28.2%
SG&A	288	69	390	–
Adjustment (including offsets of cross-segment transactions)	–	–	–	–
Operating Profit	-93	96	198	48.4%
(Reference) Interest Expense Paid to Exernal Parties	69	33	150	–

Solar Power Plant Schedule



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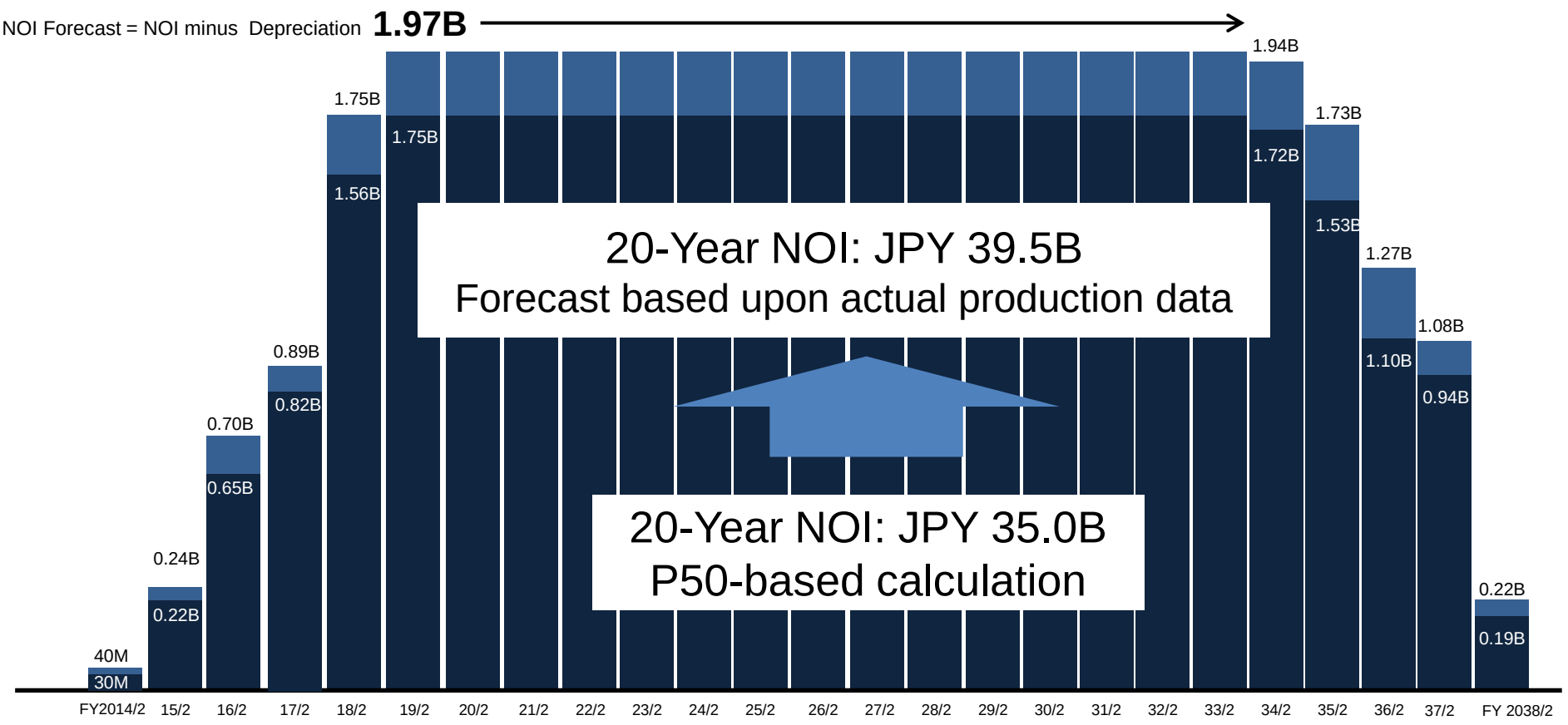
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Long-Term Earnings

JPY 1.97B annual NOI by FY19/2 – Actual Production Beating P50 Forecasts

Revenue Forecast based on 29 Plants, 101MW

* 20-Year NOI Forecast = NOI minus Depreciation



Actual production NOI forecast +11.3% vs. P50 forecast

Note: P50 is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant's operating plan.

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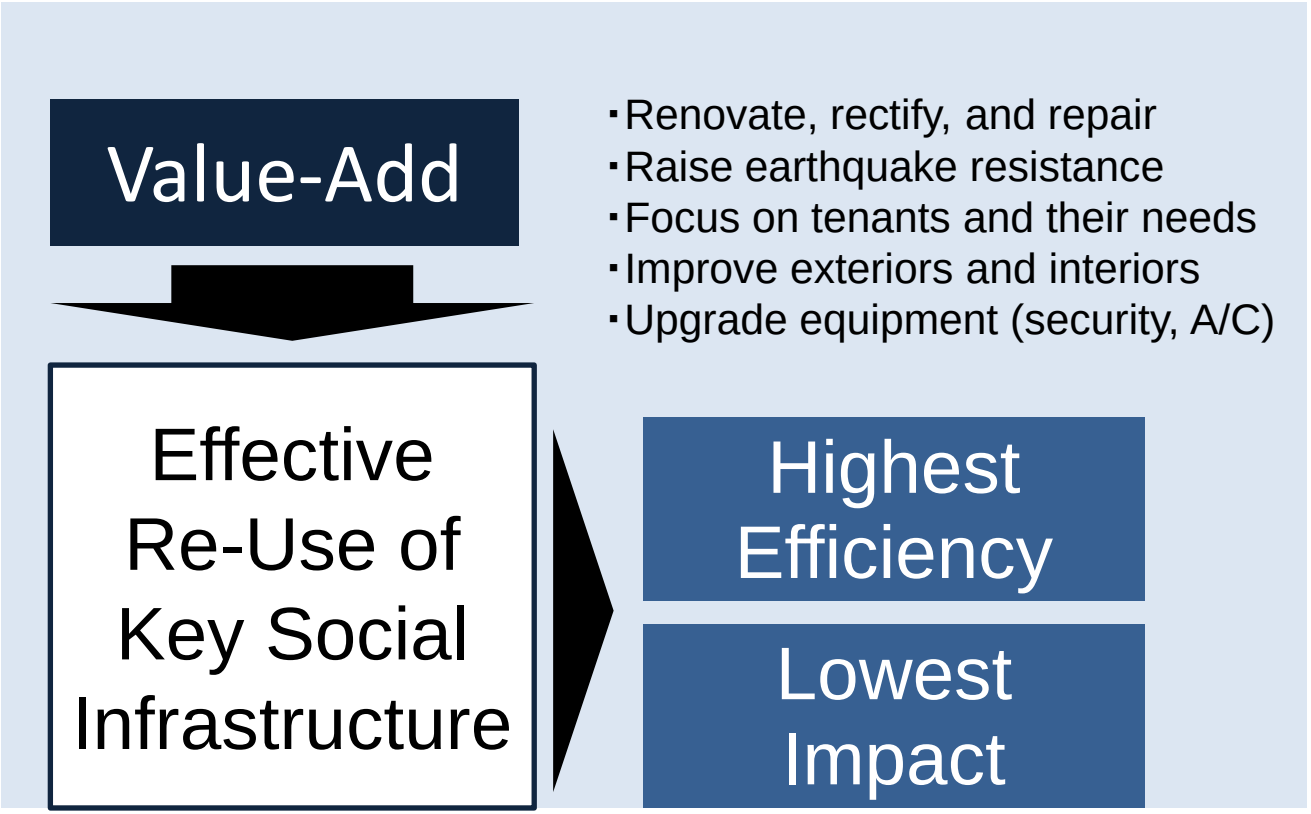
Appendices: Financial & Real Estate Data

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Value-Add Social Significance

End Demolish and Rebuild and Embrace Value-Add
- Preserve and enhance high-function real estate
- Sustainable Real Estate serving a Sustainable Society

~~Demolish and Rebuild~~

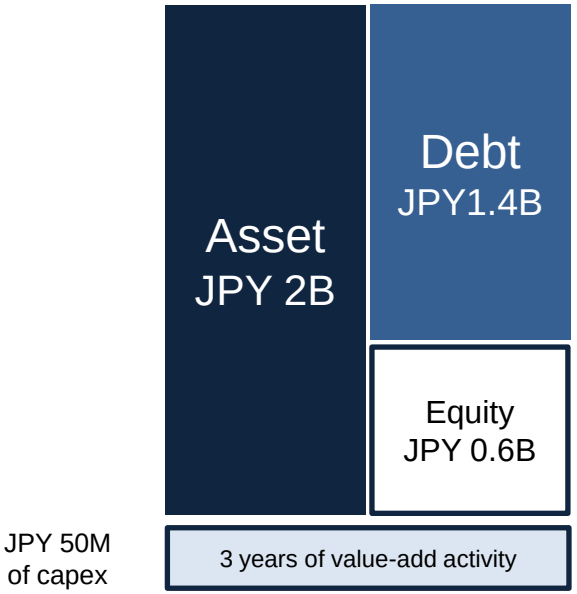


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Value-Add Sample Earnings Model

- 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.



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

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

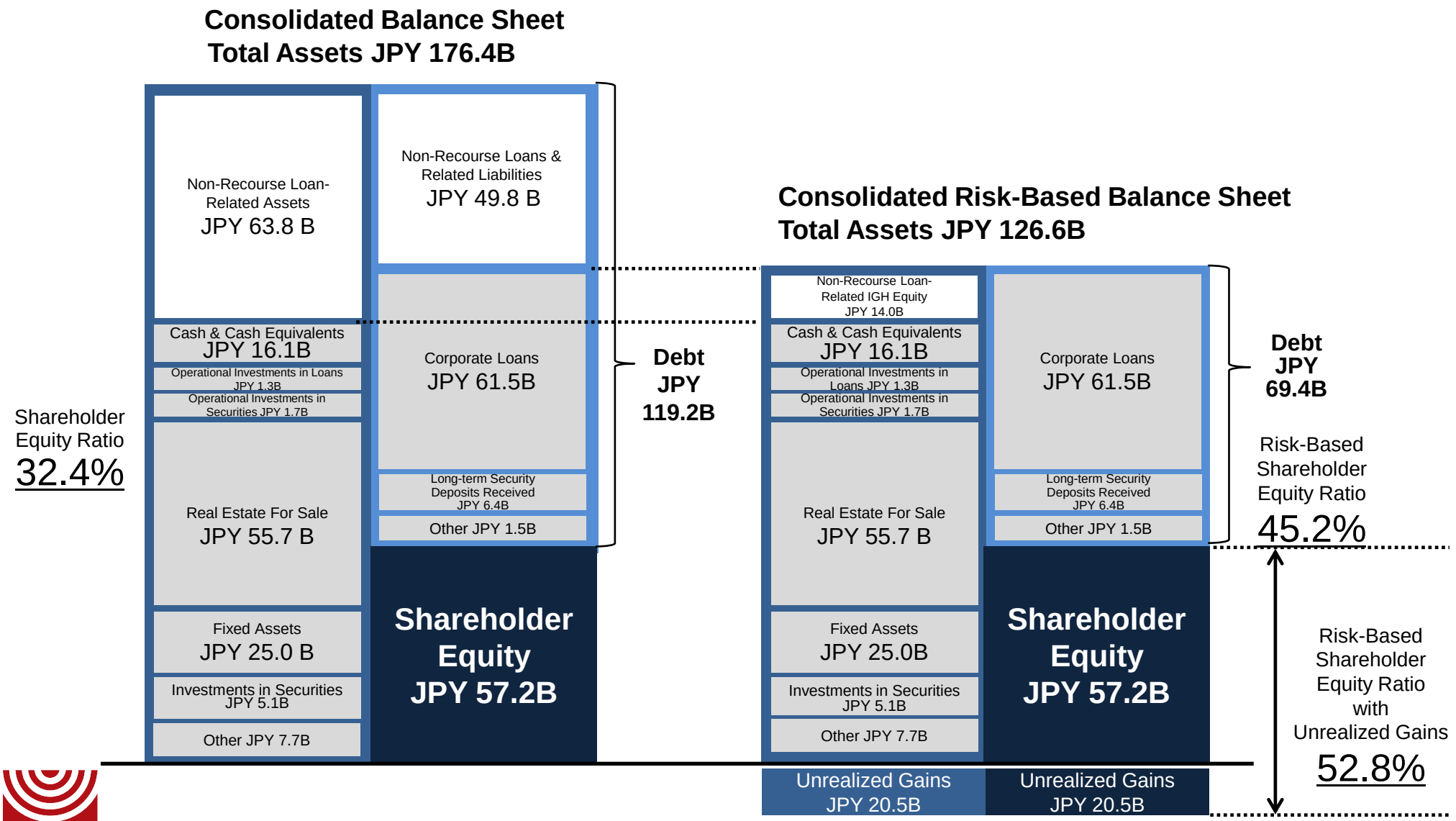
Value-Add for Capital Gain
Value-Add to increase NOI 20% at equivalent cap rate increases exit price by 20%: JPY 2B * 120% = JPY 2.4B
JPY 2.4B – (JPY 2B + JPY 50M) = JPY 350M capital gain

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

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Consolidated Risk-Based Balance Sheet



Risk-based Balance Sheet : Balance sheet that separates out client and non-recourse assets and liabilities

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Consolidated Balance Sheet: Unrealized Gains

Unrealized Gains (Appraisal Value): JPY 20B

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 May 2015	NOI	Cap Rate NOI/Book Value after write-down	Appraisal Value as of May 2015	Unrealized Gain
Tokyo	60,738	3,638	6.0%	71,128	+10,390
Outside Tokyo	58,890	4,140	7.2%	68,091	+9,201
Total	119,628	7,778	6.6%	139,219	+19,591

(Note) Average Cap Rate of each asset is applied

(Note) Excludes development assets (c. JPY 958M) which are not currently generating NOI

(Note) Includes intangible fixed assets subject to appraisal (JPY 63M)

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

(Million yen)

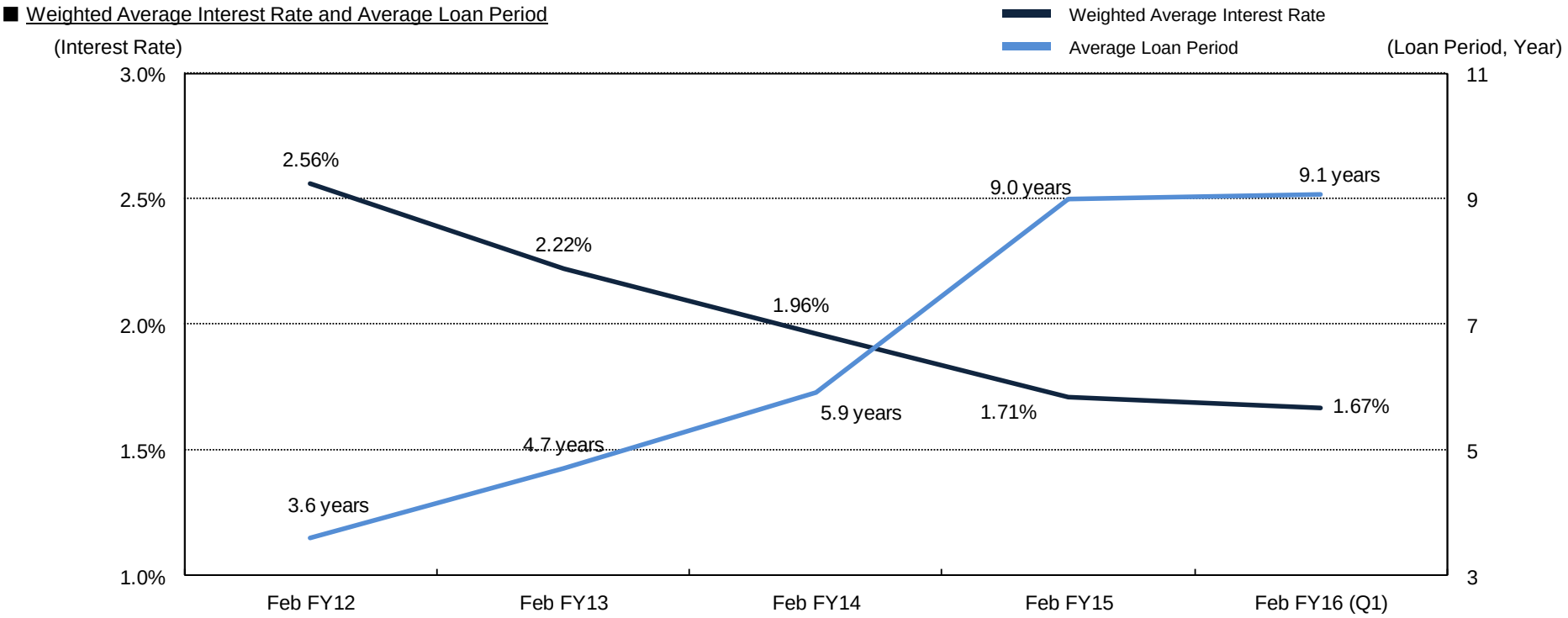
	Book Value as of May 2015	Appraisal Value as of May 2015	Unrealized Gain
Equity Investments (Non-Consolidated)	347	909	+562
Equity Investments (Consolidated)	886	1,210	+325
Total	1,233	2,120	+886

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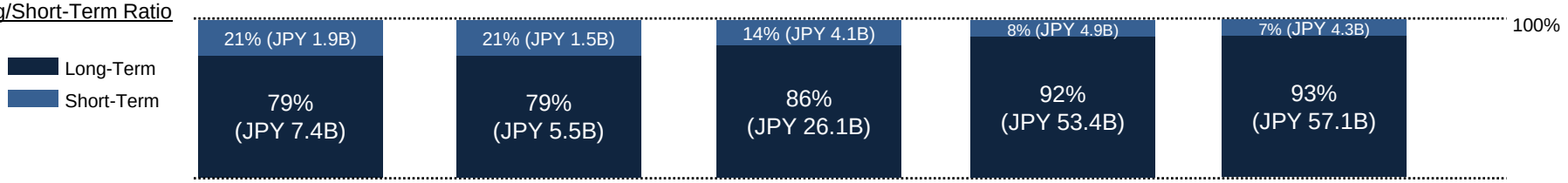
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Corporate Loan Details

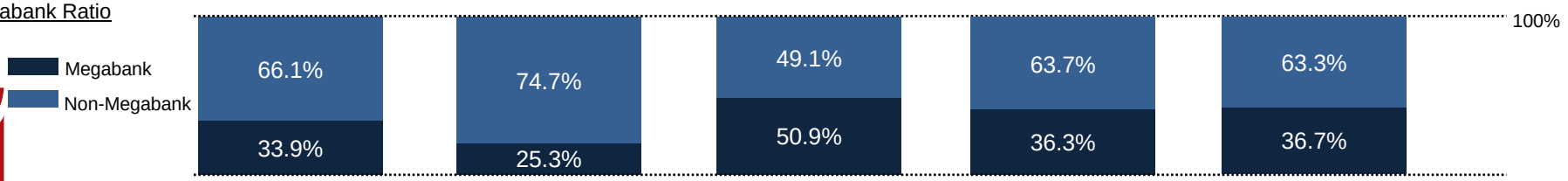
■ Weighted Average Interest Rate and Average Loan Period



Long/Short-Term Ratio



Megabank Ratio



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Business Segments

Asset Management	Asset Management generates fee income via the management of the Ichigo REIT, private funds, and other fee-generating real estate services related to the sourcing, financing, operation, property management, facility management, and disposition of real estate assets, with the aim of maximizing both asset and shareholder value.
Value-Add	Value-Add deploys the Company's expertise to acquire and add value via improvements to real estate assets, generating rental income during the value-add period and profits on asset sales that reflect the higher value of the assets after the Company's improvements.
Clean Energy	Clean Energy generates long-term income primarily via utility-scale solar power production with the aim to make effective reuse of real estate and contribute to Japan's energy self-sufficiency.
Other	Other is primarily legacy securities investments that are not related to the above three segments.

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Consolidated Balance Sheet

(Million yen)

	FY15/2	FY16/2 Q1		YoY Increase/ Decrease	Market Value	Unrealized Gain	Unrealized Gain on Listed Securities[2]
		B/S	Outside				
Cash and Cash Equivalents	**19,383**	**21,065**	**696**	**+1,682**	**21,065**	**0**	**0**
Operating Loans Receivable (Value-Add)	**2,330**	**1,324**	**—**	**-1,006**	**1,324**	**0**	**0**
Operational Investment in Securities	**1,965**	**1,693**	**—**	**-272**	**2,255**	**+562**	**+51**
Value-Add	638	364	—	-274	926	+562	0
Other	1,327	1,329	—	+2	1,329	0	+51
Real Estate For Sale (Value-Add)	**109,769**	**112,161**	**3,386**	**+2,392**	**131,551**	**+18,598**	**0**
Fixed Assets	**26,321**	**26,781**	**—**	**+460**	**28,093**	**+1,311**	**0**
Asset Management	42	41	—	-1	43	+2	0
Value-Add	16,073	16,025	—	-48	17,335	+1,309	0
Clean Energy	10,152	10,667	—	+515	10,667	0	0
Other[1]	52	46	—	-6	46	0	0
Intangible Assets	**2,502**	**2,465**	**—**	**-37**	**2,465**	**0**	**0**
Investments in Securities	**5,266**	**5,128**	**—**	**-138**	**5,128**	**0**	**+119**
Other	**5,204**	**5,767**	**17**	**+563**	**5,767**	**0**	**0**
Total Assets	**172,744**	**176,388**	**4,100**	**+3,644**	**197,652**	**+20,472**	**+170**

[1] Other refers to company assets that are not allocated to or cannot be allocated to above segments
[2] Unrealized Gain on Listed Securities is recorded in Unrealized Gain on Operational Investment in Securities and in Intangible Assets

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Consolidated Balance Sheet: Segment Breakdown

(Million yen)

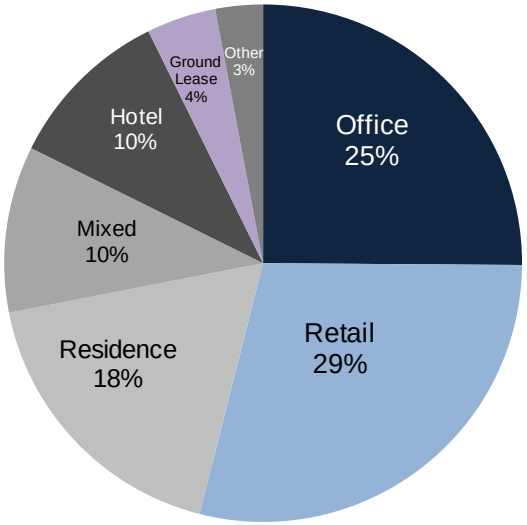
Segment	Cash and Cash Equivalents	Operating Loans Receivable	Operational Investment in Securities	Real Estate For Sale	Fixed Assets	Intangible Assets	Investments in Securities	Other Assets	Total Assets
Asset Management	374	—	—	—	41	1,719	—	836	**2,971**
Value-Add	8,319	1,324	364	112,161	16,025	187	—	1,323	**139,705**
Clean Energy	1,025	—	—	—	10,667	541	—	1,366	**13,600**
Other*	11,347	—	1,329	—	46	16	5,128	2,241	**20,109**
Total	**21,065**	**1,324**	**1,693**	**112,161**	**26,781**	**2,465**	**5,128**	**5,767**	**176,388**

* Includes company assets that are not allocated to above segments

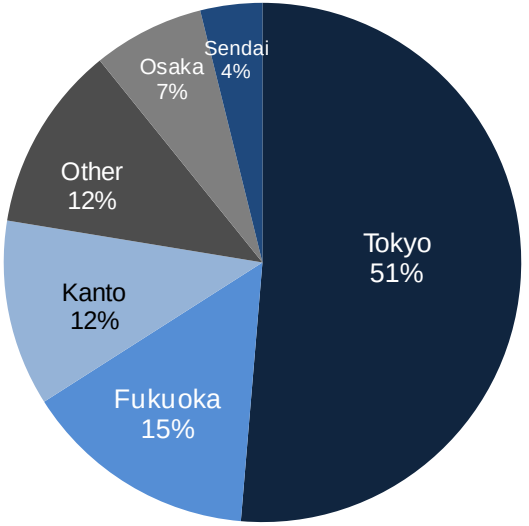
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IGH-Owned Real Estate Portfolio (As of May 2015)

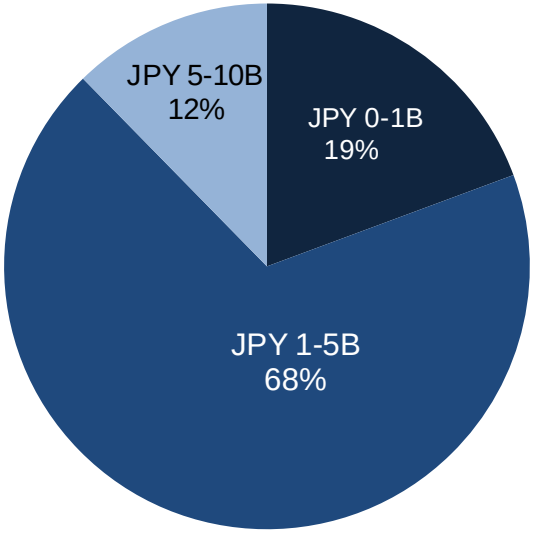
Assets by Type



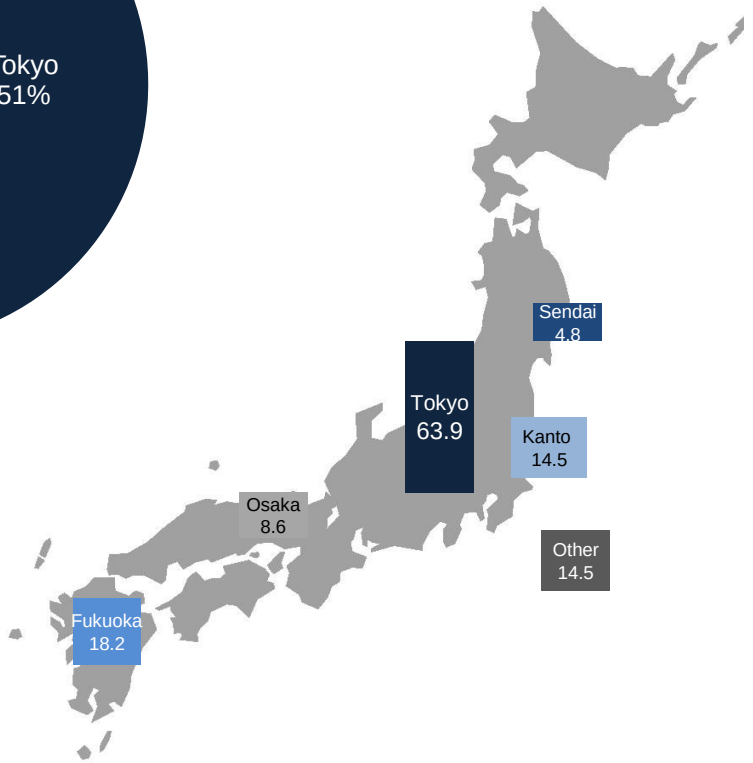
Assets by Location



Assets by Size



(Billion yen)



Total Assets: JPY 124.6B

Including Ichigo-Managed AUM: JPY 318.8B

(Acquisition price basis)

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Value-Add Full Asset Breakdown (1)

Assets owned as of May 2015: 82 Assets, JPY 124.6B, Forecast NOI JPY 8.0B

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
1	Retail	Real Estate for Sale	Minato-ku, Tokyo	13	<JPY 1B	2004/08	JPY 27M	JPY 12M	—	—
2	Other	Fixed Asset	Matsudo City, Chiba	43	JPY 2B-3B	2005/06	JPY 265M	JPY 1,900M	—	—
3	Retail	Real Estate for Sale	Minato-ku, Tokyo	46	JPY 2B-3B	2005/10	JPY 127M	JPY 1,033M	—	—
4	Retail	Real Estate for Sale	Minato-ku, Tokyo	29	>JPY 3B	2006/03	JPY 166M	JPY 1,356M	—	—
5	Retail	Real Estate for Sale	Yokohama City, Kanagawa	10	JPY 1B-2B	2006/09	JPY 59M	JPY 1,157M	—	—
6	Hotel	Real Estate for Sale	Kobe City, Hyogo	7	<JPY 1B	2006/09	JPY 93M	JPY 811M	—	—
7	Office	Real Estate for Sale	Sendai City, Miyagi	7	>JPY 3B	2006/10	JPY 259M	JPY 1,042M	—	—
8	Office	Real Estate for Sale	Fukuoka City, Fukuoka	6	>JPY 3B	2006/12	JPY 379M	JPY 1,339M	—	—
9	Other	Fixed Asset	Isumi City, Chiba	—	JPY 1B-2B	2007/02	JPY 0M	JPY 1,055M	—	—
10	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	5	>JPY 3B	2007/03	JPY 207M	JPY 792M	—	—
11	Residence	Real Estate for Sale	Ota-ku, Tokyo	10	<JPY 1B	2007/04	JPY 59M	JPY 403M	—	—
12	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	35	<JPY 1B	2007/06	JPY 85M	JPY 240M	—	—
13	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	34	<JPY 1B	2007/06	JPY 115M	JPY 233M	—	—
14	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	51	JPY 2B-3B	2007/06	JPY 256M	JPY 554M	—	—
15	Office	Real Estate for Sale	Minato-ku, Tokyo	41	>JPY 3B	2007/11	JPY 293M	JPY 2,049M	—	—

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Value-Add Full Asset Breakdown (2)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
16	Ground Lease	Real Estate for Sale	Atsugi City, Kanagawa	—	JPY 1B-2B	2011/06	JPY 171M	JPY 147M	—	—
17	Retail	Real Estate for Sale	Minato-ku, Tokyo	29	<JPY 1B	2011/11	JPY 24M	JPY 66M	—	—
18	Office/Retail	Real Estate for Sale	Hiratsuka City, Kanagawa	19	<JPY 1B	2012/02	JPY 81M	JPY 172M	—	—
19	Retail	Real Estate for Sale	Yokohama City, Kanagawa	1	<JPY 1B	2012/10	JPY 34M	JPY 171M	—	—
20	Retail	Fixed Asset	Toshima-ku, Tokyo	4	>JPY 3B	2013/03	JPY 226M	JPY 340M	—	—
21	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	28	<JPY 1B	2013/05	JPY 49M	JPY 154M	—	—
22	Office/Retail	Real Estate for Sale	Chofu City, Tokyo	30	JPY 1B-2B	2013/06	JPY 130M	JPY 310M	—	—
23	Residence	Real Estate for Sale	Kita-ku, Tokyo	26	<JPY 1B	2013/06	JPY 2M	JPY 31M	—	—
24	Other	Real Estate for Sale	Minato-ku, Tokyo	—	<JPY 1B	2013/06	JPY 43M	JPY 203M	—	—
25	Residence	Real Estate for Sale	Osaka City, Osaka	12	<JPY 1B	2013/07	JPY 32M	JPY 81M	—	—
26	Residence	Real Estate for Sale	Osaka City, Osaka	8	<JPY 1B	2013/08	JPY 48M	JPY 81M	—	—
27	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	24	JPY 1B-2B	2013/08	JPY 87M	JPY 520M	—	—
28	Residence	Real Estate for Sale	Osaka City, Osaka	10	<JPY 1B	2013/08	JPY 40M	JPY 90M	—	—
29	Retail	Fixed Asset	Kobe City, Hyogo	14	JPY 1B-2B	2013/09	JPY 144M	JPY 616M	—	—
30	Retail	Fixed Asset	Tokorozawa City, Saitama	7	JPY 1B-2B	2013/11	JPY 69M	JPY 92M	—	—

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Value-Add Full Asset Breakdown (3)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
31	Hotel	Real Estate for Sale	Hamamatsu City, Shizuoka	5	JPY 1B-2B	2013/12	JPY 99M	JPY 393M	—	—
32	Ground Lease	Real Estate for Sale	Chiba City, Chiba	—	JPY 2B-3B	2014/02	JPY 126M	JPY 342M	—	—
33	Hotel	Real Estate for Sale	Kyoto City, Kyoto	24	JPY 1B-2B	2014/02	JPY 206M	JPY 690M	—	—
34	Ground Lease	Real Estate for Sale	Fujisawa City, Kanagawa	—	JPY 1B-2B	2014/03	JPY 115M	JPY 273M	7.52 x	44.5%
35	Office/Retail	Real Estate for Sale	Shibuya-ku, Tokyo	31	<JPY 1B	2014/03	JPY 48M	JPY 108M	6.95 x	26.0%
36	Office	Real Estate for Sale	Shibuya-ku, Tokyo	4	JPY 1B-2B	2014/04	JPY 59M	JPY 1,090M	1.25 x	12.0%
37	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	26	JPY 2B-3B	2014/05	JPY 152M	JPY 530M	2.04 x	20.0%
38	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	22	JPY 1B-2B	2014/05	JPY 130M	JPY 515M	2.27 x	23.4%
39	Office/Retail	Real Estate for Sale	Minato-ku, Tokyo	6	JPY 2B-3B	2014/05	JPY 139M	JPY 434M	3.08 x	15.2%
40	Residence	Real Estate for Sale	Kumamoto City, Kumamoto	8	>JPY 3B	2014/06	JPY 205M	JPY 476M	3.52 x	19.0%
41	Office	Real Estate for Sale	Shinjuku-ku, Tokyo	28	JPY 1B-2B	2014/06	JPY 68M	JPY 356M	1.35 x	15.2%
42	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	21	<JPY 1B	2014/06	JPY 41M	JPY 228M	1.21 x	10.2%
43	Retail	Real Estate for Sale	Minato-ku, Tokyo	43	<JPY 1B	2014/07	JPY 44M	JPY 77M	10.47 x	23.9%
44	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	21	JPY 1B-2B	2014/07	JPY 87M	JPY 151M	3.12 x	51.0%
45	Office/Retail	Real Estate for Sale	Shinjuku-ku, Tokyo	39	>JPY 3B	2014/07	JPY 201M	JPY 645M	3.32 x	21.1%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Value-Add Full Asset Breakdown (4)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
46	Retail	Fixed Asset	Fukuoka City, Fukuoka	9	JPY 1B-2B	2014/04	JPY 58M	JPY 279M	–	–
47	Retail	Fixed Asset	Fukuoka City, Fukuoka	11	<JPY 1B	2014/07	JPY 50M	JPY 213M	–	–
48	Retail	Fixed Asset	Fukuoka City, Fukuoka	30	<JPY 1B	2014/09	JPY 48M	JPY 252M	–	–
49	Hotel	Real Estate for Sale	Utsunomiya City, Tochigi	28	JPY 1B-2B	2014/09	JPY 149M	JPY 400M	1.97 x	28.3%
50	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	14	JPY 1B-2B	2014/09	JPY 60M	JPY 177M	5.54 x	26.2%
51	Retail	Real Estate for Sale	Osaka City, Osaka	13	JPY 1B-2B	2014/09	JPY 112M	JPY 301M	4.64 x	24.3%
52	Retail	Real Estate for Sale	Machida City, Tokyo	29	<JPY 1B	2014/10	JPY 55M	JPY 82M	11.34 x	43.9%
53	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	12	JPY 1B-2B	2014/11	JPY 93M	JPY 135M	10.70 x	33.8%
54	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	12	JPY 2B-3B	2014/12	JPY 112M	JPY 332M	2.18 x	29.2%
55	Residence	Real Estate for Sale	Koto-ku, Tokyo	8	JPY 1B-2B	2014/12	JPY 96M	JPY 270M	1.56 x	14.6%
56	Residence	Real Estate for Sale	Minato-ku, Tokyo	11	JPY 1B-2B	2014/12	JPY 76M	JPY 238M	1.67 x	16.6%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	10	JPY 1B-2B	2014/12	JPY 59M	JPY 185M	1.63 x	15.7%
58	Residence	Real Estate for Sale	Sumida-ku, Tokyo	9	JPY 1B-2B	2014/12	JPY 56M	JPY 163M	1.55 x	15.2%
59	Residence	Real Estate for Sale	Ota-ku, Tokyo	13	<JPY 1B	2014/12	JPY 56M	JPY 150M	2.21 x	35.7%
60	Residence	Real Estate for Sale	Osaka City, Osaka	7	<JPY 1B	2014/12	JPY 56M	JPY 148M	1.86 x	24.8%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Value-Add Full Asset Breakdown (5)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
61	Residence	Real Estate for Sale	Chuo-ku, Tokyo	12	<JPY 1B	2014/12	JPY 34M	JPY 99M	2.96 x	44.4%
62	Residence	Real Estate for Sale	Minato-ku, Tokyo	11	<JPY 1B	2014/12	JPY 38M	JPY 123M	1.97 x	23.3%
63	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	10	<JPY 1B	2014/12	JPY 27M	JPY 82M	2.05 x	25.8%
64	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	9	JPY 1B-2B	2014/12	JPY 84M	JPY 270M	2.00 x	23.2%
65	Residence	Real Estate for Sale	Minato-ku, Tokyo	11	JPY 1B-2B	2014/12	JPY 56M	JPY 186M	1.90 x	21.0%
66	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	10	<JPY 1B	2014/12	JPY 48M	JPY 157M	1.89 x	21.5%
67	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	10	<JPY 1B	2014/12	JPY 37M	JPY 117M	2.11 x	27.2%
68	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	8	<JPY 1B	2014/12	JPY 18M	JPY 55M	1.80 x	21.1%
69	Office/Retail	Operating Loan	Shinjuku-ku, Tokyo	52	JPY 1B-2B	2014/12	JPY 137M	JPY 57M	15.26 x	51.7%
70	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	30	JPY 1B-2B	2014/12	JPY 120M	JPY 1,798M	1.30 x	29.9%
71	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	22	JPY 1B-2B	2014/12	JPY 79M	JPY 1,182M	1.25 x	25.1%
72	Retail	Fixed Asset	Fukuoka City, Fukuoka	11	<JPY 1B	2014/12	JPY 40M	JPY 212M	–	–
73	Retail	Real Estate for Sale	Meguro-ku, Tokyo	8	JPY 1B-2B	2014/12	JPY 81M	JPY 129M	3.98 x	23.8%
74	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	61	<JPY 1B	2015/01	JPY 26M	JPY 0M	–	–
75	Office/Retail	Real Estate for Sale	Kyoto City, Kyoto	6	>JPY 3B	2015/01	JPY 173M	JPY 980M	1.49 x	15.0%

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Value-Add Full Asset Breakdown (6)

No.	Asset Class	Asset Type	Location	Building Age	Acquisition Price	Acquired Date	Expected NOI/Year	IGH Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
76	Office	Real Estate for Sale	Fujisawa City, Kanagawa	24	JPY 1B-2B	2015/01	JPY 70M	JPY 375M	1.41 x	41.9%
77	Retail	Real Estate for Sale	Sendai City, Miyagi	11	<JPY 1B	2015/02	JPY 63M	JPY 8M	42.58 x	198.9%
78	Hotel	Real Estate for Sale	Osaka City, Osaka	32	JPY 1B-2B	2015/02	JPY 81M	JPY 173M	2.86 x	28.9%
79	Office	Real Estate for Sale	Shibuya-ku, Tokyo	24	<JPY 1B	2015/03	JPY 50M	JPY 221M	1.49 x	48.8%
80	Hotel	Real Estate for Sale	Osaka City, Osaka	15	JPY 2B-3B	2015/05	JPY 170M	JPY 633M	1.56 x	58.3%
81	Office	Real Estate for Sale	Shibuya-ku, Tokyo	23	JPY 1B-2B	2015/03	JPY 56M	JPY 94M	6.39 x	54.4%
82	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	13	<JPY 1B	2015/04	JPY 47M	JPY 79M	5.65 x	27.9%
			Assets acquired in FY16/2 Q1 4 Assets		**JPY 5,741M**		**JPY 323M**	**JPY 1,027M**	**2.30 x**	**47.3%**
			Total 82 Assets		**JPY 124,580M**		**JPY 7,959M**			

[1] Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by IGH Investment. The total Forecast Equity Multiple reflects only Real Estate for Sale assets. Forecast Equity Multiple exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. Forecast IRR exists only for assets acquired from FY15/2 onward and excludes Fixed assets.

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Consolidated P&L: Gross Profit Segment Breakdown

(Million yen)

Segment	Revenues			Gross Profit			YoY (Gross Profit)
	FY15/2 Q1	FY16/2 Q1	Change	FY15/2 Q1	FY16/2 Q1	Change	
Asset Management	**1,095**	**1,529**	**+433**	**559**	**1,103**	**+543**	**+97.2%**
Asset Management Fees	424	509	+84	411	505	+93	+22.8%
PM / BM Fees	631	530	-101	112	113	+0	+0.5%
Other	38	489	+450	34	483	+449	+1,297.4%
Value-Add	**5,287**	**6,988**	**+1,701**	**2,642**	**2,355**	**-287**	**-10.9%**
Rental Income	1,797	2,714	+916	1,075	1,716	+641	+59.6%
Real Estate Sales	3,489	4,273	+784	1,566	639	-927	-59.2%
Other	0	0	—	0	0	—	—
Clean Energy	**125**	**379**	**+253**	**39**	**165**	**+125**	**+315.6%**
Other	**19**	**6**	**-13**	**15**	**2**	**-13**	**-85.4%**
Advisory Fees	20	6	-14	20	6	-14	-68.1%
Securities Sales	-1	-0	+0	0	-0	-0	—
Other	0	0	-0	-5	-4	+0	—
Total	**6,528**	**8,903**	**+2,375**	**3,257**	**3,627**	**+369**	**+11.3%**

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Consolidated P&L: Progress vs. Full-Year Forecast

(Million yen)

Segment	FY16/2 Q1 Actual (3M)						FY16/2 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	**1,529**	**32.4%**	**1,103**	**38.6%**	**875**	**40.9%**	**4,713**	**2,857**	**2,140**
Asset Management Fees	509	31.4%	505	31.5%	—	—	1,623	1,606	—
PM / BM Fees	530	22.1%	113	20.3%	—	—	2,397	559	—
Other	489	70.7%	483	69.9%	—	—	692	692	—
Value-Add	**6,988**	**18.1%**	**2,355**	**18.0%**	**1,572**	**16.4%**	**38,705**	**13,052**	**9,579**
Rental Income	2,714	23.2%	1,716	22.9%	—	—	11,725	7,503	—
Real Estate Sales	4,273	15.8%	639	11.5%	—	—	26,980	5,549	—
Other	—	—	—	—	—	—	—	—	—
Clean Energy	**379**	**24.0%**	**165**	**28.2%**	**96**	**48.4%**	**1,581**	**589**	**198**
Other	**6**	**—**	**2**	**—**	**-16**	**—**	**0**	**0**	**-85**
Advisory Fees	6	—	6	—	—	—	0	0	—
Securities Sales	-0	—	-0	—	—	—	0	0	—
Other	0	—	-4	—	—	—	0	0	—
Total	**8,903**	**19.8%**	**3,627**	**22.0%**	**2,527**	**21.4%**	**45,000**	**16,500**	**11,833**
Adjustment (including offsets of cross-segment transactions)	—	—	—	—	-34	—	—	—	-133
Total	**8,903**	**19.8%**	**3,627**	**22.0%**	**2,492**	**21.3%**	**45,000**	**16,500**	**11,700**

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Asset Management AUM Detail

Steady growth in overall AM fees drives higher profitability

		FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 Q1 (3M)
Ichigo REIT (Public)	AUM (Fiscal Year End)	JPY 106B	JPY 104B	JPY 121B	JPY 124B	JPY 164B
	AM Fee % (Average)	0.61%	0.63%	0.65%	0.65%	0.65%
	AM Fee Gross Profit (Actual)	JPY 719M	JPY 663M	JPY 733M	JPY 759M	JPY 192M
Private Equity Real Estate Funds (excluding consolidiated)	AUM (Fiscal Year End)	JPY 213B	JPY 170B	JPY 63B	JPY 22B	JPY 24B
	AM Fee % (Average)	0.15%	0.15%	0.26%	0.37%	0.33%
	AM Fee Gross Profit (Actual)	JPY 284M	JPY 285M	JPY 257M	JPY 114M	JPY 22M
Total (excluding consolidiated)	AUM (Fiscal Year End)	JPY 319B	JPY 274B	JPY 184B	JPY 145B	JPY 188B
	AM Fee % (Average)	0.33%	0.33%	0.47%	0.59%	0.60%
	AM Fee Gross Profit (Actual)	JPY 1,004M	JPY 948M	JPY 989M	JPY 872M	JPY 215M

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Consolidated Balance Sheet: Assets

(Million yen)

	FY12/2	FY13/2	FY14/2	FY15/2	FY16/2 Q1 (This quarter)	vs FY15/2 (Increase/Decrease
Assets						
Current Assets						
Cash and cash equivalents	9,791	9,713	24,991	19,383	21,065	+1,682
Trade notes and accounts receivable	1,069	548	451	519	1,163	+644
Operational investments in loans	2,527	3,636	1,100	2,330	1,324	-1,006
Operational investments in securities	4,226	4,271	3,583	1,965	1,693	-272
Real estate for sale	49,674	46,176	54,084	109,769	112,161	+2,391
Deferred tax assets	—	369	576	1,200	1,207	+7
Other	1,465	2,042	1,384	2,657	2,590	-67
Less: allowance for doubtful accounts	-2,930	-3,177	-410	-484	-499	-15
Total Current Assets	65,824	63,581	85,761	137,342	140,708	+3,366
Fixed Assets						
Tangible Assets						
Buildings and structures (net)	2,903	2,863	4,901	4,021	3,968	-53
Equipment (net)	—	21	2,044	9,168	9,677	+509
Land	7,114	7,082	12,433	12,142	12,186	+44
Other (net)	91	80	1,922	989	948	-41
Total Tangible Assets	10,109	10,047	21,300	26,321	26,781	+460
Intangible Assets						
Goodwill	2,077	2,203	2,221	2,082	2,047	-35
Leasehold rights	—	—	392	392	392	—
Other	27	20	71	27	24	-3
Total Intangible Assets	2,105	2,223	2,686	2,502	2,465	-37
Investments and Other Assets						
Investments in securities	3,589	4,117	4,278	5,266	5,128	-138
Long-term loans receivable	14	13	13	12	12	-0
Deferred tax assets	—	0	222	2	2	-0
Other	623	545	780	1,392	1,387	-5
Less: allowance for doubtful accounts	-96	-101	-97	-95	-96	-1
Total Investments and Other Assets	4,131	4,575	5,196	6,578	6,434	-144
Total Fixed Assets	16,346	16,846	29,183	35,402	35,680	+278
Total Assets	**82,170**	**80,428**	**114,944**	**172,744**	**176,388**	**+3,644**

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Consolidated Balance Sheet: Liabilities & Net Assets

(Million yen)

	FY12/2	FY13/2	FY14/2	FY15/2	FY16/2 Q1 (This quarter)	vs FY15/2 (Increase/Decrease)
Liabilities						
Current Liabilities						
Trade notes and accounts payable	57	64	132	124	78	-46
Short-term borrowings	170	484	950	1,416	735	-681
Short-term non-recourse loans	—	—	—	48	—	-48
Long-term borrowings (due within one year)	1,768	966	3,123	3,488	3,570	+82
Long-term non-recourse loans (due within one year)	8,793	2,263	428	786	2,873	+2,087
Income taxes payable	115	65	96	284	112	-172
Deferred tax liabilities	—	15	24	30	26	-4
Accrued bonuses	22	25	14	16	182	+166
Other current liabilities	2,974	3,419	2,817	3,677	2,884	-793
Total Current Liabilities	13,902	7,304	7,588	9,872	10,464	+592
Long-Term Liabilities						
Non-recourse bonds	—	—	—	100	100	—
Long-term borrowings	7,413	5,456	26,126	53,409	57,158	+3,749
Long-term non-recourse loans	28,899	32,776	24,178	43,004	40,807	-2,197
Deferred tax liabilities	6	277	1,213	1,402	1,283	-119
Long-term security deposits received	3,362	3,230	4,770	6,391	6,399	+8
Negative goodwill	360	270	180	90	67	-23
Other long-term liabilities	36	46	44	96	158	+62
Total Long-Term Liabilities	40,080	42,056	56,513	104,494	105,974	+1,480
Total Liabilities	**53,982**	**49,361**	**64,102**	**114,367**	**116,439**	**+2,072**
Net Assets						
Shareholders' Equity						
Capital	18,078	18,113	26,443	26,499	26,504	+5
Capital reserve	2,395	2,429	10,808	10,873	10,878	+5
Retained earnings	6,298	7,923	10,891	17,201	18,767	+1,566
Treasury shares	-187	-187	-92	-78	-76	+2
Total Shareholders' Equity	26,584	28,279	48,050	54,496	56,073	+1,577
Accumulated Other Comprehensive Income						
Unrealized gain on other securities, net	-604	160	400	1,208	1,155	-53
Deferred loss on hedges	—	—	—	-36	-38	-2
Foreign currency translation adjustment	-7	16	9	6	3	-3
Total Accumulated Other Comprehensive Income	-612	177	409	1,177	1,120	-57
Stock Options	116	143	121	198	237	+39
Minority Interests	2,099	2,466	2,261	2,505	2,517	+12
Total Net Assets	**28,187**	**31,066**	**50,842**	**58,377**	**59,949**	**+1,572**
Total Liabilities and Net Assets	**82,170**	**80,428**	**114,944**	**172,744**	**176,388**	**+3,644**

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Consolidated P&L

(Million yen)

	FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 Q1 (3M)	2015/02 Q1 (3M)	Change (YoY)	FY16/2 Full-Year Forecast	vs Forecast
Revenues	**18,952**	**16,397**	**35,101**	**42,705**	**8,903**	**6,528**	**+2,375**	**45,000**	**19.8%**
Cost of Goods Sold	15,030	11,422	27,666	30,539	5,276	3,270	+2,006	—	—
Gross Profit	**3,921**	**4,974**	**7,435**	**12,166**	**3,627**	**3,257**	**+370**	**16,500**	**22.0%**
SG&A	2,871	3,130	3,522	3,977	1,134	1,021	+113	—	—
Operating Profit	**1,050**	**1,844**	**3,912**	**8,189**	**2,492**	**2,236**	**+256**	**11,700**	**21.3%**
Non-Operating Profit									
Interest income	5	3	4	5	0	**1**	-1	—	—
Dividend income	20	24	112	78	4	4	+0	—	—
Equity in earnings of affiliates	141	—	—	—	—	—	—	—	—
Amortization of negative goodwill	90	90	90	90	22	22	—	—	—
Other	33	36	31	39	13	2	+11	—	—
Total Non-Operating Profit	291	155	238	213	41	31	+10	—	—
Non-Operating Expenses									
Interest expense	284	238	370	943	265	183	+82	—	—
Issuance cost of corporate bonds	48	—	—	—	—	—	—	—	—
Stock issuance cost	—	0	89	1	—	—	—	—	—
Other	29	26	93	201	34	27	+7	—	—
Total Non-Operating Expenses	361	265	553	1,146	300	210	+90	—	—
Recurring Profit	**979**	**1,734**	**3,597**	**7,255**	**2,233**	**2,056**	**+177**	**10,250**	**21.8%**
Extraordinary Gain									
Gain on sales of fixed assets	—	9	7	—	—	—	—	—	—
Gain on sales of investment securities	—	72	204	—	223	—	+223	—	—
Gain on sales of equity holdings in affiliates	1,173	—	—	—	—	—	—	—	—
Receipt of share trading proceeds	—	—	434	—	—	—	—	—	—
Other	75	0	33	57	—	—	—	—	—
Total Extraordinary Gain	1,248	83	680	57	223	—	+223	—	—
Extraordinary Loss									
Loss on sale and retirement of fixed assets	38	1	1	0	—	—	—	—	—
Loss on sale of investment securities	62	—	—	—	—	—	—	—	—
Valuation loss on investment securities	—	62	—	—	—	—	—	—	—
Office move expenses	14	19	21	1	—	—	—	—	—
Impairment loss	—	33	307	—	—	—	—	—	—
Loss on business liquidation	26	—	—	—	—	—	—	—	—
Other	109	8	13	91	—	—	—	—	—
Total Extraordinary Loss	251	124	344	93	—	—	—	—	—
Profit before Income Taxes	1,976	1,693	3,933	7,220	2,456	2,056	+400	—	—
Income Taxes – Current	159	54	43	564	179	147	+32	—	—
Income Taxes – Deferred	—	-106	-616	-220	-124	-0	-124	—	—
Total Income Taxes	159	-51	-573	343	55	147	-92	—	—
Profit before Gain (loss) on Minority Interests	1,817	1,745	4,506	6,876	2,401	1,909	+492	—	—
Gain (loss) on Minority Interests	47	108	-19	115	25	44	-19	—	—
Net Profit	**1,770**	**1,637**	**4,526**	**6,761**	**2,375**	**1,864**	**+511**	**9,150**	**26.0%**

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Consolidated Cash Flows from Operating Activities

(Million yen)

	FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 Q1 (3M)
Cash Flows From Operating Activities:					
Pre-tax net income	1,976	1,693	3,933	7,220	2,456
Depreciation	166	230	304	565	181
Share-based compensation expenses	37	49	69	112	42
Amortization of goodwill	107	114	139	139	34
Amortization of negative goodwill	-90	-90	-90	-90	-22
Increase (decrease) in accrued bonuses	-2	3	-11	1	166
Increase (decrease) in allowance for doubtful accounts	-3,529	195	33	65	14
Increase (decrease) in other allowances	-135	-11	—	—	—
Interest and dividend income	-26	-28	-116	-83	-5
Interest expense	284	238	370	943	265
Issuance cost of corporate bonds	48	—	—	—	—
Equity in earnings of affiliates (gain)	-141	—	—	—	—
Loss (gain) on sales of equity holdings in affiliates	-1,173	—	—	—	—
Loss (gain) on sales of investment securities	62	-72	-204	—	-223
Loss (gain) on sales/retirement of fixed assets	38	-8	-6	—	—
Impairment Loss	—	33	307	—	—
Valuation loss on investment securities	—	62	—	—	—
Decrease (increase) in trading notes and receivable	-269	515	97	-68	-643
Decrease (increase) in operating loans receivable	454	-1,100	218	-1,230	1,006
Decrease (increase) in operational investments in securities	3,068	723	1,635	1,110	283
Loss on valuation of operational investment securities	139	63	114	—	—
Decrease (increase) in real estate for sale	610	2,556	-6,729	-42,991	-2,392
Valuation loss in real estate for sale	471	119	—	—	—
Valuation loss on investments in capital	41	1	12	91	—
Decrease (increase) in accounts receivable	-179	-380	-255	-539	-130
Increase (decrease) in accounts payable	-137	-39	-139	388	-444
Increase (decrease) in accrued expenses	1,067	519	137	16	69
Increase (decrease) in advances received	-141	11	38	96	—
Increase (decrease) in security deposits received	-81	-253	1,230	1,391	72
Other	-240	-239	522	-575	295
Sub-total	2,425	4,908	1,611	-33,437	1,027
Interest and dividend income received	171	28	116	83	5
Interest expenses paid	-315	-220	-378	-892	-268
Income taxes paid	-154	-106	-94	-45	-207
Cash Flows from Operating Activities:	**2,127**	**4,609**	**1,254**	**-34,292**	**556**

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Consolidated Cash Flows from Investing & Financing Activities

(Million yen)

	FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 Q1 (3M)
Cash Flows from Investing Activities:					
Payments into time deposits	-352	-0	-0	-325	-0
Proceeds from withdrawal of time deposits	—	151	—	325	—
Acquisition of investment securities	—	-15	—	-210	—
Proceeds from sales of investment securities	137	76	282	—	296
Proceeds from redemption of investment securities	40	30	2	0	—
Proceeds from sale of securities in affiliates	3,327	—	—	—	—
Acquisition of property and equipment	-63	-124	-7,150	-10,769	-1,223
Proceeds from sale of property and equipment	9	17	72	—	—
Acquisition of intangible assets	-7	-0	-389	-23	—
Payments for investments in capital	—	-4	-5	-10	-6
Proceeds from redemption of investments	—	0	7	0	—
Proceeds from sale of investments	4	—	—	—	—
Payments of security deposits	—	—	-5	-127	-19
Payments for acquisitions of subsidiaries resulting in the change of consolidation scope	-271	-218	-1,389	—	—
Payments for acquisitions of newly consolidated subsidiaries	—	—	—	-1,349	—
Other	-14	60	-35	4	9
Cash Flows from Investing Activities:	**2,808**	**-27**	**-8,610**	**-12,485**	**-943**
Cash Flows from Financing Activities:					
Increase (decrease) in short-term bank loans, net	-1,123	314	465	466	-681
Increase (decrease) in short-term non-recourse loans, net	—	—	—	48	-48
Proceeds from issuance of corporate bonds	6,059	—	—	—	—
Redemption on corporate bonds	-6,500	—	—	—	—
Proceeds from issuance of non-recourse bonds	2,100	—	—	—	—
Redemption of non-recourse bonds	-2,455	—	—	—	—
Proceeds from long-term loans	2,900	5,440	26,777	47,203	7,651
Repayment of long-term loans	-2,807	-8,199	-5,388	-19,557	-3,819
Proceeds from long-term non-recourse loans	11,610	12,346	5,675	19,900	—
Repayment of long-term non-recourse loans	-14,231	-13,885	-19,030	-5,958	-109
Proceeds from issuance of common shares	—	—	16,387	—	—
Payment on share buyback	-935	—	—	—	—
Proceeds from exercise of stock options	—	48	242	99	8
Cash dividends paid	-0	—	-445	-543	-601
Share issuance to minority shareholders	—	20	—	—	—
Payments to minority shareholders for redemption of common stock	-30	-19	—	—	—
Cash dividends paid to minority shareholders	-65	-0	—	—	—
Cash Flows from Financing Activities:	**-5,480**	**-3,935**	**24,682**	**41,658**	**2,400**

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