FY17/2 Corporate Presentation

April 19, 2017

Ichigo (2337)

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Ichigo Preserves and Improves Real Estate

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FY17/2 Full-Year Earnings

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Operating Profit 1.4X, Net Income 1.2X YOY

- Operating Profit, Recurring Profit, and Net Income All Record Highs
- Beat April 2016 Forecast: OP +17%, RP +20%, NI +12%
- ROE >20% for Second Consecutive Year

(JPY million)

	FY16/2	FY17/2	YOY	Initial Full-Year Forecast	vs. Full-Year Forecast
Revenue	49,699	109,253	+119.8%	125,600	-13.0%
Gross Profit	19,863	26,806	+35.0%	23,867	+12.3%
Operating Profit	15,417	21,781	+41.3%	18,500	+17.7%
Recurring Profit	13,889	19,755	+42.2%	16,400	+20.5%
Net Income	12,925	14,894	+15.2%	13,300	+12.0%
EPS	JPY 25.86	JPY 29.66	+14.7%	JPY 26.43	+12.2%
ROE	21.0%	20.2%	–	18.1%	–
Dividend Per Share	JPY 3.00	JPY 5.00	+66.7%	JPY 5.00	–

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Segment Earnings Details

- Significant Value-Add (+28%) and Clean Energy (+920%) Earnings Growth
- AM Earnings Down, but Stock Earnings +45% YOY

(JPY million)

Segment	Revenue					Operating Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY16/2	FY17/2	YOY	Initial Forecast	vs. Initial Forecast	FY16/2	FY17/2	YOY	Initial Forecast	vs. Initial Forecast	
Asset Management	**5,067**	**4,747**	**-6.3%**	**5,079**	**-6.5%**	**2,879**	**2,326**	**-19.2%**	**2,386**	**-2.5%**	AM Fees 1,606 (+505) Acquisition/Disposition Fees 512 (-28) Performance/Brokerage Fees 200 (-519) Sponsor Credit Support Fees 36 (-373)
Value-Add	**42,944**	**92,138**	**+114.6%**	**109,297**	**-15.7%**	**12,629**	**16,213**	**+28.4%**	**13,530**	**+19.8%**	Rental Income 9,670 (+1,615) Profits on Sale 10,559 (+2,730)
Clean Energy	**1,628**	**12,352**	**+658.4%**	**11,152**	**+10.8%**	**323**	**3,301**	**+918.9%**	**2,608**	**+26.6%**	FIT Solar Electricity Sales 957 (+273) Profits on Sale of Solar Power Plants 2,808 (+2,808)
Other	**58**	**14**	**-74.7%**	**71**	**-79.9%**	**-32**	**-165**	**–**	**-84**	**–**	Up-Front Loan Fees & Related Expenses 14 (-39)
Total	**49,699**	**109,253**	**+119.8%**	**125,600**	**-13.0%**	**15,799**	**21,676**	**+37.2%**	**18,440**	**+17.6%**	
Adjustment (including offsets of inter-segment transactions)	**–**	**–**	**–**	**–**	**–**	**-382**	**104**	**–**	**59**	**–**	
Total	**49,699**	**109,253**	**+119.8%**	**125,600**	**-13.0%**	**15,417**	**21,781**	**+41.3%**	**18,500**	**+17.7%**	

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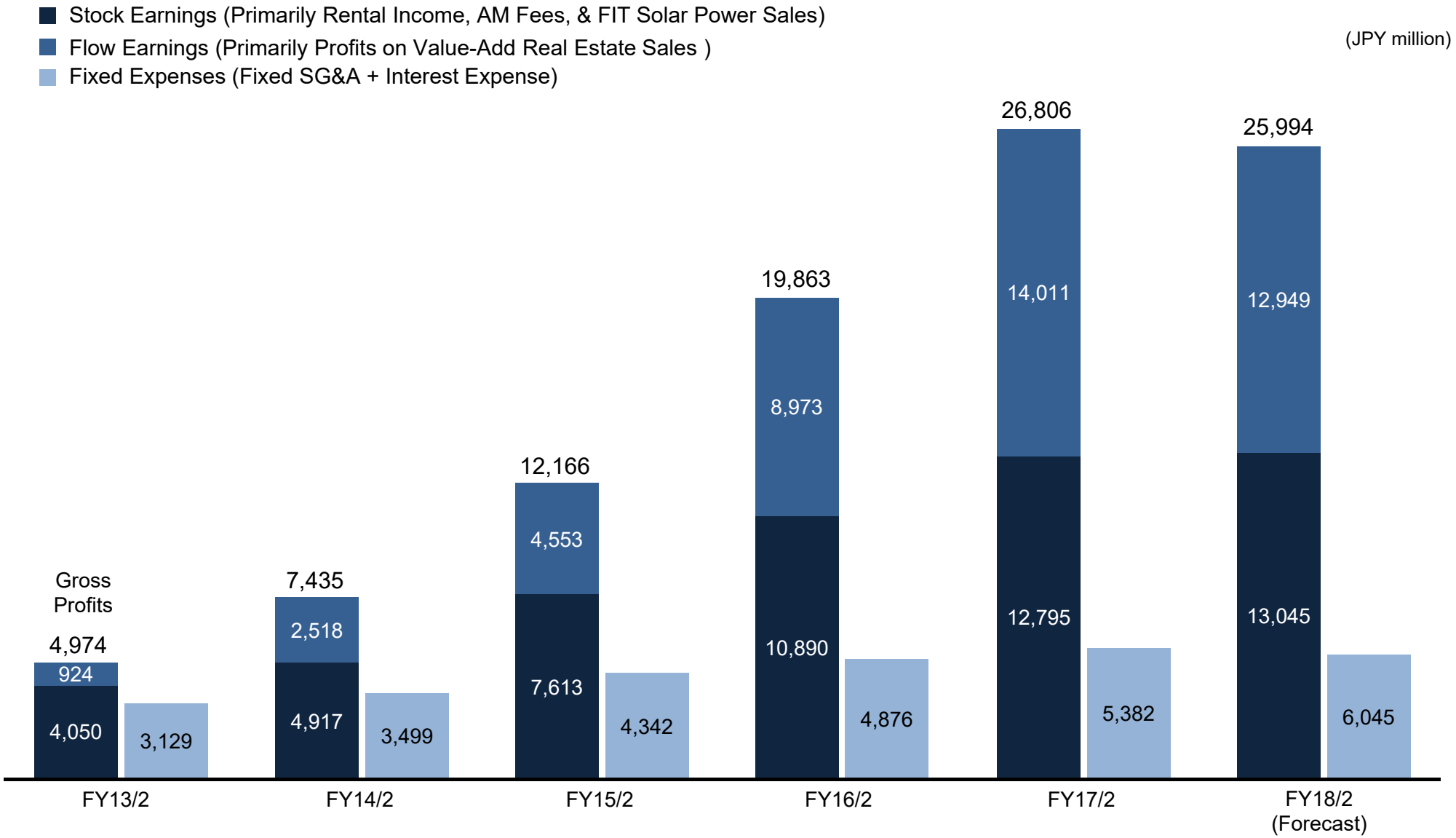
Stock + Flow Earnings Model



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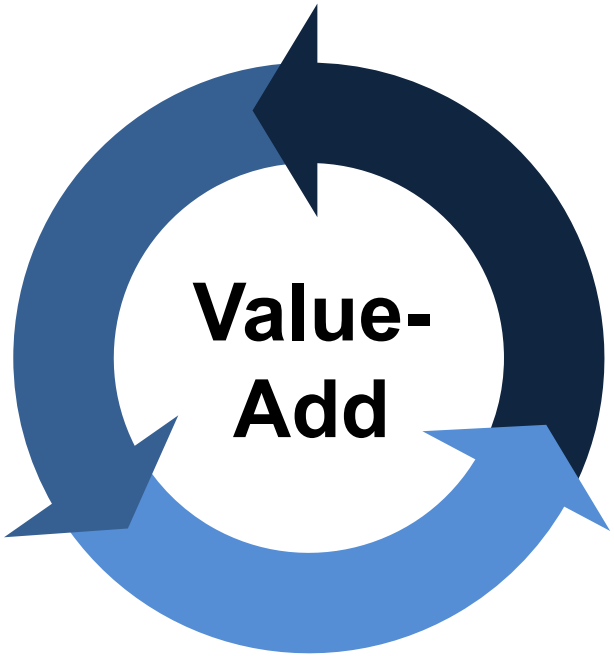
Robust Cash Flow and Cash-On-Hand

	FY17/2 (12M)
Cash Flow from Operating Activities	JPY +21.5B Value-Add Real Estate Sales JPY +66.4B Value-Add Real Estate Acquisitions JPY -72.1B Solar Power Plant Sales JPY +7.2B
Cash Flow from Investing Activities	JPY -11.9B Solar Power Plant Development JPY -11.7B
Cash Flow from Financing Activities	JPY +6.3B
Cash-on-Hand	JPY 41.3B (+13.0B)

* Parentheses show change vs. FY16/2

Buy

- Deploy cash
- Increase borrowings



Sell

- Receive cash
- Repay borrowings

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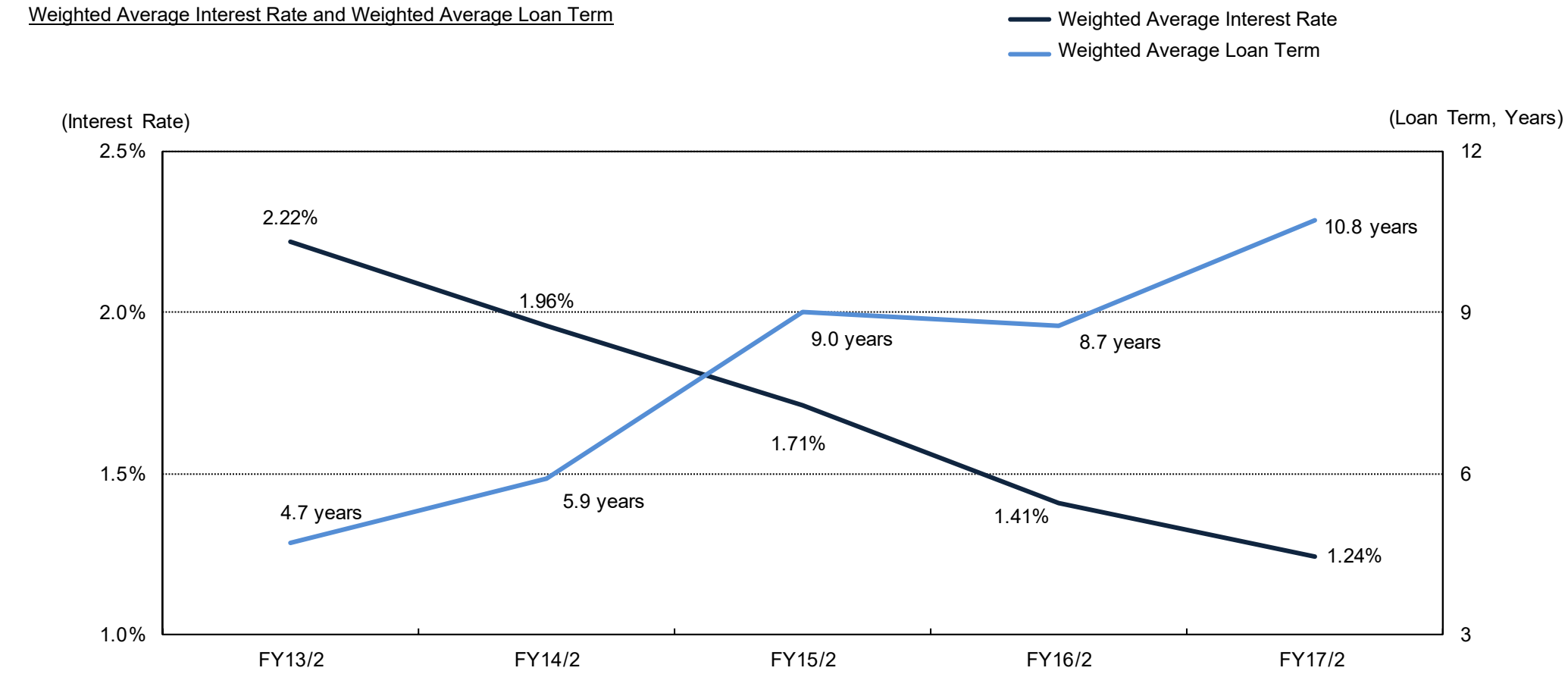
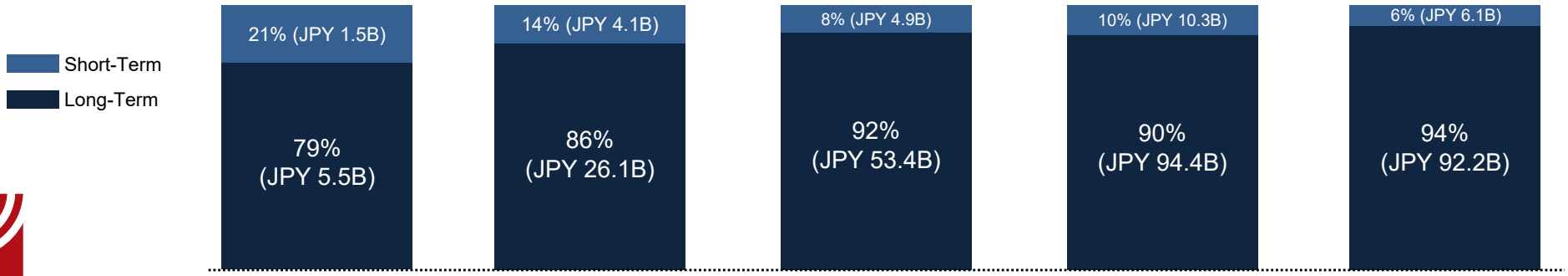
Strong Financial Position

Weighted Average Interest Rate and Weighted Average Loan Term



Term Structure of Loans



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Prudent Balance Sheet Management (1)

Uncollateralized Loans & Lines (JPY 29B)

	Lender	Amount	Loan Period	Use of Proceeds
Uncollateralized Loans	SMBC-Led Syndicated Loan[1]	JPY 8B	7 years	Refinancing of existing loans
Uncollateralized Commitment Lines	SMBC	JPY 10B	2 years from drawdown date	Acquisition of new hotels
	Mizuho Bank	JPY 4B	2 years from drawdown date	Acquisition of new hotels
Uncollateralized Credit Facilities	Mizuho Bank	JPY 5B	3 years from drawdown date	Solar power plant development and acquisition
	Mizuho Bank	JPY 2B	Mar 31, 2018	Capex in the event of natural disasters
Total		JPY 29B		

[1] Syndicate: SMBC, Shinsei Bank, Hokuriku Bank, Yamaguchi Bank, Tokushima Bank, ShinGinko Tokyo

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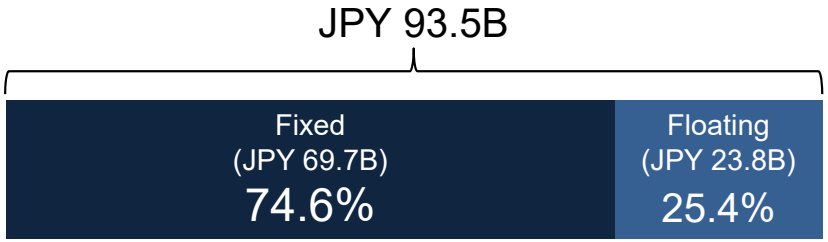
Prudent Balance Sheet Management (2)

75% of Loans Fixed to Lock-in Japan's Historically Low Interest Rates and Support Ongoing Earnings Stability

Interest Rate Hedge Details

	Counterparty	Amount	Period
Interest Rate Swaps (JPY 44B)	SMBC	JPY 15B	5 years
	Mizuho Bank	JPY 10B	5 years
	SMBC	JPY 10B	7 years
	Mizuho Bank	JPY 7B	7 years
	Sumitomo Mitsui Trust Bank	JPY 2B	7 years
Interest Rate Caps (JPY 10B)	Tokyo Star Bank	JPY 5B	7 years
	Mizuho Bank	JPY 3B	7 years
	Shinsei Bank	JPY 1B	7 years
	Citigroup Global Markets Japan	JPY 1B	7 years
Total		JPY 54B	

Fixed vs. Floating Loans (as of Mar 31, 2017)



Note: Excludes loan for the Ichigo Showamura Ogose ECO Power Plant, because the loan will convert to a non-recourse loan with interest rate hedge already completed once the plant commences operation this fall.

Fixed = Total of fixed interest rate loans (JPY 15.7B) and floating-to-fixed interest rate hedges (JPY 54.0B)

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Powerful Value-Add Business Model Underpins Growth

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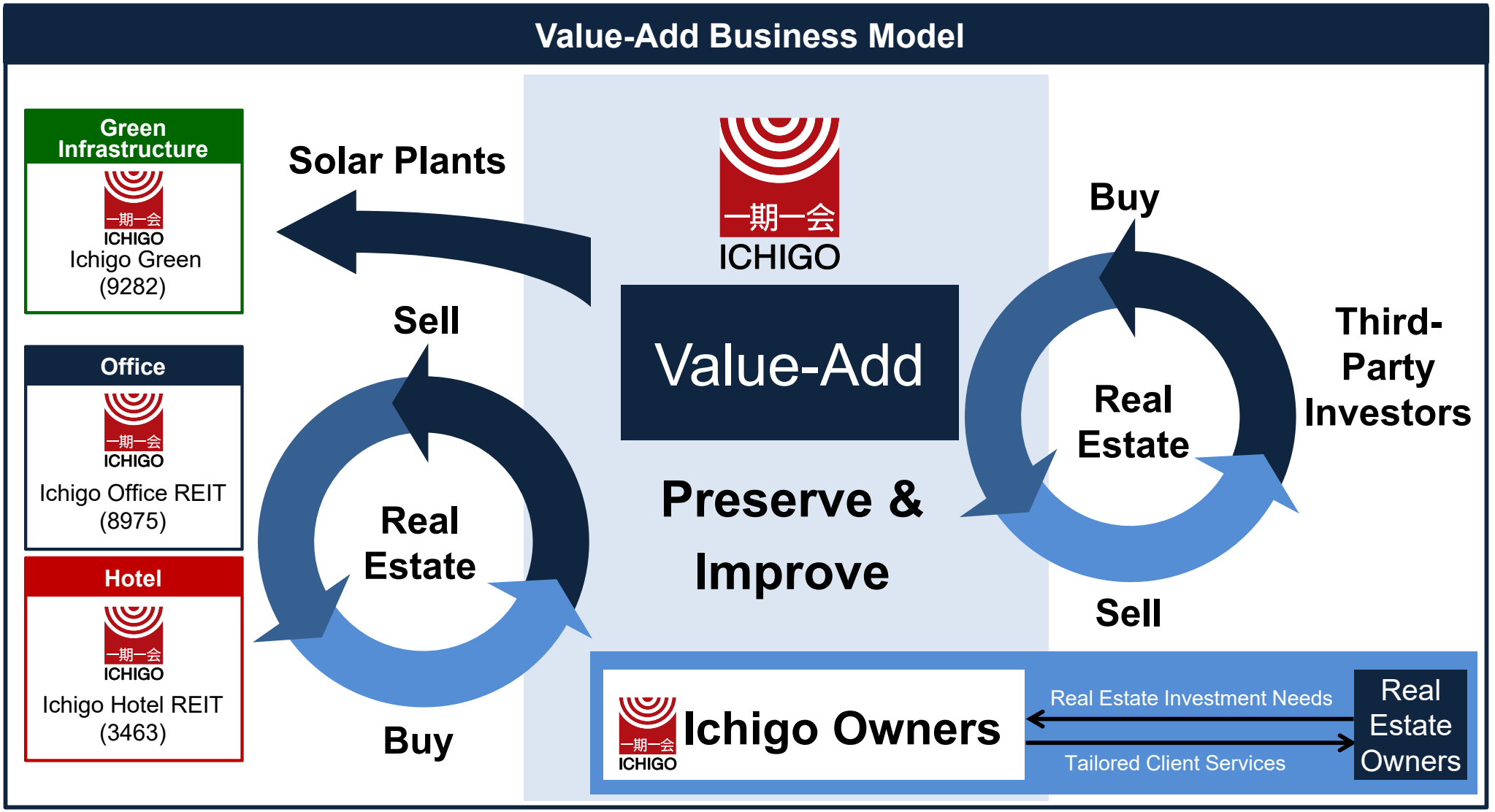
Real Estate Owner Services Launch

Ichigo Owners Established in March to Serve Clients by Leveraging Ichigo's Value-Add Capabilities to Increase the Value of their Real Estate



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REtech Business Tie-Up

REtech Business Tie-Up with ITANDI and KDDI

- Support Ichigo's leasing using ITANDI's AI and KDDI's big data
- Increase sales of ITANDI's services leveraging Ichigo's real estate expertise and network

Real Estate × AI × Big Data



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Ichigo Boutique Hotel Entry

Transformation of the Historic Yokohama Kokusai Hotel Working in Close Coordination with the Operator

- Collaboration with Japanese designer and major interior goods brand, ACME Furniture; Guests can buy ACME goods that they use in the hotel
- While preserving the hotel's history, updating the interior spaces to today's standards

HOTEL THE KNOT YOKOHAMA	hotel-the-knot.jp

Brand

HOTEL **THE KNOT** YOKOHAMA



Image

Concept

An urban hotel that brings people and travel to the city. A place to meet new experiences, new people, and new things.

Interior







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Tradepia Odaiba Value-Add

Increasing Tenant Satisfaction

- Ichigo staff deployed on-site for quick tenant response
- Tenant satisfaction surveys to establish value-add agenda; enhancing cooperation with PM

Strengthening Leasing

- Online virtual building tour www.vr-view.jp/ichigo/trade0411

Participating in Tokyo Waterfront City Association to Support Odaiba Development



Tradepia Odaiba

Value-Add Agenda

Increase Tenant Satisfaction	Improve building security Improve common areas (shared meeting rooms and lounge) and create separated smoking zone Conduct tenant satisfaction surveys
Increase Profitability	Increase occupancy Optimize property management standards Lower energy costs and acquire environmental management certification Monetize currently unused excess FAR
Ichigo Branding	Improve the building entrance Introduce Ichigo's Property Management Standards and respond more promptly to tenant needs

Asset Overview

Name	Tradepia Odaiba
Location	2-Chome, Daiba, Minato-ku, Tokyo
Access	3-min walk from Tokyo Teleport Station on the Tokyo Rinkai Line
Land Area	12,910.26㎡
Total Floor Area	76,580.43㎡
Zoning	Commercial
Structure	Steel & Steel-Reinforced Concrete 23 Floors plus 2 Basement Floors
Builder	Joint Venture of Shimizu, Taisei, and Obayashi
Date Built	February 2001
Date Acquired	October 18, 2016

Tradepia Odaiba Virtual Tour

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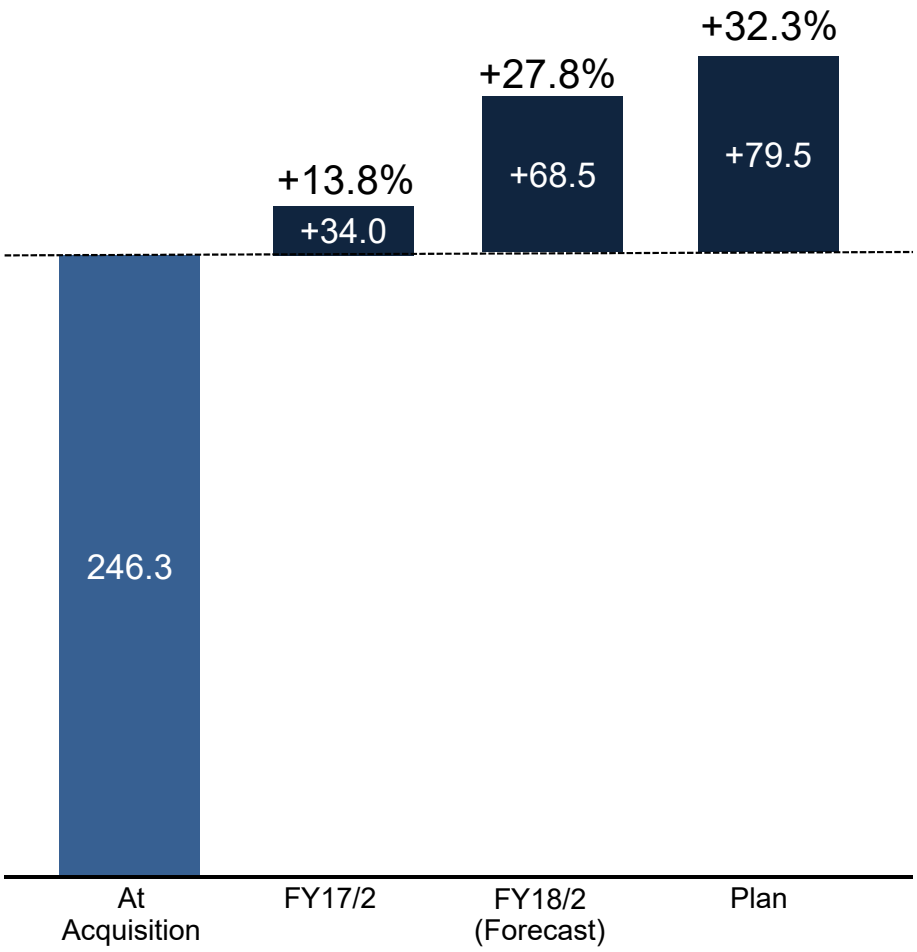
Value-Add Driving Rental Income Growth

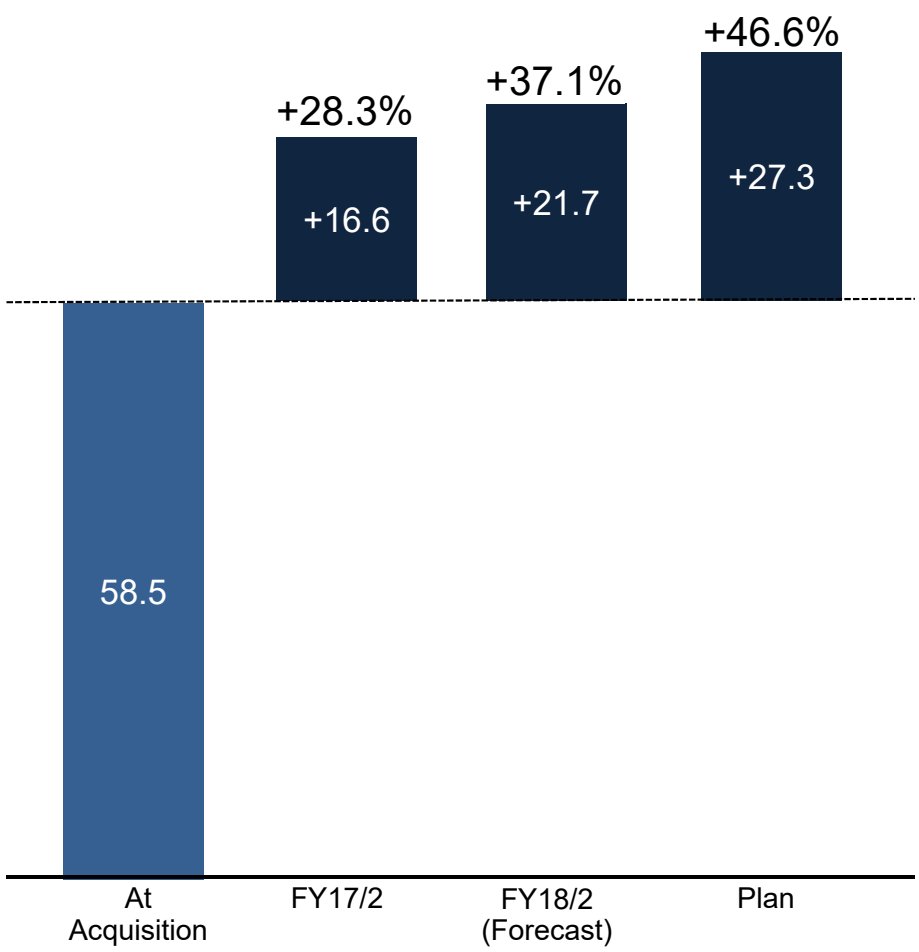
Keys: Improving Tenant Experience & Increasing Leasable Area

Office (Weighted average holding period: 1.1 years)



Hotel (Weighted average holding period: 1.6 years)

(JPY million)



* FY17/2 includes newly completed leases at Tradepia Odaiba

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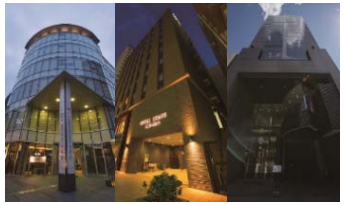
Asset Management Business Expansion

Ichigo Green IPO Expands Ichigo's J-REIT and YieldCo Line-Up

REIT/ YieldCo	Listing Date	Characteristics	Forecast Dividend Yield (Based on Share Price as of Mar 31, 2017)	Portfolio
Ichigo Office REIT (8975)	October 12, 2005	・Specialized Office REIT focused on mid-size offices with return stability and upside potential ・13 Consecutive periods of dividend growth, No.1 among all J-REITs	5.5%	86 assets JPY 194.5B 
Ichigo Hotel REIT (3463)	November 30, 2015	・Specialized Hotel REIT focused on driving shareholder value via income stability and earnings growth ・Rapidly expanding portfolio via Ichigo's sponsor support	5.4%	20 hotels JPY 49.1B 
Ichigo Green (9282)	December 1, 2016	・Offers investors an opportunity to invest in Japan's rapidly expanding green infrastructure asset class ・Renewable energy YieldCo that maximizes shareholder value via a portfolio that offers both return stability and growth potential ・The second YieldCo to be listed on the TSE	6.6%	13 power plants JPY 10.0B (25.83MW) 

* Forecast dividend yield is based on the most recent dividend forecast. Ichigo Green includes dividend in excess of earnings.

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Ichigo Green (9282) : Japan's First Ten-Year Earnings Forecast

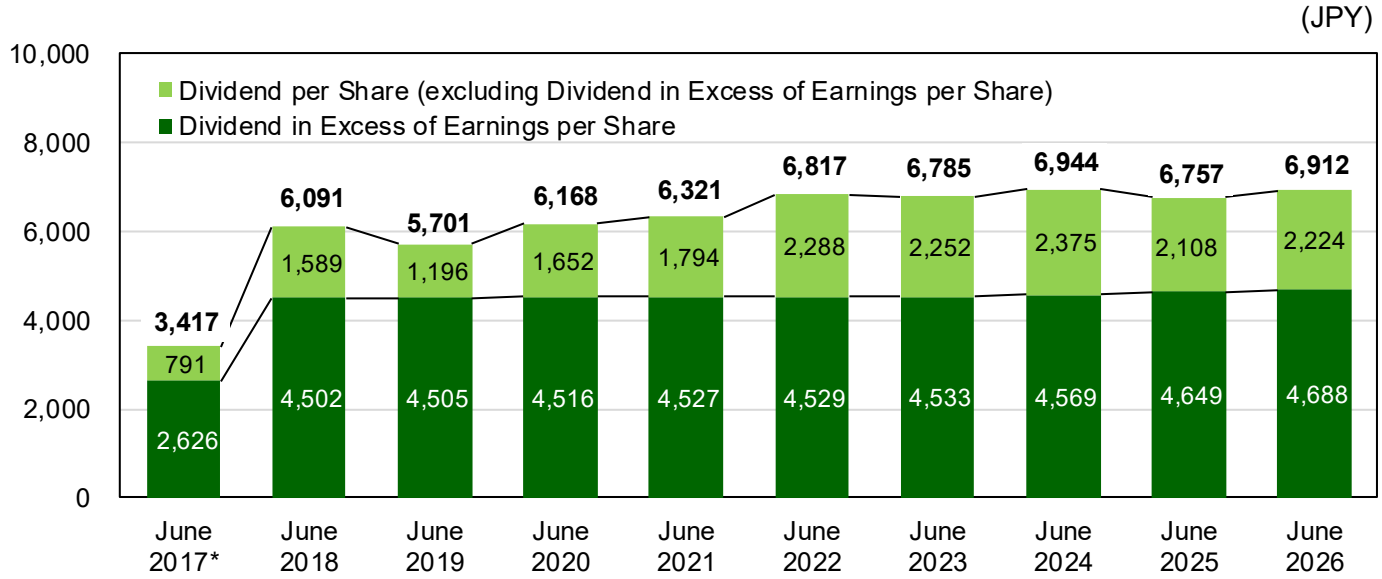
Long-Term Earnings Stability Enables 10-Year Earnings Forecast

- Fixed FIT and purchase period
- Geographically dispersed, stable solar energy production

Attractive Dividend and Renewable Energy Sustainability Contribution

- Offers opportunity to invest in rapidly expanding Green Infrastructure market
- Return full cash earnings (including accelerated deprecation) to shareholders

Ten-Year Dividend Forecast



- Solar YieldCo
- Invests in renewable energy power plants that have been in operation for at least one year
- Geographically dispersed
- 13 power plants, JPY 10B (acquisition price)
- 25.83MW power output

* Ichigo Green's actual operating period for the June 2017 fiscal period is the seven months from Dec 1, 2016, the day of the power plant acquisitions, to Jun 30, 2017.

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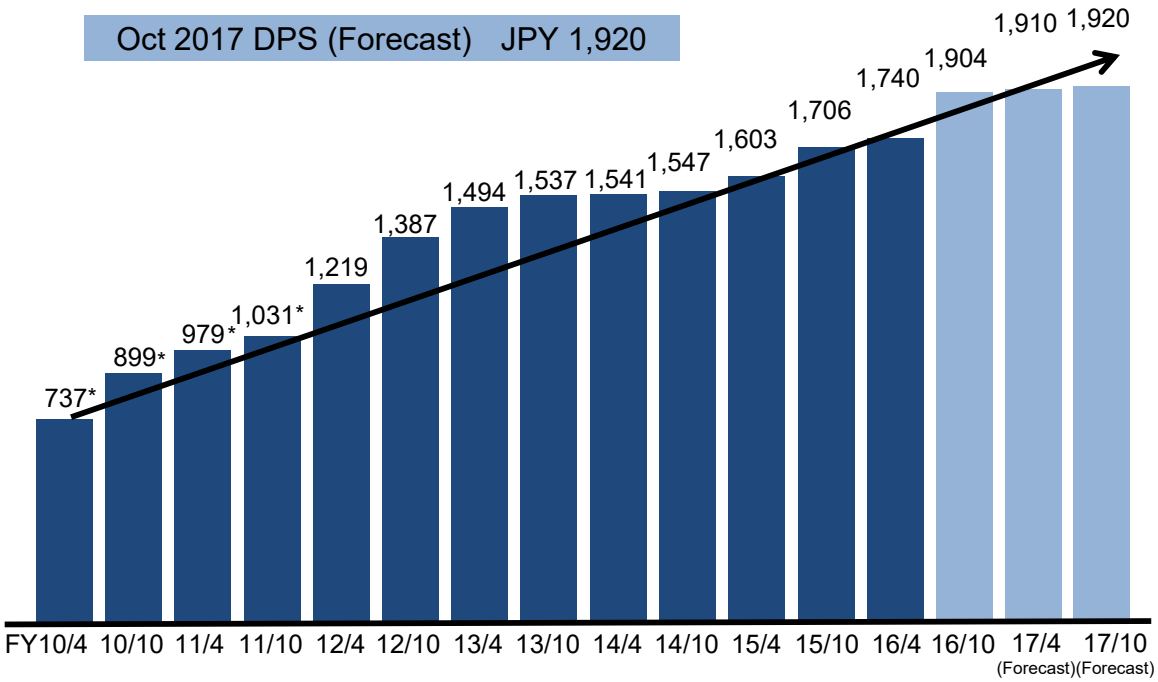
Ichigo Office REIT and Ichigo Hotel REIT Dividend Growth

Ichigo Office REIT (8975) Dividend Growth

13 Consecutive Periods of Dividend Growth – No. 1 vs. All J-REITs. Currently Forecasting 15 Consecutive Dividend Increases

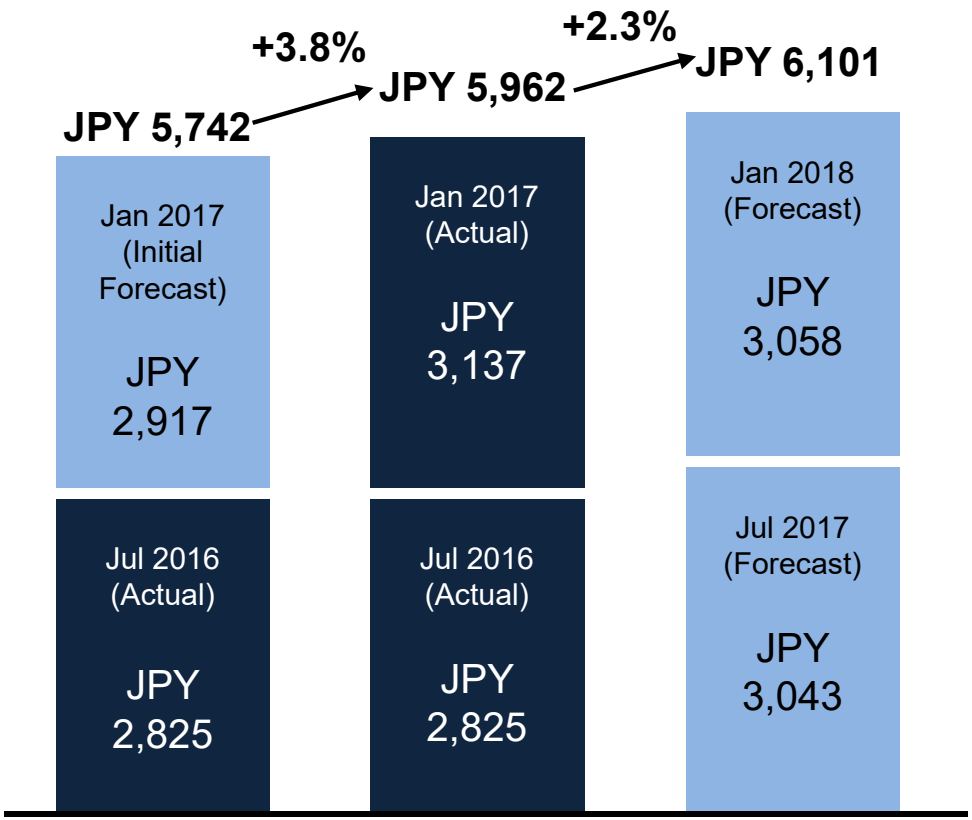
Oct 2016 DPS (Actual)	JPY 1,904
Apr 2017 DPS (Forecast)	JPY 1,910
Oct 2017 DPS (Forecast)	JPY 1,920



* Adjusted to reflect stock split on November 1, 2011

Ichigo Hotel REIT (3463) Dividend Growth

Grow Dividend by Leveraging Ichigo's Value-Add Capabilities



* Annualized dividend shown to offset seasonal volatility

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Clean Energy Business Growth

New Solar Power Plant Development

- ✓ 6 plants (12.43 MW) operation-start in FY18/2
  - Ichigo's winning Mie public bid solar power plant under construction
  - First Ichigo floating solar power plant (Okayama) forecast operation-start in Jan 2018



Ichigo Showamura Ogose ECO Power Plant

Ichigo Showamura Ogose ECO Power Plant (43.35MW)

- ✓ Operation-start in FY18/2 (Plant currently 80% complete)
  - Steel pylon construction and power transmission line installation complete
  - Currently installing power conditioners and transformers; initial connectivity to EPCO this month

Wind Power in Detailed Power Plant Simulation & Design Phase

No.	Location	Expected Output	Wind Data Survey
1	Chiba	4.0MW	Completed
2	Yamagata	7.5MW	In Progress
3	Iwate	7.5MW	In Progress
4	Iwate	7.5MW	In Progress
5	Mie	7.5MW	In Progress



Wind Survey

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Share Buyback

Purpose: Grow Value for Ichigo's Shareholders

Number of Shares	5,300,000 shares (maximum) (1.05% of shares outstanding)
Amount	JPY 1.5 billion (maximum)
Buyback Period	April 24, 2017 – June 23, 2017
Buyback Method	In-market purchases via trust bank

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FY18/2 Full-Year Forecast

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FY18/2 Full-Year Forecast

- Assumes no Ichigo REIT/YieldCo Public Offerings
- 6th Consecutive Ichigo Dividend Increase (+20% YOY)

(JPY million)

	FY18/2 (Forecast)	FY17/2 (Actual)	vs. FY17/2
Revenue	**75,500**	**109,253**	**-30.9%**
Operating Profit	**20,600**	**21,781**	**-5.4%**
Recurring Profit	**18,300**	**19,755**	**-7.4%**
Net Income	**13,500**	**14,894**	**-9.4%**
EPS	**JPY 26.98**	**JPY 29.66**	**-9.0%**
ROE	**15.9%**	**20.2%**	**–**
Dividend Per Share	**JPY 6.00**	**JPY 5.00**	**+20.0%**

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FY18/2 Full-Year Forecast Details

(JPY million)

	Revenue			Segment Profit (Operating Profit)		
	FY18/2 (Forecast)	FY17/2 (Actual)	vs. FY17/2	FY18/2 (Forecast)	FY17/2 (Actual)	vs. FY17/2
Asset Management	**2,485**	**4,747**	**-47.6%**	**1,656**	**2,326**	**-28.8%**
Value-Add	**69,719**	**92,138**	**-24.3%**	**18,304**	**16,213**	**+12.9%**
Clean Energy	**3,216**	**12,352**	**-74.0%**	**620**	**3,301**	**-81.2%**
Other	**78**	**14**	**+424.3%**	**-52**	**-165**	**–**
Total	**75,500**	**109,253**	**-30.9%**	**20,529**	**21,676**	**-5.3%**
Adjustment (including offsets of cross-segment transactions)	**–**	**–**	**–**	**70**	**104**	**–**
Total	**75,500**	**109,253**	**-30.9%**	**20,600**	**21,781**	**-5.4%**

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Appendix: Financial & Real Estate Data

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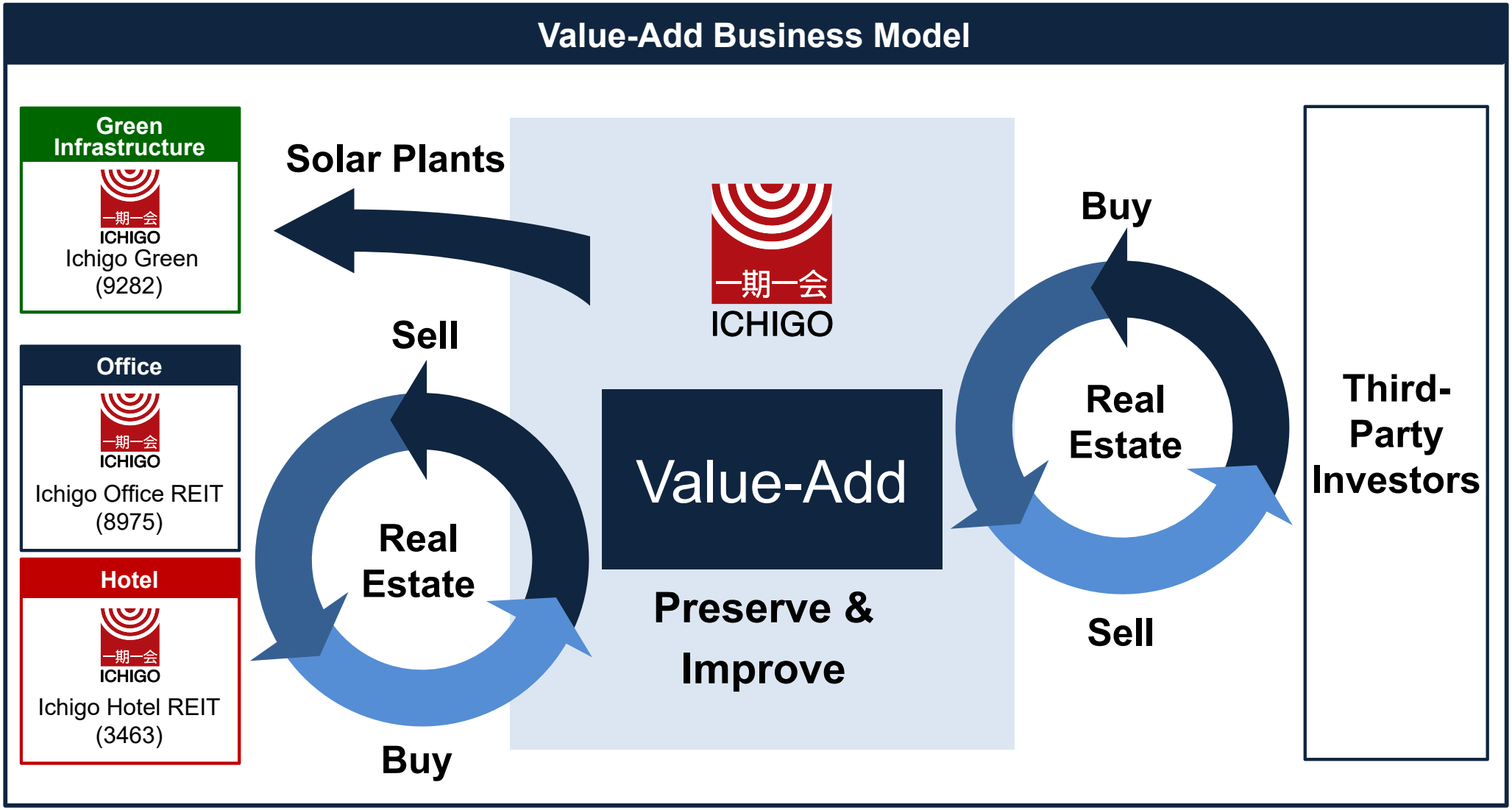
Powerful Value-Add Business Model

Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



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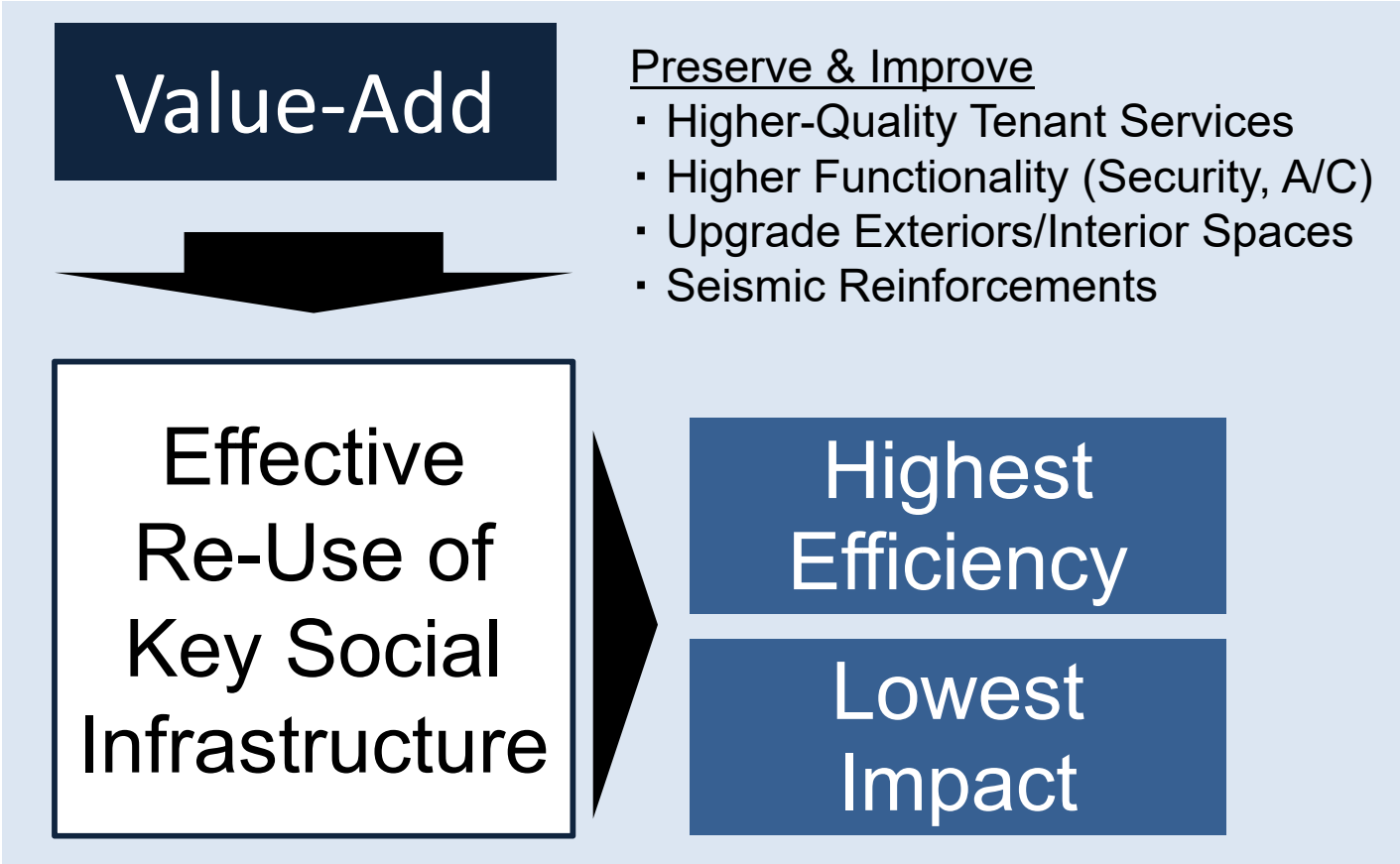
Sustainable Real Estate Serving a Sustainable Society

End Demolish and Rebuild and Embrace Value-Add

- Preserve and enhance high-function real estate
- Lengthen useful life and improve quality of existing assets via Value-Add

~~Demolish and Rebuild~~



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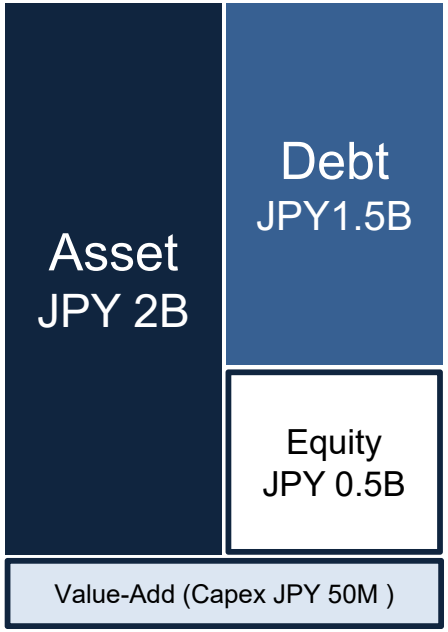
Value-Add Sample Earnings Model

5.5% NOI yield, JPY 2B purchase, LTV 75%, 1.5% interest rate on borrowings, JPY 50M Capex, 15% increase in NOI, 3-year Value-Add period



NOI at Acquisition
(JPY 110M NOI/year) − (JPY 22.5M interest/year) = JPY 87.5M NOI/year
NOI÷ Initial Investment =17.5% NOI return during investment period

NOI after Value-Add
(JPY 126.5M NOI/year) − (JPY 22.5M interest/year) = JPY 104M NOI/year
NOI ÷ Total Investment (JPY 500M + JPY 50M) =18.9% NOI return during investment period

Value-Add for Capital Gain
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: JPY 2B * 115% = JPY 2.3B
JPY 2.3B – (JPY 2B + JPY 50M) = JPY 250M capital gain

Result
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

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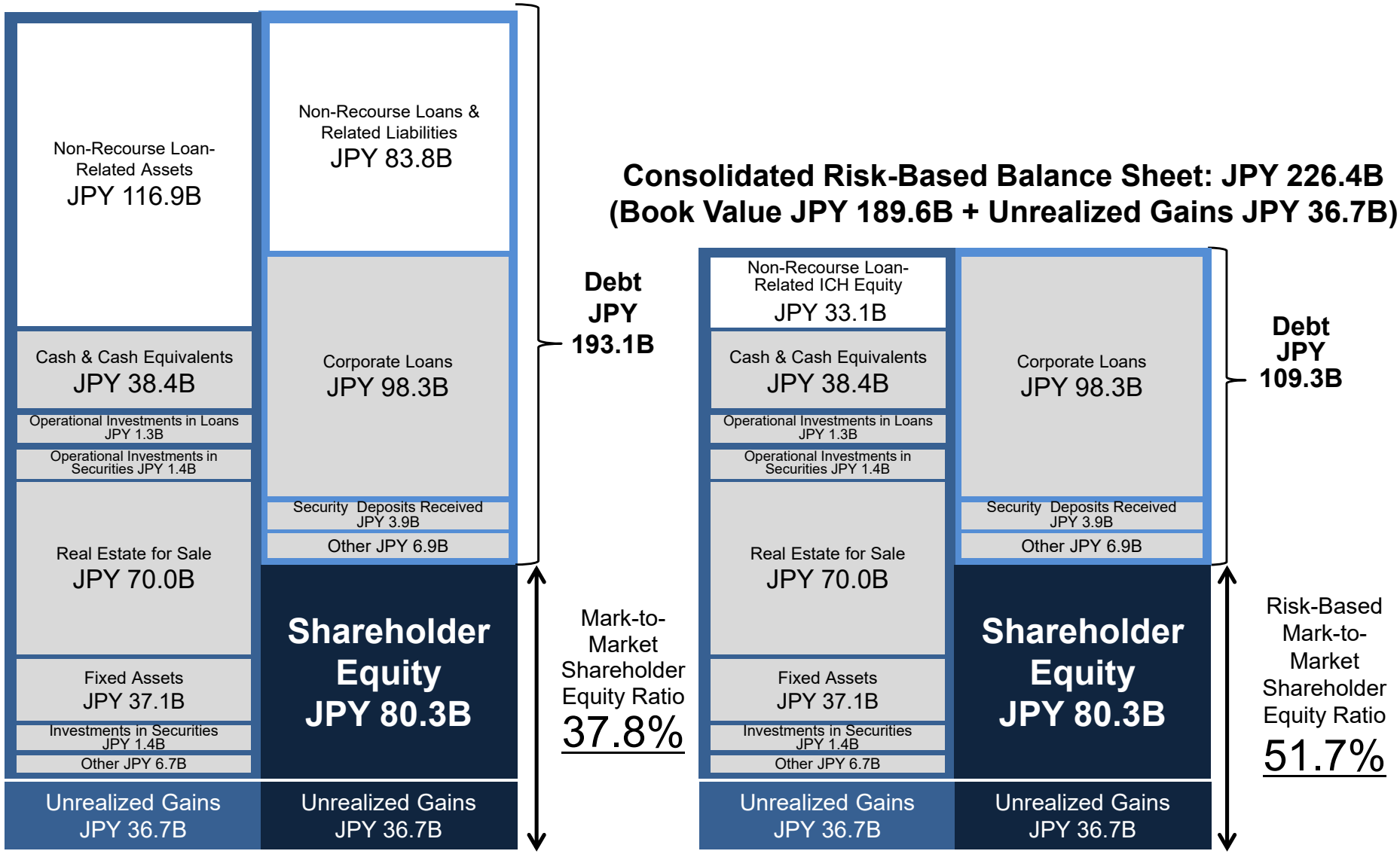
Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 310.2B
(Book Value JPY 273.4B + Unrealized Gains JPY 36.7B)



Note: Risk-Based Balance Sheet excludes client and non-recourse assets and liabilities.

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Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 36.7B (Appraisal Value Basis)

Real estate directly held by Ichigo

(JPY million)

Location	Book Value as of Feb 28, 2017	NOI	Cap Rate NOI/Book Value after Write-down	Appraisal Value as of Feb 28, 2017	Unrealized Gains
Tokyo	105,326	5,846	6.0%	125,304	+19,978
Outside Tokyo	83,460	5,244	6.7%	99,951	+16,491
Total	188,786	11,090	6.3%	225,255	+36,469

* Cap rate is the simple average of the cap rates for each asset. Excludes development assets (c. JPY 371 million) which are not currently generating NOI and includes intangible fixed assets subject to appraisal (c. JPY 62 million).

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

(JPY million)

	Book Value as of Feb 28, 2017	Appraisal Value as of Feb 28, 2017	Unrealized Gains
Equity Investments (Non-consolidated)	–	–	–
Equity Investments (Consolidated)	1,047	1,375	+328
Total	1,047	1,375	+328

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Business Segments

Asset Management	Asset Management generates fee income via management of Ichigo Office REIT (8975), Ichigo Hotel REIT (3463), and Ichigo Green (9282), and providing real estate services related to real estate acquisition, operation (PM/BM), and disposition.
Value-Add	Value-Add preserves and improves real estate. Ichigo receives rental income during the period in which it is carrying out its value-add, along with earning profits on sale that reflect the real estate's higher value after the value-add is complete.
Clean Energy	Clean Energy is utility-scale solar power production that produces clean energy and brings productive use to idle land.
Other	Other is primarily legacy securities investments that are not related to the above three segments.

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Consolidated Balance Sheet

(JPY million)

	FY16/2	FY17/2		YOY	Market Value	Unrealized Gains	Unrealized Gains on Listed Securities[2]
		B/S	Outside Investors' Interest				
Cash and Cash Equivalents	**28,779**	**47,678**	**565**	**+18,899**	**47,678**	**–**	**–**
Operating Loans Receivable (Value-Add)	**1,324**	**1,324**	**–**	**–**	**1,830**	**+505**	**–**
Operational Investments in Securities	**1,784**	**1,433**	**–**	**-351**	**1,433**	**–**	**+2**
Value-Add	844	84	–	-760	84	–	–
Clean Energy	–	512	–	+512	512	–	–
Other	939	837	–	-102	837	–	+2
Real Estate for Sale (Value-Add)	**172,833**	**167,805**	**3,014**	**-5,028**	**200,646**	**+32,047**	**–**
Power Plants for Sale (Clean Energy)	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Fixed Assets	**31,546**	**45,654**	**–**	**+14,108**	**49,888**	**+4,234**	**–**
Asset Management	39	30	–	-9	30	–	–
Value-Add	15,897	25,920	–	+10,023	30,154	+4,234	–
Clean Energy	15,560	19,620	–	+4,060	19,620	–	–
Other[1]	48	82	–	+34	82	–	–
Intangible Assets	**2,373**	**1,956**	**–**	**-417**	**1,956**	**–**	**–**
Investments in Securities	**5,486**	**1,426**	**–**	**-4,060**	**1,426**	**–**	**+174**
Other	**7,628**	**6,178**	**-2**	**-1,450**	**6,178**	**–**	**–**
Total Assets	**251,757**	**273,459**	**3,576**	**+21,702**	**311,046**	**+36,786**	**+177**

[1] Other refers to company assets that are not allocated to the three business segments
[2] Unrealized Gains on Listed Securities is recorded in Unrealized Gains on Operational Investments in Securities and in Investments in Securities.

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Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loans	Operational Securities Investments	Real Estate for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management	534	–	–	–	30	1,522	–	734	**2,821**
Value-Add	14,535	1,324	84	167,805	25,920	160	–	3,415	**213,245**
Clean Energy	1,063	–	512	–	19,620	250	–	760	**22,208**
Other	91	–	837	–	–	–	1,426	-449	**1,906**
Company-Wide Assets	31,453	–	–	–	82	23	–	1,717	**33,277**
Total	**47,678**	**1,324**	**1,433**	**167,805**	**45,654**	**1,956**	**1,426**	**6,178**	**273,459**

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Consolidated P&L: Gross Profit Segment Breakdown

(JPY million)

Segment	Revenue			Gross Profit			YOY (Gross Profit)
	FY16/2	FY17/2	Change	FY16/2	FY17/2	Change	
Asset Management	**5,067**	**4,747**	**-320**	**3,281**	**2,910**	**-371**	**-11.3%**
Asset Management Fees	1,670	2,177	+507	1,658	2,167	+509	+30.7%
PM/BM Fees	2,201	2,313	+112	492	505	+12	+2.6%
Other	1,195	255	-939	1,129	236	-892	-79.1%
Value-Add	**42,944**	**92,138**	**+49,194**	**15,877**	**20,229**	**+4,352**	**+27.4%**
Rental Income	12,459	14,645	+2,186	8,054	9,670	+1,615	+20.1%
Asset Sales	30,485	77,493	+47,008	7,823	10,559	+2,736	+35.0%
Clean Energy	**1,628**	**12,352**	**+10,724**	**683**	**3,772**	**+3,089**	**+451.9%**
Other	**58**	**14**	**-44**	**21**	**-105**	**-126**	**–**
Total	**49,699**	**109,253**	**+59,554**	**19,863**	**26,806**	**+6,943**	**+35.0%**

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Consolidated P&L: Results vs. Forecast

(JPY million)

Segment	FY17/2 (12M)						FY17/2 Full-Year Forecast (12M)		
	Revenue	vs. Full-Year Forecast	Gross Profit	vs. Full-Year Forecast	Operating Profit	vs. Full-Year Forecast	Revenue	Gross Profit	Operating Profit
Asset Management	**4,747**	**-6.5%**	**2,910**	**-3.0%**	**2,326**	**-2.5%**	**5,079**	**2,999**	**2,386**
Asset Management Fees	2,177	-1.9%	2,167	-1.9%	–	–	2,219	2,209	–
PM/BM Fees	2,313	-10.6%	505	-4.9%	–	–	2,588	531	–
Other	255	-5.6%	236	-8.7%	–	–	271	259	–
Value-Add	**92,138**	**-15.7%**	**20,229**	**+13.5%**	**16,213**	**+19.8%**	**109,297**	**17,820**	**13,530**
Rental Income	14,645	+9.7%	9,670	+10.8%	–	–	13,346	8,727	–
Asset Sales	77,493	-19.2%	10,559	+16.1%	–	–	95,950	9,093	–
Clean Energy	**12,352**	**+10.8%**	**3,772**	**+23.1%**	**3,301**	**+26.6%**	**11,152**	**3,065**	**2,608**
Other	**14**	**-79.1%**	**-105**	**–**	**-165**	**–**	**71**	**-18**	**-84**
Total	**109,253**	**-13.0%**	**26,806**	**+12.3%**	**21,676**	**+17.6%**	**125,600**	**23,867**	**18,440**
Adjustment (including offsets of inter-segment transactions)	**–**	**–**	**–**	**–**	**104**	**–**	**–**	**–**	**59**
Total	**109,253**	**-13.0%**	**26,806**	**+12.3%**	**21,781**	**+17.7%**	**125,600**	**23,867**	**18,500**

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Asset Management AUM Detail

		FY12/2 (12M)	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)
Ichigo Office REIT (8975)	AUM (Fiscal Year End)	JPY 106.1B	JPY 104.3B	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 194.5B
	AM Fee % (Average)	0.61%	0.63%	0.65%	0.65%	0.64%	0.69%[1]
	AM Fee Gross Profit (Actual)	JPY 719M	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 1,291M
Ichigo Hotel REIT (3463)	AUM (Fiscal Year End)	–	–	–	–	JPY 20.4B	JPY 47.6B
	AM Fee % (Average)	–	–	–	–	0.59%[1]	0.90%[1]
	AM Fee Gross Profit (Actual)	–	–	–	–	JPY 30M	JPY 287M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	–	–	–	JPY 10.0B
	AM Fee % (Average)	–	–	–	–	–	0.83%[1]
	AM Fee Gross Profit (Actual)	–	–	–	–	–	JPY 5M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 213.3B	JPY 169.7B	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 6.4B
	AM Fee % (Average)	0.15%	0.15%	0.26%	0.37%	0.32%	0.25%[1]
	AM Fee Gross Profit (Actual)	JPY 284M	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 27M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 319.3B	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 258.6B
	AM Fee % (Average)	0.33%	0.33%	0.47%	0.59%	0.61%	0.69%[1]
	AM Fee Gross Profit (Actual)	JPY 1,004M	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,610M

[1] Annualized

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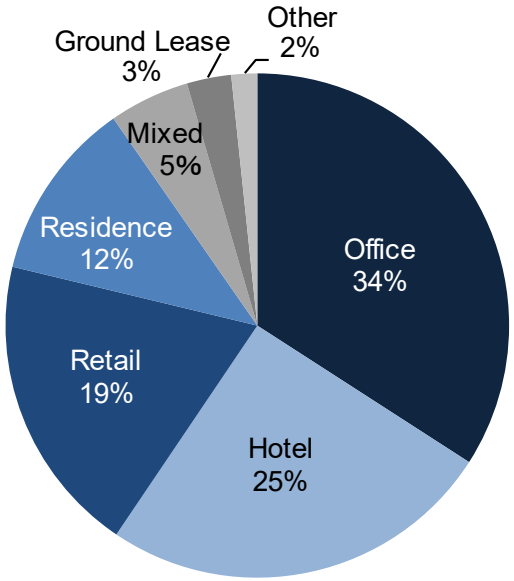
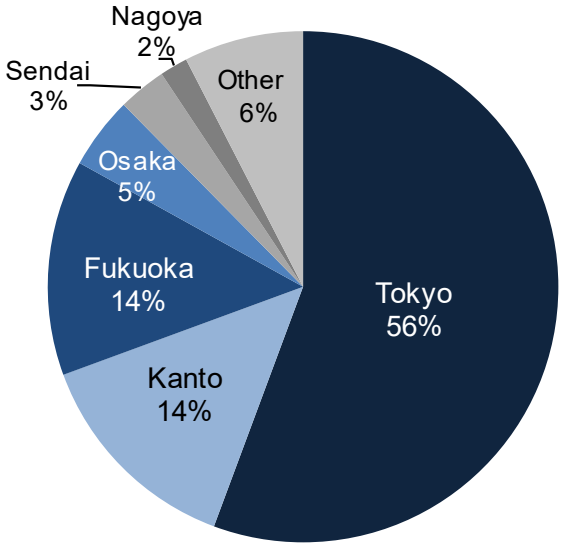
Ichigo-Owned Real Estate Portfolio

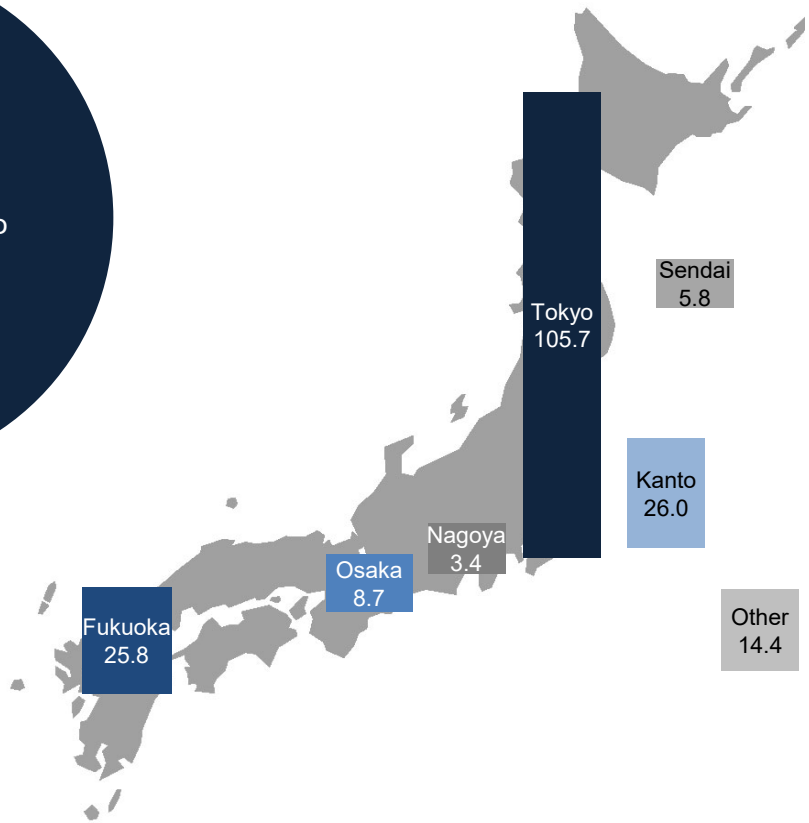
Asset Class



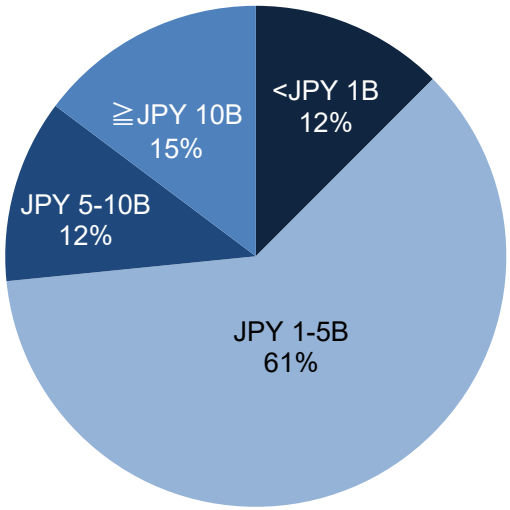
Asset Location



(JPY billion)



Asset Size



Total Ichigo-Owned Assets: JPY 189.8B

Including Ichigo-Managed AUM: JPY 454.1B

(Acquisition price basis. Total Ichigo-Owned Assets Book Value: JPY 189.1B)

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Value-Add Asset Breakdown (1)

92 Assets, JPY 189.8B, Forecast NOI JPY 11.0B (6.4% Yield)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
1	Other	Fixed Asset	Matsudo City, Chiba	44 years	JPY 2B-3B	2005/06	JPY 74M	JPY 1,900M	–	–
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	47 years	JPY 2B-3B	2005/10	JPY 147M	JPY 1,033M	–	–
3	Retail	Real Estate for Sale	Minato-ku, Tokyo	31 years	≧JPY 3B	2006/03	JPY 191M	JPY 1,356M	–	–
4	Retail	Fixed Asset	Yokohama City, Kanagawa	12 years	JPY 1B-2B	2006/09	JPY 73M	JPY 1,157M	–	–
5	Office	Real Estate for Sale	Sendai City, Miyagi	8 years	≧JPY 3B	2006/10	JPY 275M	JPY 1,042M	–	–
6	Office	Fixed Asset	Fukuoka City, Fukuoka	8 years	≧JPY 3B	2006/12	JPY 391M	JPY 1,339M	–	–
7	Other	Fixed Asset	Isumi City, Chiba	–	JPY 1B-2B	2007/02	–	JPY 1,055M	–	–
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	12 years	<JPY 1B	2007/04	JPY 56M	JPY 403M	–	–
10	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	37 years	<JPY 1B	2007/06	JPY 85M	JPY 240M	–	–
11	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	35 years	<JPY 1B	2007/06	JPY 123M	JPY 233M	–	–
12	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	53 years	JPY 2B-3B	2007/06	JPY 252M	JPY 554M	–	–
13	Office	Real Estate for Sale	Minato-ku, Tokyo	43 years	≧JPY 3B	2007/11	JPY 388M	JPY 2,049M	–	–
14	Ground Lease	Real Estate for Sale	Atsugi City, Kanagawa	–	JPY 1B-2B	2011/06	JPY 176M	JPY 147M	–	–
15	Mixed(Office/Retail)	Fixed Asset	Hiratsuka City, Kanagawa	21 years	<JPY 1B	2012/02	JPY 86M	JPY 172M	–	–
16	Retail	Real Estate for Sale	Yokohama City, Kanagawa	3 years	<JPY 1B	2012/10	JPY 33M	JPY 171M	–	–

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (2)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
17	Retail	Fixed Asset	Toshima-ku, Tokyo	5 years	≧JPY 3B	2013/03	JPY 230M	JPY 340M	–	–
18	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30 years	<JPY 1B	2013/05	JPY 46M	JPY 154M	–	–
19	Mixed(Office/Retail)	Fixed Asset	Chofu City, Tokyo	31 years	JPY 1B-2B	2013/06	JPY 122M	JPY 310M	–	–
21	Residence	Real Estate for Sale	Minato-ku, Tokyo	1 year	<JPY 1B	2013/06	JPY 45M	JPY 203M	–	–
23	Residence	Real Estate for Sale	Osaka City, Osaka	10 years	<JPY 1B	2013/08	JPY 46M	JPY 81M	–	–
24	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	26 years	JPY 1B-2B	2013/08	JPY 86M	JPY 520M	–	–
26	Retail	Fixed Asset	Kobe City, Hyogo	16 years	JPY 1B-2B	2013/09	JPY 149M	JPY 616M	–	–
27	Retail	Fixed Asset	Tokorozawa City, Saitama	9 years	JPY 1B-2B	2013/11	JPY 62M	JPY 92M	–	–
28	Ground Lease	Real Estate for Sale	Chiba City, Chiba	–	JPY 2B-3B	2014/02	JPY 128M	JPY 342M	–	–
29	Ground Lease	Real Estate for Sale	Fujisawa City, Kanagawa	–	JPY 1B-2B	2014/03	JPY 115M	JPY 273M	7.52 x	44.5%
30	Mixed(Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	33 years	<JPY 1B	2014/03	JPY 39M	JPY 108M	6.95 x	26.0%
31	Office	Real Estate for Sale	Shibuya-ku, Tokyo	6 years	JPY 1B-2B	2014/04	JPY 61M	JPY 1,090M	1.25 x	12.0%
32	Retail	Fixed Asset	Fukuoka City, Fukuoka	10 years	JPY 1B-2B	2014/04	JPY 60M	JPY 279M	–	–
33	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	28 years	JPY 2B-3B	2014/05	JPY 157M	JPY 530M	2.04 x	20.0%
34	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	23 years	JPY 1B-2B	2014/05	JPY 133M	JPY 515M	2.27 x	23.4%

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (3)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
35	Mixed(Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	8 years	JPY 2B-3B	2014/05	JPY 162M	JPY 434M	3.08 x	15.2%
36	Residence	Real Estate for Sale	Kumamoto City, Kumamoto	10 years	≧JPY 3B	2014/06	–	–	–	–
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	45 years	<JPY 1B	2014/07	JPY 39M	JPY 77M	10.47 x	23.9%
38	Mixed(Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	41 years	≧JPY 3B	2014/07	JPY 188M	JPY 645M	3.32 x	21.1%
39	Retail	Fixed Asset	Fukuoka City, Fukuoka	12 years	<JPY 1B	2014/07	JPY 47M	JPY 213M	–	–
40	Retail	Fixed Asset	Fukuoka City, Fukuoka	31 years	<JPY 1B	2014/09	JPY 52M	JPY 252M	–	–
41	Hotel	Real Estate for Sale	Utsunomiya City, Tochigi	29 years	JPY 1B-2B	2014/09	JPY 144M	JPY 400M	1.97 x	28.3%
42	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	16 years	<JPY 1B	2014/09	JPY 54M	JPY 177M	5.54 x	26.2%
43	Retail	Real Estate for Sale	Osaka City, Osaka	14 years	JPY 1B-2B	2014/09	JPY 102M	JPY 301M	4.64 x	24.3%
44	Retail	Real Estate for Sale	Machida City, Tokyo	30 years	<JPY 1B	2014/10	JPY 51M	JPY 82M	11.34 x	43.9%
45	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	14 years	JPY 1B-2B	2014/11	JPY 76M	JPY 135M	10.70 x	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	13 years	JPY 2B-3B	2014/12	JPY 116M	JPY 332M	2.18 x	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 90M	JPY 270M	1.56 x	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 79M	JPY 238M	1.67 x	16.6%
49	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 64M	JPY 185M	1.63 x	15.7%

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (4)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 60M	JPY 163M	1.55 x	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	15 years	<JPY 1B	2014/12	JPY 57M	JPY 150M	2.21 x	35.7%
52	Residence	Real Estate for Sale	Osaka City, Osaka	9 years	<JPY 1B	2014/12	JPY 58M	JPY 148M	1.86 x	24.8%
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	13 years	<JPY 1B	2014/12	JPY 40M	JPY 99M	2.96 x	44.4%
54	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 39M	JPY 123M	1.97 x	23.3%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 28M	JPY 82M	2.05 x	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 85M	JPY 270M	2.00 x	23.2%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90 x	21.0%
58	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89 x	21.5%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 42M	JPY 117M	2.11 x	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	10 years	<JPY 1B	2014/12	JPY 19M	JPY 55M	1.80 x	21.1%
61	Mixed(Office/Retail)	Operating Loan	Shinjuku-ku, Tokyo	53 years	JPY 1B-2B	2014/12	JPY 118M	JPY 57M	15.26 x	51.7%
62	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	13 years	<JPY 1B	2014/12	JPY 43M	JPY 212M	–	–
63	Retail	Fixed Asset	Meguro-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 83M	JPY 129M	–	–
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	62 years	<JPY 1B	2015/01	JPY 17M	–	–	–

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (5)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
66	Retail	Real Estate for Sale	Sendai City, Miyagi	13 years	<JPY 1B	2015/02	JPY 49M	JPY 8M	42.58 x	198.9%
68	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	15 years	<JPY 1B	2015/04	JPY 39M	JPY 79M	5.65 x	27.9%
69	Hotel	Real Estate for Sale	Osaka City, Osaka	14 years	JPY 2B-3B	2015/05	JPY 194M	JPY 633M	1.56 x	58.3%
70	Hotel	Real Estate for Sale	Aomori City, Aomori	9 years	<JPY 1B	2015/06	JPY 51M	JPY 113M	2.10 x	20.2%
71	Retail	Real Estate for Sale	Fujisawa City, Kanagawa	1 year	JPY 1B-2B	2015/07	JPY 97M	JPY 126M	6.80 x	37.3%
85	Office	Real Estate for Sale	Bunkyo-ku, Tokyo	24 years	JPY 2B-3B	2015/07	JPY 114M	JPY 428M	1.34 x	16.8%
88	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	29 years	JPY 1B-2B	2015/07	JPY 94M	JPY 355M	1.32 x	15.8%
89	Office	Real Estate for Sale	Musashino City, Tokyo	28 years	≧JPY 3B	2015/07	JPY 128M	JPY 670M	1.72 x	13.3%
92	Office	Real Estate for Sale	Fukuoka City, Fukuoka	9 years	JPY 1B-2B	2015/07	JPY 91M	JPY 353M	1.82 x	17.7%
93	Office	Real Estate for Sale	Fukuoka City, Fukuoka	14 years	JPY 1B-2B	2015/07	JPY 90M	JPY 358M	1.92 x	18.8%
96	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	24 years	<JPY 1B	2015/08	JPY 27M	JPY 2M	5.52 x	291.5%
98	Hotel	Real Estate for Sale	Naha City, Okinawa	28 years	JPY 2B-3B	2015/11	JPY 232M	JPY 640M	1.91 x	25.9%
105	Hotel	Real Estate for Sale	Kumamoto City, Kumamoto	32 years	JPY 1B-2B	2015/12	JPY 142M	JPY 453M	1.61 x	61.2%

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (6)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
109	Hotel	Real Estate for Sale	Nagoya City, Aichi	8 years	JPY 2B-3B	2016/03	JPY 124M	JPY 525M	1.84 x	37.7%
110	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	31 years	≧JPY 3B	2016/03	JPY 273M	JPY 905M	2.05 x	104.5%
111	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	33 years	JPY 2B-3B	2016/03	JPY 192M	JPY 228M	5.32 x	23.3%
112	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	29 years	≧JPY 3B	2016/03	JPY 249M	JPY 354M	10.64 x	36.2%
113	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	29 years	≧JPY 3B	2016/03	JPY 223M	JPY 344M	5.84 x	25.5%
114	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	27 years	≧JPY 3B	2016/04	JPY 177M	JPY 550M	1.73 x	72.6%
115	Hotel	Real Estate for Sale	Osaka City, Osaka	9 years	JPY 2B-3B	2016/04	JPY 117M	JPY 274M	2.96 x	30.7%
116	Retail	Real Estate for Sale	Sendai City, Miyagi	28 years	<JPY 1B	2016/04	JPY 48M	JPY 86M	7.50 x	28.4%
118	Retail	Real Estate for Sale	Nagoya City, Aichi	19 years	JPY 1B-2B	2016/06	JPY 84M	JPY 102M	7.71 x	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	29 years	<JPY 1B	2016/06	JPY 31M	JPY 136M	3.91 x	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	37 years	≧JPY 3B	2016/09	JPY 288M	JPY 349	2.70 x	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	16 years	≧JPY 3B	2016/10	JPY 1,352M	JPY 3,450	2.87 x	43.5%

* Assets acquired in the current FY17/2 period

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Value-Add Asset Breakdown (7)

No.	Asset Class	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple[1]	Forecast IRR[2]
122	Hotel	Real Estate for Sale	Shima City, Mie	19 years	<JPY 1B	2017/01	JPY 47M	JPY 73M	5.49 x	43.1%
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	22 years	≧JPY 3B	2016/12	JPY 152M	JPY 1,123M	1.25 x	25.4%
124	Hotel	Real Estate for Sale	Asahikawa City, Hokkaido	27 years	<JPY 1B	2016/12	JPY 74M	JPY 593M	1.48 x	48.5%
125	Hotel	Real Estate for Sale	Kurashiki City, Okayama	23 years	JPY 1B-2B	2016/12	JPY 93M	JPY 484M	1.53 x	53.0%
126	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	26 years	JPY 1B-2B	2016/12	JPY 67M	JPY 505M	1.25 x	25.4%
127	Hotel	Real Estate for Sale	Ishigaki City, Okinawa	14 years	JPY 2B-3B	2017/02	JPY 162M	JPY 544M	1.80 x	80.2%
128	Hotel	Real Estate for Sale	Mito City, Ibaraki	23 years	JPY 1B-2B	2017/02	JPY 97M	JPY 602M	1.47 x	47.0%
			Total	**92 Assets**	**JPY 189,833M**		**JPY 11,089M**	**JPY 39,437M**	**2.67 x**	**38.6%**
			Total	**92 Assets**	**JPY 189,157M**	**(Book Value)**				
			Assets acquired in FY17/2 Q1 Total 9 Assets		**JPY 23,485M**		**JPY 1,441M**	**JPY 3,392M**	**3.66 x**	**85.8%**
			Assets acquired in FY17/2 Q2 Total 2 Assets		**JPY 2,100M**		**JPY 115M**	**JPY 238M**	**5.54 x**	**25.0%**
			Assets acquired in FY17/2 Q3 Total 2 Assets		**JPY 35,100M**		**JPY 1,640M**	**JPY 3,799M**	**2.86 x**	**41.7%**
			Assets acquired in FY17/2 Q4 Total 7 Assets		**JPY 10,061M**		**JPY 692M**	**JPY 3,924M**	**1.51 x**	**46.1%**
			Assets acquired in FY17/2 Cumulative (12M) Total 20 Assets		**JPY 70,747M**		**JPY 3,889M**	**JPY 11,354M**	**2.69 x**	**61.4%**
			Note: Assets acquired and sold in FY17/2 Total 1 Asset		**JPY 670M**		**JPY 38M**	**JPY 126M**	**1.57 x**	**413.7%**

* Assets acquired in the current FY17/2 period

[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 Ichigo Investment.
[2] Forecast IRR is the forecast internal rate of return based on each asset's actual cash flow. The total Forecast Equity Multiple and Forecast IRR reflect assets acquired from FY15/2 onward and exclude Fixed Assets.

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Reference: Japan's Feed-in-Tariff (FIT)

What is a FIT?

- A policy mechanism designed to accelerate the deployment of renewable energy such as solar and wind, guaranteeing a long-term sale price for electricity (in Japan, 20 years) at a fixed price.
- Japan's FIT is updated every year.

Contract Date	Tariff per 1kWh	Guarantee Period
FY2012	JPY 40	20 years
FY2013	JPY 36	20 years
FY2014	JPY 32	20 years
FY2015 (4/1～6/30)	JPY 29	20 years

Contract Date	Tariff per 1kWh	Guarantee Period
FY2015 (7/1～3/31)	JPY 27	20 years
FY2016	JPY 24	20 years
FY2017	JPY 21*	20 years

* Tariff for >2MW non-residence solar power fixed at bid price since FY2017

Pre-consumption tax FIT for power plants with output of >10kW
Source: METI, Agency for Natural Resources and Energy

Current Regulatory Framework and Ichigo Plant Status

- Utilities are allowed to suspend renewable energy supply, without compensation, if supply exceeds demand. The maximum suspension duration is either 30 days per year or 360 hours per year.
- Although utilities are not allowed to suspend acceptance of applications (based on the "Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities"), approval for grid connection is pending for many solar power suppliers.
- In certain cases, utilities that are potentially subject to renewable energy production in excess of their grid capacity are allowed to suspend renewable energy supply from new suppliers without limit and without compensation. None of Ichigo's power plants are subject to these suspensions.

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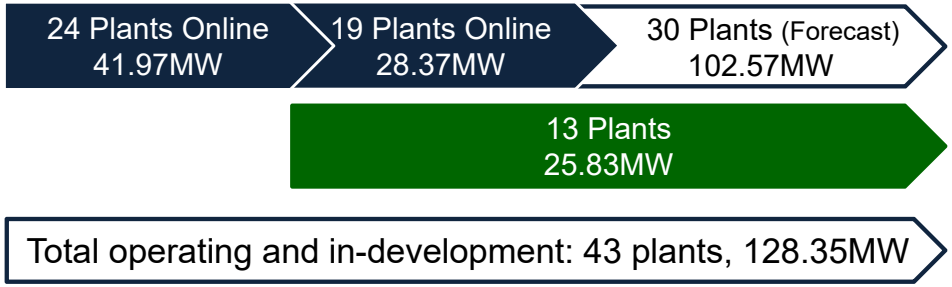
Clean Energy Earnings

Earnings Growth via Solar Power Plant Sales to Ichigo Green
OP 10X YOY (JPY 3.3B in FY17/2 vs. JPY 323M in FY16/2)

	FY16/2 (12M)	FY17/2 (12M)	FY17/2 Full-Year Forecast (12M)	vs. of Full-Year Forecast
Revenue	JPY 1,628M	JPY 12,352M	JPY 11,152M	+10.8%
Cost of Goods Sold	JPY 945M	JPY 8,580M	JPY 8,087M	–
Gross Profit	JPY 683M	JPY 3,772M	JPY 3,065M	+23.1%
SG&A	JPY 358M	JPY 470M	JPY 456M	–
Adjustments (including offsets of inter-segment transactions)	–	–	–	–
Operating Profit	JPY 323M	JPY 3,301M	JPY 2,608M	+26.6%

Solar Power Plant Schedule



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Solar Power Plant Portfolio (1)

Ichigo (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi Okinosu	Shikoku	2.52	JPY 40	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.61	JPY 40	Oct 2014
Ichigo Higashi Hiroshima Saijocho Taguchi	Chugoku	2.73	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.81	JPY 40	Mar 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	Dec 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.12	JPY 32	Mar 2016
Ichigo Yamaguchi Sayama	Chugoku	2.36	JPY 36	Apr 2016
Ichigo Kijo Takajo	Kyushu	0.90	JPY 40	May 2016
Ichigo Toki Oroshicho	Chubu	1.40	JPY 36	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	Feb 2017

Ichigo (In-Development)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Memuro Nishishikari	Hokkaido	1.33	JPY 40	Dec 2017
Ichigo Showamura Ogose	Kanto	43.35	JPY 36	Jan 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.65	JPY 36	Jan 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.61	JPY 24	Jan 2018
Ichigo Tsu	Chubu	2.95	JPY 24	Feb 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.27	JPY 24	Mar 2018
Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	May 2018
Ichigo Itoshima Ihara	Kyushu	1.30	JPY 36	Jul 2018
Ichigo Minakami Aramaki	Kanto	10.26	JPY 36	Apr 2019
Ichigo Hitachi Omiya	Kanto	2.97	JPY 24	Nov 2019
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.65	JPY 32	Nov 2021
Total (Operating & In-Development)		102.57MW		

Ichigo Green (9282)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	Feb 2014
Ichigo Muroran Hatchodaira	Hokkaido	1.24	JPY 40	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	Mar 2014
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	Dec 2014
Ichigo Toyokoro	Hokkaido	1.02	JPY 40	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	JPY 40	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	Jun 2015
Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 36	Jul 2015
Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	Sep 2015
Total		25.83MW		

Total Solar Plant Output

128.35MW

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Solar Power Plant Portfolio (2)

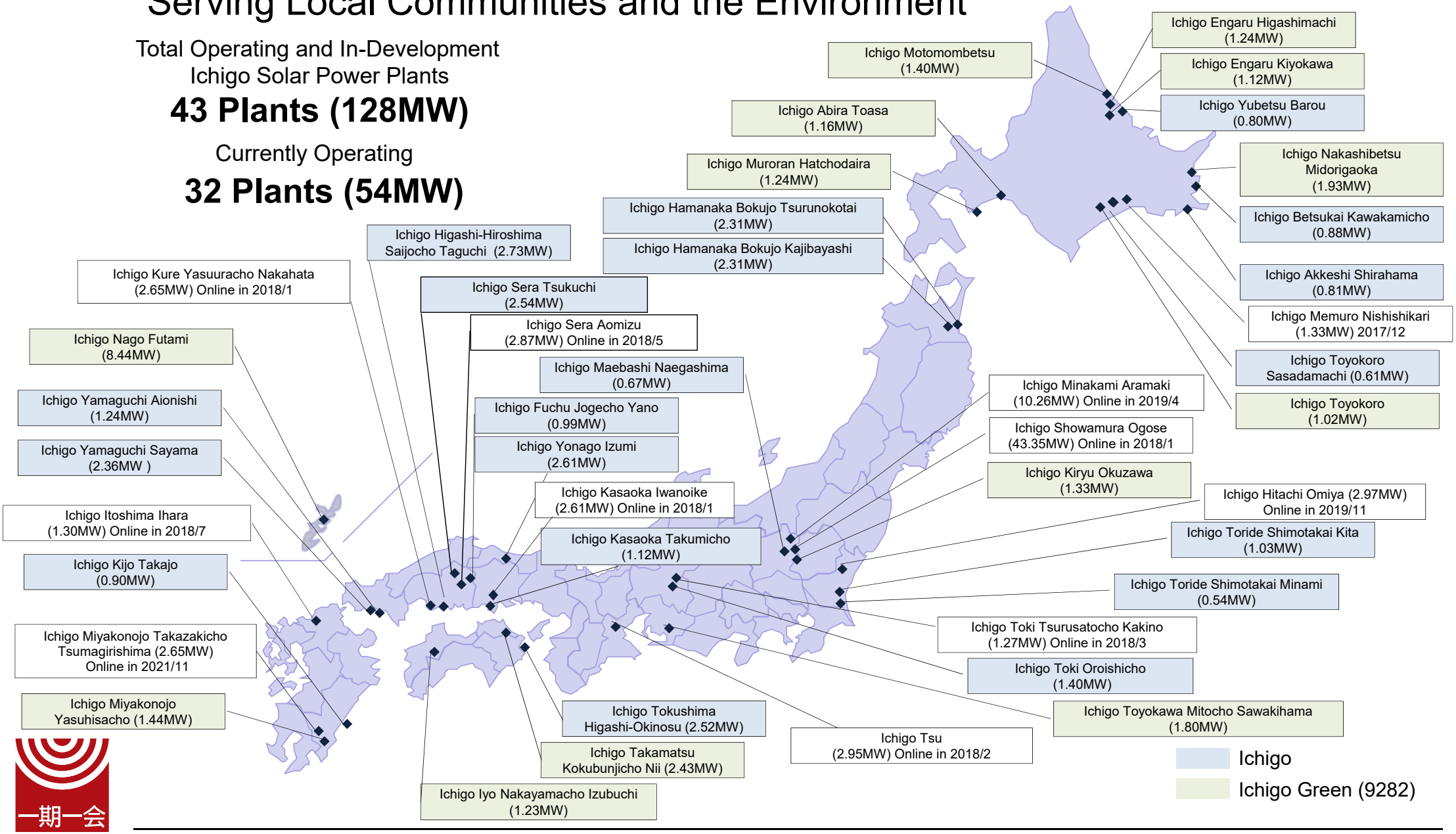
Serving Local Communities and the Environment

Total Operating and In-Development
Ichigo Solar Power Plants

43 Plants (128MW)

Currently Operating

32 Plants (54MW)



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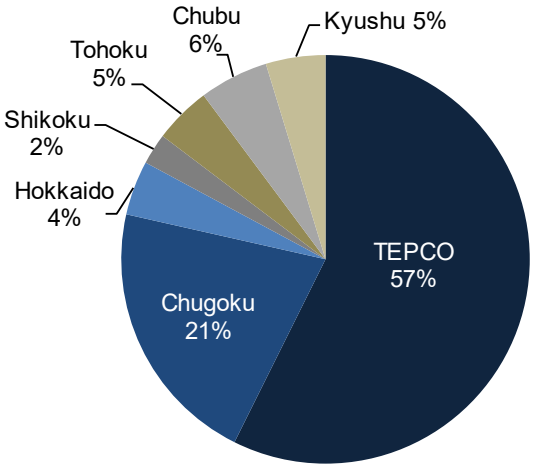
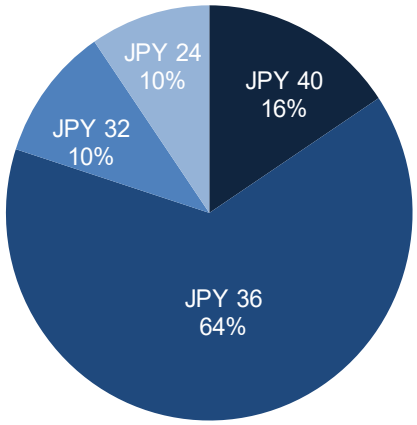
Ichigo-Owned Solar Power Plant Details

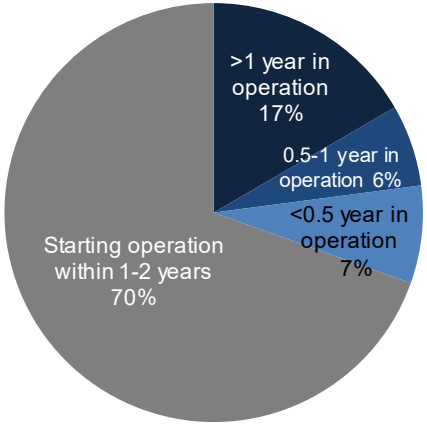
■ By Customer
(Electric Power Utility Co)



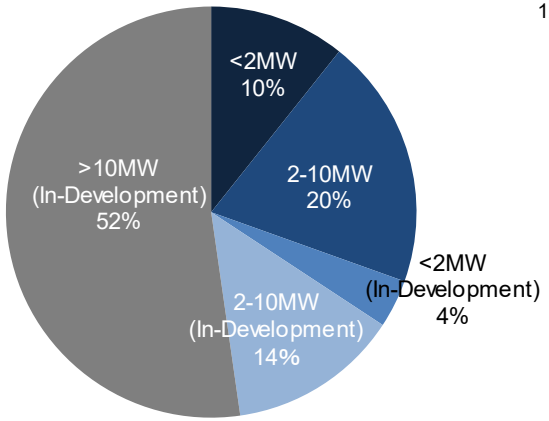
■ By Feed-In-Tariff



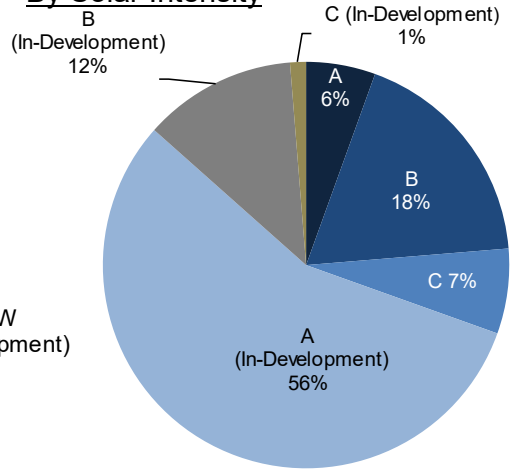
■ By Operating Timeline



■ By Output



■ By Solar Intensity



Rank	Solar Intensity
A	≧4.00
B	≧3.75, <4.00
C	≧3.50, <3.75
D	<3.50

Unit: kWh/m² per day

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Consolidated Balance Sheet: Assets

(JPY million)

	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2	Change (YOY)
Assets						
Current Assets						
Cash and cash equivalents	9,713	24,991	19,383	28,779	47,678	+18,899
Trade notes and accounts receivable	548	451	519	691	913	+222
Operational loan investments	3,636	1,100	2,330	1,324	1,324	–
Operational securities investments	4,271	3,583	1,965	1,784	1,433	-351
Real estate for sale	46,176	54,084	109,769	172,833	167,805	-5,028
Deferred tax assets	369	576	1,200	1,766	516	-1,250
Other	2,042	1,384	2,657	3,966	3,125	-841
Less: allowance for doubtful accounts	-3,177	-410	-484	-458	-453	+5
Total Current Assets	63,581	85,761	137,342	210,687	222,344	+11,657
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	2,863	4,901	4,021	3,830	7,375	+3,545
Solar power plant equipment (net)	21	2,044	9,168	12,256	7,246	-5,010
Land	7,082	12,433	12,142	12,192	18,627	+6,435
Other (net)	80	1,922	989	3,264	12,402	+9,138
Total Property, Plant, and Equipment	10,047	21,300	26,321	31,546	45,654	+14,108
Intangible Assets						
Goodwill	2,203	2,221	2,082	1,942	1,864	-78
Leasehold rights	–	392	392	392	62	-330
Other	20	71	27	38	29	-9
Total Intangible Assets	2,223	2,686	2,502	2,373	1,956	-417
Investments and Other Assets						
Securities investments	4,117	4,278	5,266	5,486	1,426	-4,060
Long-term loans receivable	13	13	12	12	10	-2
Deferred tax assets	–	222	2	39	339	+300
Other	545	780	1,392	1,736	1,820	+84
Less: allowance for doubtful accounts	-101	-97	-95	-124	-92	+32
Total Investments and Other Assets	4,575	5,196	6,578	7,149	3,504	-3,645
Total Fixed Assets	16,846	29,183	35,402	41,069	51,115	+10,046
Total Assets	**80,428**	**114,944**	**172,744**	**251,757**	**273,459**	**+21,702**

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Consolidated Balance Sheet: Liabilities & Net Assets

(JPY million)

	FY13/2	FY14/2	FY15/2	FY16/2	FY17/2	Change (YOY)
Liabilities						
Current Liabilities						
Trade notes and accounts payable	64	132	124	80	110	+30
Short-term loans	484	950	1,416	2,188	805	-1,383
Short-term non-recourse loans	–	–	48	79	611	+532
Bonds (due within one year)	–	–	–	–	112	+112
Long-term loans (due within one year)	966	3,123	3,488	8,161	5,209	-2,952
Long-term non-recourse loans (due within one year)	2,263	428	786	2,975	6,825	+3,850
Income taxes payable	65	96	284	631	1,655	+1,024
Deferred tax liabilities	15	24	30	53	62	+9
Accrued bonuses	25	14	16	13	36	+23
Other current liabilities	3,419	2,817	3,677	3,979	4,119	+140
Total Current Liabilities	7,304	7,588	9,872	18,161	19,548	+1,387
Long-Term Liabilities						
Bonds	–	–	–	–	632	+632
Non-recourse bonds	–	–	100	100	100	–
Long-term loans	5,456	26,126	53,409	94,409	91,604	-2,805
Long-term non-recourse loans	32,776	24,178	43,004	56,193	68,319	+12,126
Deferred tax liabilities	277	1,213	1,402	1,543	1,147	-396
Long-term security deposits received	3,230	4,770	6,391	8,707	8,038	-669
Negative goodwill	270	180	90	–	–	–
Other long-term liabilities	46	44	96	475	624	+149
Total Long-Term Liabilities	42,056	56,513	104,494	161,430	170,467	+9,037
Total Liabilities	**49,361**	**64,102**	**114,367**	**179,591**	**190,015**	**+10,424**
Net Assets						
Shareholders' Equity						
Capital	18,113	26,443	26,499	26,575	26,650	+75
Capital reserve	2,429	10,808	10,873	10,968	11,056	+88
Retained earnings	7,923	10,891	17,201	29,454	42,840	+13,386
Treasury shares	-187	-92	-78	-41	-15	+26
Total Shareholders' Equity	28,279	48,050	54,496	66,956	80,532	+13,576
Accumulated Other Comprehensive Income						
Valuation gain (loss) on other securities	160	400	1,208	761	117	-644
Deferred gain (loss) on long-term interest rate hedges	–	–	-36	-251	-365	-114
Foreign currency translation adjustment	16	9	6	23	55	+32
Total Accumulated Other Comprehensive Income	177	409	1,177	533	-192	-725
Stock Options	143	121	198	319	491	+172
Minority Interests	2,466	2,261	2,505	4,357	2,612	-1,745
Total Net Assets	**31,066**	**50,842**	**58,377**	**72,166**	**83,443**	**+11,277**
Total Liabilities and Net Assets	**80,428**	**114,944**	**172,744**	**251,757**	**273,459**	**+21,702**

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Consolidated P&L

(JPY million)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	Change (YOY)	FY17/2 Full-Year Forecast	vs. Forecast
Revenue	**16,397**	**35,101**	**42,705**	**49,699**	**109,253**	**+59,554**	**125,600**	**-13.0%**
Cost of Goods Sold	11,422	27,666	30,539	29,835	82,446	+52,611	-	-
Gross Profit	**4,974**	**7,435**	**12,166**	**19,863**	**26,806**	**+6,943**	**23,867**	**+12.3%**
SG&A	3,130	3,522	3,977	4,446	5,025	+579	-	-
Operating Profit	**1,844**	**3,912**	**8,189**	**15,417**	**21,781**	**+6,364**	**18,500**	**+17.7%**
Non-Operating Income								
Interest income	3	4	5	2	–	-2	–	–
Dividend income	24	112	78	79	85	+6	–	–
Amortization of negative goodwill	90	90	90	90	–	-90	–	–
Other	36	31	39	43	32	-11	–	–
Total Non-Operating Income	155	238	213	215	118	-97	–	–
Non-Operating Expenses								
Interest expense	238	370	943	1,277	1,303	+26	–	–
Stock issuance cost	–	89	–	–	–	–	–	–
Other	26	93	202	465	839	+374	–	–
Total Non-Operating Expenses	265	553	1,146	1,743	2,144	+401	–	–
Recurring Profit	**1,734**	**3,597**	**7,255**	**13,889**	**19,755**	**+5,866**	**16,400**	**+20.5%**
Extraordinary Gains								
Gain on sale of fixed assets	9	7	–	–	–	–	–	–
Gain on sale of securities investments	72	204	–	223	2,466	+2,243	–	–
Receipt of share trading proceeds	–	434	–	–	–	–	–	–
Other	–	33	57	–	–	–	–	–
Total Extraordinary Gains	83	680	57	223	2,466	+2,243	–	–
Extraordinary Losses								
Loss on sale / retirement of fixed assets	1	1	–	–	–	–	–	–
Valuation loss on securities investments	62	–	–	49	–	-49	–	–
Office move expenses	19	21	1	9	31	+22	–	–
Impairment loss	33	307	–	–	1,090	+1,090	–	–
Earthquake-related damages	–	–	–	–	244	+244	–	–
Other	8	13	91	31	224	+193	–	–
Total Extraordinary Losses	124	344	93	89	1,590	+1,501	–	–
Pre-Tax Net Income	1,693	3,933	7,220	14,022	20,630	+6,608	–	–
Income Taxes – Current	54	43	564	1,330	4,863	+3,533	–	–
Income Taxes – Deferred	-106	-616	-220	-369	573	+942	–	–
Total Income Taxes	-51	-573	343	960	5,436	+4,476	–	–
Pre-Minority Interest Net Income	1,745	4,506	6,876	13,062	15,194	+2,132	–	–
Net Income Attributable to Minority Interests	108	-19	115	136	299	+163	–	–
Net Income	**1,637**	**4,526**	**6,761**	**12,925**	**14,894**	**+1,969**	**13,300**	**+12.0%**

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Consolidated Cash Flows from Operating Activities

(JPY million)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)
Cash Flows from Operating Activities:					
Pre-tax net income	1,693	3,933	7,220	14,022	20,630
Depreciation	230	304	565	792	778
Share-based compensation expenses	49	69	112	174	223
Amortization of goodwill	114	139	139	139	141
Amortization of negative goodwill	-90	-90	-90	-90	–
Increase (decrease) in accrued bonuses	3	-11	1	-3	23
Increase (decrease) in allowance for doubtful accounts	195	33	65	3	-3
Increase (decrease) in other allowances	-11	–	–	–	–
Interest and dividend income	-28	-116	-83	-81	-85
Interest expense	238	370	943	1,277	1,303
Loss (gain) on sale of securities investments	-72	-204	–	-223	-2,466
Loss (gain) on sale / retirement of fixed assets	-8	-6	–	–	–
Impairment loss	33	307	–	–	1,090
Valuation loss on securities investments	62	–	–	49	–
Decrease (increase) in trading notes and receivables	515	97	-68	-172	-367
Decrease (increase) in operational loan receivables	-1,100	218	-1,230	1,006	–
Decrease (increase) in operational securities investments	723	1,635	1,110	1,239	2,727
Valuation loss on operational securities investments	63	114	–	19	–
Decrease (increase) in real estate for sale	2,556	-6,729	-42,991	-63,070	-6,303
Decrease (increase) in solar power plants for sale	–	–	–	–	7,251
Valuation loss on real estate for sale	119	–	–	–	–
Valuation loss on SPC capital contributions	1	12	91	11	16
Decrease (increase) in advances paid	–	–	–	-990	-190
Decrease (increase) in accounts receivable	-380	-255	-1,079	-1,140	-193
Increase (decrease) in accounts payable	-39	-139	388	535	204
Increase (decrease) in accrued expenses	519	137	16	42	92
Increase (decrease) in advances received	11	38	211	317	-49
Increase (decrease) in security deposits received	-253	1,230	1,391	2,380	-667
Other	-239	522	-407	435	1,304
Sub-total	4,908	1,611	-33,693	-43,324	25,460
Interest and dividend income received	28	116	83	81	85
Interest expense paid	-220	-378	-843	-1,226	-1,146
Income taxes paid and refunded	-106	-94	161	-186	-2,852
Net Cash from (Used for) Operating Activities	**4,609**	**1,254**	**-34,292**	**-44,654**	**21,547**

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Consolidated Cash Flows from Investing & Financing Activities

(JPY million)

	FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)
Cash Flows from Investing Activities:					
Payments into time deposits	–	–	-325	–	-6,100
Redemptions of time deposits	151	–	325	–	201
Payments for securities investments	-15	–	-210	-671	-300
Proceeds from sale of securities investments	76	282	–	296	6,136
Proceeds from redemptions of investments	30	2	–	3	–
Acquisition of property, plant, and equipment	-124	-7,150	-10,769	-6,628	-11,719
Proceeds from sale of property, plant, and equipment	17	72	–	–	–
Acquisition of intangible assets	–	-389	-23	-21	-1
Payments of SPC capital contributions	-4	-5	-10	-9	-63
Redemption of SPC capital contributions	–	7	–	6	–
Payments of security deposits	–	-5	-127	-37	-5
Acquisitions of subsidiary shares resulting in change of consolidation scope	-218	-1,389	–	–	-93
Payments for acquisitions of newly consolidated subsidiaries	–	–	-1,349	–	–
Other	60	-35	4	9	11
Net Cash from (Used for) Investing Activities	**-27**	**-8,610**	**-12,485**	**-7,052**	**-11,933**
Cash Flows from Financing Activities:					
Net increase (decrease) in short-term loans	314	465	466	771	-1,383
Net increase (decrease) in short-term non-recourse loans	–	–	48	31	532
Proceeds from bond issuance	–	–	–	–	785
Redemptions of corporate bonds	–	–	–	–	-56
Proceeds from long-term loans	5,440	26,777	47,203	64,866	55,674
Repayment of long-term loans	-8,199	-5,388	-19,557	-19,192	-61,221
Proceeds from long-term non-recourse loans	12,346	5,675	19,900	18,150	30,850
Repayment of long-term non-recourse loans	-13,885	-19,030	-5,958	-2,772	-15,400
Proceeds from issuance of common shares	–	16,387	–	–	–
Proceeds from employee exercise of stock options	48	242	99	153	137
Payments received from minority interests	20	–	–	2,000	–
Payments to minority interests	-19	–	–	–	-2,000
Dividends paid	–	-445	-543	-646	-1,501
Dividends paid to minority interests	–	–	–	-43	-39
Net Cash from (Used for) Financing Activities	**-3,935**	**24,682**	**41,658**	**63,318**	**6,377**

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Appendix: Power Up 2019 Mid-Term Business Plan

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Power Up 2019 Key Goals & KPIs

Key Goals

1. Drive Further Sustainable Growth in Ichigo's Core Businesses
2. Develop New Ichigo Businesses
3. Deepen Ichigo's Core Capabilities and Corporate Strength

Power Up 2019 KPIs (Key Performance Indicators)

(JPY million)

	FY16/2 (Actual)	FY17/2 (Actual)	FY18/2 (Forecast)	FY19/2 (Plan)	vs. FY16/2
Operating Profit	15,417	21,781	20,600	**25,000**	**+62.2%**
Recurring Profit	13,889	19,755	18,300	**21,400**	**+54.1%**
Tax Ratio	6.9%	26.4%	30.0%	30.0%	**–**
Net Income	12,925	14,894	13,500	**14,800**	**+14.5%**
EPS	JPY 25.86	JPY 29.66	JPY 26.98	**JPY 29.00**	**+12.1%**
DPS	JPY 3.00	JPY 5.00	JPY 6.00	**JPY 7.00**	**+133.0%**
ROE	21.0%	20.2%	15.9%	**15.6%**	**–**

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Target: Top 200 Ranking within the JPX-Nikkei 400 Index

Ichigo Targeting Ranking Within the Index's Top 200 Companies by August 2019 (the Final Year of Power Up 2019)

Note: While the JPX-Nikkei Index 400 does not provide an official ranking of its 400 constituents, it can be calculated based upon the JPY-Nikkei 400's publically-available quantitative ranking formula, which rank orders the top 1,000 companies from the joint set of the 1,200 highest market capitalization and 1,200 highest value-traded Japanese companies by:

(a) 3-year average ROE (40% weighting)

(b) 3-year cumulative operating profit (40% weighting)

(c) Market capitalization (20% weighting)

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Power Up 2019 Key Initiatives

Profitability

(1) Core Business Growth	• List Ichigo's solar assets on the TSE's new Infrastructure Market • Support the ongoing growth of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463) • Expand the architecture and structural engineering team to deliver real estate that is high-function, safe, secure, and environmentally friendly • Spin out a dedicated leasing team to drive tenant acquisition and rental income
(2) New Business Creation	• Extend Ichigo's REIT-focused asset management business into the much larger physical real estate market • Grow Ichigo's hotel business synergistically with Ichigo Hotel REIT • Launch one or more REtech businesses, fusing Ichigo's Real Estate and IT capabilities

Sustainability

(3) Finance as a Strategic Measure	• Grow both financial stability and earnings • De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile
(4) High Capital Efficiency and Organic Growth	• ROE >15%
(5) Best Place to Work	• Support employee health and wellness • Goal: Japan's number one company in providing opportunities for employees
(6) Global Best Practice Governance and Compliance	

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Adoption of Progressive Dividend & DOE Policy

- ✓ Progressive Dividend: The previous year's dividend is the floor for the current year's dividend. Dividend will be raised (or kept flat) but not cut, providing shareholders with downside dividend protection
- ✓ Newly set a minimum DOE (dividend on equity) payout ratio of >3 %
  - – Dividend payout ratio policy: Dividends based on annual earnings
    → More Volatile
  - – DOE policy: Dividends based on shareholder equity
    → More Stable
- ✓ The combination of a Progressive Dividend and DOE policy will significantly increase the stability, certainty, and visibility of Ichigo's dividend to the benefit of Ichigo's shareholders
- ✓ Adoption of this policy also underscores Ichigo's commitment to driving continued organic earnings growth and dividend growth for its shareholders

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This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

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Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.

Contact:
Ichigo (TSE1 2337)
Investor Relations

TEL: +81-3-3502-4818 FAX:+81-3-3502-4801
E-mail: ir@ichigo.gr.jp
www.ichigo.gr.jp

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