Ichigo Inc.

(Tokyo Stock Exchange First Section, 2337)

Materials for the 17th Annual Shareholder Meeting



Our Mission

Ichigo Preserves and Improves Real Estate

Ichigo is a Japanese real estate owner/operator and clean energy producer. Our three key businesses are Value-Add, in which Ichigo preserves and improves real estate; Asset Management, including managing the Tokyo Stock Exchange-listed Ichigo Office REIT (8975), Ichigo Hotel REIT (3463), and Ichigo Green (9282); and Clean Energy, in which Ichigo builds and operates solar power plants on unused land nationwide. We are committed to creating long-term value and serving the needs of society.

The word “Ichigo” comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning “One lifetime, one encounter.” The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized. Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of all of our clients, shareholders, and stakeholders.



[Provisional Translation Only]
This English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

May 12, 2017

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
Representative: Scott Callon, Chairman

Materials for the Seventeenth Annual Shareholder Meeting

Dear Shareholders:

We are pleased to invite you to attend the Seventeenth Annual Shareholder Meeting of Ichigo Inc. ("Ichigo").

If you are unable to attend the meeting, you may exercise your voting rights via postal mail or the Internet. We would appreciate it if you could please review the Reference Materials for the Annual Shareholder Meeting attached below and cast your vote by returning the enclosed voting form or by accessing our voting website (http://www.evote.jp) no later than Friday, May 26, 2017, 6:30 p.m. JST.

1. Date and Time Sunday, May 28, 2017 at 10:00 a.m.

2. Place La Rose, Fifth Floor, Dai-ichi Hotel Tokyo
1-2-6 Shimbashi, Minato-ku, Tokyo

3. Agenda

Matters to be Reported

a. Business Report, Consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements by the Independent Auditor and Audit Committee for the Seventeenth Term (March 1, 2016 – February 28, 2017)

b. Parent Financial Statements for the Seventeenth Term (March 1, 2016 – February 28, 2017)

Matters to be Resolved

Election of 9 Directors

Additional Accounting Notes

Additional accounting notes to Ichigo's consolidated and parent financial statements are disclosed on our website at www.ichigo.gr.jp/ir/library

Please also note that any amendments to the business report, consolidated and parent financial statements, or shareholder meeting materials will be posted on our website at www.ichigo.gr.jp

Voting via the Internet

1. Handling of Multiple Votes via both the Proxy Card and the Internet

If you cast multiple votes via both the proxy card and the Internet voting site, only the vote cast via the Internet will be deemed effective.

2. Handling of Multiple Votes via the Internet

If you cast multiple votes via the Internet voting site, only the last vote will be deemed effective.

3. Internet Voting Procedure

The internet voting procedure is per the below. If you choose to attend the meeting, voting via the proxy card or the Internet is unnecessary.

a. Voting Website

(i) You can access the designated website www.evote.jp from a PC, smartphone, or mobile phone. Please note that the website is not available from 2 a.m. to 5 a.m. JST daily.

(ii) If you use a firewall, have antivirus software installed, or use a proxy server, you may encounter technical difficulties.

(iii) To exercise your voting rights from a mobile phone, please use i-mode, EZweb or Yahoo! Keitai. To ensure security, you may not be able to vote from your mobile phone if the phone does not support encrypted transmission (SSL).

(iv) We will accept votes submitted via the Internet until 6:30 p.m. JST on Friday, May 26, 2017. Please contact the help desk below if you have any questions.

b. How to Vote via the Internet

(i) Please access our voting website (http://www.evote.jp), and use the log-in ID and temporary password shown on the enclosed voting form. Follow the on-screen instructions to indicate your consent or dissent.

(ii) To prevent unauthorized access and tampering of votes by third parties, please note that you will be required to change the temporary password on the voting website.

(iii) A new login ID and temporary password is issued for each shareholder meeting.

c. Fees for Accessing the Voting Website

Please note that you will be responsible for expenses such as Internet access fees and telephone and data charges incurred in accessing the voting website.

4. How to Receive Email Notices of Future Shareholder Meetings

For those interested in receiving notices of future shareholder meetings, please apply online via the voting website. (Please note that a mobile phone email address cannot be registered as the receiving email address.)

Inquiries concerning the Voting Process

Help Desk, Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Toll-free telephone (within Japan): 0120-173-027 (9:00 a.m. to 9:00 p.m. JST)

Institutional Investors

Institutional investors may use the electronic proxy-voting platform of the Tokyo Stock Exchange for electronic voting.

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Proposal Election of 9 Directors

The terms of office of all nine Directors will expire at the conclusion of this shareholder meeting. Accordingly, Ichigo proposes the election of the following nine Directors.

The candidates for Directors are as follows:

No.	Name	Current Position and Responsibility	Board Meeting Attendance
1	Scott Callon Reappointment	Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member, Chairman & Representative Statutory Executive Officer	100% (11 of 11 Total)
2	Takuma Hasegawa Reappointment	Chairman of Nominating Committee, Chairman of Compensation Committee, Chairman of Compliance Committee, President & Representative Statutory Executive Officer	100% (11 of 11 Total)
3	Minoru Ishihara Reappointment	Compliance Committee Member, Executive Vice President & Statutory Executive Officer (Real Estate Services) & COO	100% (11 of 11 Total)
4	Tetsuya Fujita Reappointment – Independent Director	Lead Independent Director, Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member	100% (11 of 11 Total)
5	Noriko Kawate Reappointment – Independent Director	Independent Director, Nominating Committee Member, Audit Committee Member, Compensation Committee Member	100% (11 of 11 Total)
6	Yukio Suzuki Reappointment – Independent Director	Independent Director, Audit Committee Member, Vice Chairman of Compliance Committee	100% (11 of 11 Total)
7	Masatoshi Matsuzaki Reappointment – Independent Director	Independent Director, Nominating Committee Member, Compensation Committee Member	100% (7 of 7 Total)
8	Kosuke Nishimoto Reappointment – Independent Director	Independent Director	100% (7 of 7 Total)
9	Nobuhide Nakaido New Appointment – Independent Director	N/A	N/A

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
1	 Scott Callon (December 6, 1964)	April 1988 MIPS Computer Systems, Inc. September 1991 Asia-Pacific Research Center, Stanford University March 1994 Research Institute of Capital Formation, Japan Development Bank August 1994 Bankers Trust Asia Securities Co., Ltd. March 1997 Morgan Stanley Japan Limited June 2000 Japan Representative, Prudential plc May 2001 Representative Director, PCA Asset Management Limited April 2002 Morgan Stanley Japan Limited January 2003 Head of Equities, Morgan Stanley Japan Limited May 2006 Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. (current) October 2008 Ichigo Chairman & Representative Statutory Executive Officer (current) November 2008 Director (current), Chairman of Nominating Committee, Chairman of Compensation Committee, Vice Chairman of Compliance Committee November 2011 Member of Nominating Committee (current), Member of Compensation Committee (current) May 2012 Associate Director, Japan Association of Corporate Directors, Audit & Supervisory Board Member, Chiyoda Co., Ltd. July 2012 Director, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. Director, Ichigo Global Capital Co., Ltd. (current) March 2014 Independent Director, Gwynnie Bee Inc. (current) September 2015 Chairman of Compliance Committee May 2016 Chairman of Nominating Committee, Chairman of Compensation Committee October 2016 Member of Nominating Committee (current), Member of Compensation Committee (current) (Other Positions) Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. Independent Director, Chiyoda Co., Ltd.	N/A

No.			
1	(continued from previous page)	Message to Our Shareholders This is your company. Ichigo's mission is to repay the trust of our shareholders by driving sustainable growth in shareholder value. We believe that companies exist to contribute to society and that Ichigo's growth will contribute to a brighter future for Japan. We will continue to work to build our capabilities as a company and grow value for all shareholders and stakeholders.	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
2	 Takuma Hasegawa (January 29, 1971)	April 1994 Joined Fujita Corporation November 2002 Joined Ichigo October 2004 General Manager, Fund Business Division September 2005 General Manager, Fund Business Division Group 1 May 2006 Senior Statutory Executive Officer & General Manager, Fund Business Division Group 1 May 2007 Senior Statutory Executive Officer & CMO March 2008 Senior Statutory Executive Officer May 2009 Director & Executive Vice President & Statutory Executive Officer (Real Estate) March 2010 Independent Director, Takara Building Maintenance Co., Ltd. January 2011 President & Representative Director (Overall Company Management), Ichigo Estate Co., Ltd. March 2015 Executive Vice President & Statutory Executive Officer May 2015 President & Representative Statutory Executive Officer (current) March 2016 Chairman of Compliance Committee (current) May 2016 Member of Nominating Committee, Member of Compensation Committee October 2016 Chairman of Nominating Committee (current), Chairman of Compensation Committee (current) (Other Positions) Chairman & Director, Ichigo ECO Energy Co., Ltd. <u>Message to Our Shareholders</u> This is the second year of our <u>Power Up 2019</u> mid-term business plan. We are dedicating all our strength as a team to fully achieve the plan and maximize value for Ichigo's shareholders.	151,100 shares

No.	Name (Date of Birth)	Career History		Ichigo Shares Held
3	 Minoru Ishihara (October 5, 1967)	April 1990 October 2005 May 2007 March 2008 October 2008 November 2008 May 2009 October 2009 November 2009 May 2010 January 2011 April 2011 May 2011 November 2011 July 2012 November 2012	Joined Hazama Corporation Joined Creed Corporation Joined Ichigo as Head of Human Resources and General Administration division Executive Officer and Head of Human Resources and General Administration division Chief Administrative Officer & Statutory Executive Officer and Head of Business Management Director, Asset Investment Advisors Co., Ltd. (now Ichigo Real Estate Investment Advisors Co., Ltd.) Senior Managing Director & Statutory Executive Officer (Administration), Member of Compliance Committee (current) Senior Managing Director (Administration), Asset Investment Advisors Co., Ltd. (now Ichigo Real Estate Investment Advisors Co., Ltd.) President & Representative Director, Asset Logistics Co., Ltd. (now Ichigo Marché Co., Ltd.) Director, Senior Managing Director & Statutory Executive Officer (Administration), Member of Compliance Committee Senior Executive Managing Director & Statutory Executive Officer (Administration, Environmental & Architectural Solutions) and Senior Managing Director (Administration), Ichigo REIT Management Co., Ltd. President & Representative Director, Miyako City Co., Ltd. Senior Managing Director (Administration), Ichigo Real Estate Investment Advisors Co., Ltd. Executive Vice President (current) & Statutory Executive Officer (Administration) Director (current), Executive Vice President & Statutory Executive Officer, Ichigo Real Estate Investment Advisors Co., Ltd. Director, Ichigo Global Capital Co., Ltd. Director, Ichigo ECO Energy Co., Ltd.	344,100 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
3	(continued from previous page)	March 2013 Head of Real Estate Division (current) Chairman & Director, Ichigo Marché Co., Ltd. Chairman & Director, Takara Building Maintenance Co., Ltd. Chairman & Director, Nichibei Building Services Co., Ltd. Chairman & Director, Nichibei Security Services Co., Ltd. May 2015 Executive Vice President & Statutory Executive Officer (Real Estate) & COO (current) March 2017 President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. (current) April 2017 Chairman, President, & Representative Director, Ichigo Marché Co., Ltd. (current) (Other Positions) Chairman, President & Representative Director, Miyako City Co., Ltd. Chairman, President & Representative Director, Ichigo Marché Co., Ltd. President & Representative Director, Ichigo Real Estate Services Fukuoka Co., Ltd. <u>Message to Our Shareholders</u> We are seeing more IT activity in the real estate industry that is facilitating IoT, interactive communication, and payments. This may cause a significant change in our industry. I hope to grasp this REtech (real estate technology) trend and leverage Ichigo's extensive experience in asset management and know-how in the provision of tenant services to open up new opportunities for the future. Your continued guidance and support is greatly appreciated.	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	 Tetsuya Fujita (March 26, 1954)	April 1976 Joined Taisho Marine and Fire Insurance Co., Ltd. (now Mitsui Sumitomo Insurance Co., Ltd.) April 2001 Executive Director, Taisho Marine & Fire Insurance (Malaysia) Bhd. (now MSIG Insurance (Malaysia) Bhd) April 2002 Board Director, Skandia Life Insurance (Japan) (now Tokyo Marine Nichido Financial Life Insurance Co., Ltd.) October 2006 Executive Director, AXA Life Insurance Co., Ltd. April 2007 Representative President & CEO, AXA Financial Life Insurance Co., Ltd. (now AXA Life Insurance Co., Ltd.) October 2009 Senior Advisor, AXA Life Insurance Co., Ltd. May 2010 Ichigo Independent Director (current), Member of Audit Committee, Member of Compliance Committee February 2011 Auditor of St. Thomas University March 2011 President of ReMark Japan Co., Ltd. (current) May 2011 Chairman of Compliance Committee May 2012 Member of Nominating Committee (current), Member of Compensation Committee (current) July 2012 Director, Member of Audit Committee, Member of Nominating Committee, Member of Compensation Committee, Ichigo Real Estate Investment Advisors Co., Ltd. May 2014 Chairman of Audit Committee (current), Member of Compliance Committee (current) Chairman of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. October 2015 Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan (current) May 2016 Lead Independent Director (current) (Other Positions) President, ReMark Japan Co., Ltd. Advisor, LAUREATE INTERNATIONAL UNIVERSITIES Japan	54,300 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
4	(continued from previous page)	Message to Our Shareholders Ichigo is now in its second year of the Power Up 2019 mid-term business plan and is continuing growth. As an independent director, I will fulfill the role of supervising the management of the company through the Board and each Committee to support its corporate governance and contribute to the growth of Ichigo's corporate value.	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
5	 Noriko Kawate (February 22, 1976)	April 1999 Joined International Dept., Deloitte Touche Tohmatsu LLC July 2001 Qualified as Certified Public Accountant August 2004 Joined Cast & Itoga (now Soga, Uryu, Itoga) November 2004 Qualified as Certified Tax Accountant February 2008 President of CLEA Consulting Co., Ltd. (current) January 2009 Joined Gracia Corporation May 2011 Ichigo Director (current), Member of Audit Committee (current) November 2011 Qualified as American Certified Public Accountant (current) July 2012 Director, Member of Audit Committee of Ichigo Real Estate Investment Advisors Co., Ltd. June 2013 Audit & Supervisory Board Member, Meiji Machine Co., Ltd. (current) May 2014 Member of Nominating Committee, Member of Compensation Committee (current) Member of Nominating Committee, Member of Compensation Committee of Ichigo Real Estate Investment Advisors Co., Ltd. February 2015 Partner, Cast Group (current) (Other Positions) President, CLEA Consulting Co., Ltd. Partner, Cast Group <u>Message to Our Shareholders</u> Ichigo achieved and exceeded its targets for the first year of the <u>Power Up 2019</u> mid-term business plan supported by the market and by its employees. However, the market surrounding Ichigo is entering a new phase, and the company must prove that its core capabilities are strong enough to achieve the final-year targets of the mid-term plan. As an independent director, I will contribute to sustainable corporate growth and increased corporate value through both growth-supportive and control-oriented corporate governance.	40,900 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
6	 Yukio Suzuki (June 3, 1950)	April 1975 Joined Nomura Research Institute, Ltd. June 1996 Director, Nomura Research Institute Ltd. June 1997 Director & Head of Financial Research Center, Nomura Securities Co., Ltd. June 1999 Senior Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2000 Senior Managing Director in charge of Research Division, Nomura Asset Management Co., Ltd. June 2003 Executive Managing Director, Nomura Asset Management Co., Ltd. June 2005 Director and Audit Mission Director, Nomura Holdings, Inc. June 2008 Advisor, Nomura Securities Co., Ltd. July 2010 CEO, Belle Investment Research of Japan Inc. (current) August 2010 Advisor, Deloitte Touche Tohmatsu, LLC June 2012 Independent Director, Systena Corporation (current) May 2015 Ichigo Director (current), Director of Ichigo Real Estate Investment Advisors Co., Ltd. September 2015 Member of Compliance Committee May 2016 Member of Audit Committee (current), Deputy Chairman of Compliance Committee (current) (Other Positions) CEO, Belle Investment Research of Japan Inc. Independent Director, Systena Corporation <u>Message to Our Shareholders</u> Continuous corporate value creation requires vision, strategy, and execution by the management team, innovative development in growing the business, and all-encompassing risk management. It is especially important to share the details of the process of shareholder value creation with all of our stakeholders. As an independent director, I will do my best to work for shareholder interests, supporting strong corporate governance, a workplace that is supportive of Ichigo's employees, and strong environmental practices that benefit the planet.	13,000 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	 Masatoshi Matsuzaki (July 21, 1950)	April 1976 Joined Konishiroku Photo Industry Co., Ltd. (now Konica Minolta, Inc.) June 1999 General Manager, System Technology Development Division, Office Document Company, Konica Corporation October 2003 Director, Konica Minolta Business Technologies, Inc. April 2005 Executive Officer, Konica Minolta Holdings Inc. April 2006 Representative Director and President, Konica Minolta Technology Center, Inc. Senior Executive Officer, Konica Minolta Holdings Inc. June 2006 Director and Senior Executive Officer, Konica Minolta Holdings Inc. April 2009 Director, President and Chief Executive Officer, Representative Executive Officer and President, Konica Minolta Holdings, Inc. April 2013 Director, President and Chief Executive Officer, Representative Executive Officer, Konica Minolta, Inc. April 2014 Director and Chairman of the Board of Directors, Konica Minolta, Inc. (current) June 2014 Chairman of the Board of Directors, Japan Business Machine and Information System Industries Association May 2016 Deputy Chairman, Japan Association of Corporate Directors (current) May 2016 Ichigo Director, Member of Nominating Committee, Member of Compensation Committee (current) June 2016 Independent Director, Nomura Research Institute, Ltd. (current) June 2016 Independent Director, Nippon Sheet Glass Co. Ltd. (current) Aug 2016 Member of Public Interest Supervisory Committee, PwC Aarata LLC (current) (Other Positions) Chairman of the Board of Directors, Konica Minolta Inc. Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. Member of Public Interest Supervisory Committee, PwC Aarata LLC	5,500 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
7	(continued from previous page)	Message to Our Shareholders I hope to share my experience and advise and supervise management to further develop and strengthen Ichigo's capabilities and support the sustainable growth in its corporate value. I also hope to fulfill my role as an independent director by seeking to give useful advice to management from a third-party perspective about future growth opportunities and risks. With respect to both financial and non-financial matters, I will also advise and supervise management from a stakeholder's perspective.	

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
8	 Kosuke Nishimoto (March 1, 1958)	April 1981 Joined Kanebo Ltd. (Now Kanebo Cosmetics Inc.) September 1984 Joined Meitec Corporation June 1995 Director, Meitec Corporation July 1996 Senior Managing Director, Meitec Corporation November 1999 President, Meitec Corporation April 2006 President and CEO, Meitec Corporation June 2014 Chairman of the Board, Meitec Corporation June 2015 Resigned from the Board of Meitec Corporation Independent Director, Ryosan Company, Limited (current) Independent Director, Interworks Inc. May 2016 Ichigo Director (current) April 2017 Chairman & President and Representative Director, Interworks Inc. (current) (Other Positions) Independent Director, Ryosan Company, Limited Chairman & President and Representative Director, Interworks Inc. <u>Message to Our Shareholders</u> I believe that growing corporate value for our stakeholders, beginning with our shareholders, is the very mission of a public company and is at the heart of a company's sustainable growth. Sometimes companies need to take risks in order to grow. I hope to fulfill my role as an independent director to support the achievement of the <u>Power Up 2019</u> mid-term business plan by helping to steer the company in the right direction towards sound corporate growth.	5,800 shares

No.	Name (Date of Birth)	Career History	Ichigo Shares Held
9	New Director Candidate  Nobuhide Nakaido (November 1, 1946)	April 1971 Joined Sumitomo Corporation June 1998 Director, Sumitomo Corporation April 2002 Managing Director, Sumitomo Corporation April 2003 Managing Executive Officer, Sumitomo Corporation April 2004 Senior Managing Executive Officer, Sumitomo Corporation April 2005 Executive Vice President, Sumitomo Corporation June 2009 Chairman & CEO, Sumisho Computer Systems Corporation (Now SCSK Corporation) October 2011 Chairman & CEO, SCSK Corporation April 2016 Senior Advisor, SCSK Corporation (current) (Other Positions) Senior Advisor, SCSK Corporation <u>Message to Our Shareholders</u> I will bring my utmost efforts to contribute to Ichigo's business expansion and corporate value enhancement, drawing upon my years of business management experience at a listed company and experience in improving corporate value through workstyle & workplace transformation.	N/A

(Note 1) None of the candidates for Director has any relationship of note with Ichigo.

(Note 2) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Scott Callon, Takuma Hasegawa, and Minoru Ishihara as internal candidates for Director are as follows:

(i) Scott Callon has extensive experience leading Ichigo since October 2008 as Director and Chairman and has knowledge and expertise derived from serving on a number of Japanese government bodies, including the Financial Services Agency (FSA) Council of Experts that drafted Japan's first Corporate Governance Code and the Ministry of Economy, Trade and Industry (METI) Competitiveness and Incentives Structures for Sustainable Growth Project ("Ito Review"). He assumed the position of Ichigo Director in November 2008, and his term of office will have been 8.5 years at the close of this shareholder meeting.

(ii) Takuma Hasegawa has extensive knowledge and experience at Ichigo, having led a number of Ichigo's real estate businesses. He has been Ichigo's President since March 2015. He assumed the position of Ichigo Director in May 2013, and his term of office will have been four years at the close of this shareholder meeting.

(iii) Minoru Ishihara has extensive knowledge and experience as Executive Vice President and COO of the Company. He assumed the position of Ichigo Director in 2009, and his term of office will have been eight years at the close of this shareholder meeting.

(Note 3) All six candidates for Independent Director – Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido – meet the Tokyo Stock Exchange's (TSE) requirements for Independent Director and will be registered with the TSE as such.

(Note 4) Ichigo's Nominating Committee and Board of Directors' reasons for nominating Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, Kosuke Nishimoto, and Nobuhide Nakaido as candidates for Independent Director are as follows:

(i) Tetsuya Fujita has extensive knowledge and experience working for a leading property insurance company and a leading life insurance company. He assumed the position of Independent Director in May 2010, and his term of office will have been seven years at the close of this shareholder meeting.

(ii) Noriko Kawate has extensive experience in statutory auditing at a major auditing firm and in accounting and tax advisory as a certified public accountant and tax accountant. She assumed the position of Independent Director in May 2011, and her term of office will have been six years at the close of this shareholder meeting.

(iii) Yukio Suzuki has extensive experience and knowledge of corporate and securities research from serving important roles at a securities company, think tank, and asset management company at a major financial group, and has experience and knowledge in operational monitoring and risk control, which he can draw upon to fully monitor the Company's activities. He assumed the position of Independent Director in May 2015, and his term of office will have been two years at the close of this shareholder meeting.

(iv) Masatoshi Matsuzaki has extensive experience as the CEO and Chairman leading a major global office equipment manufacturer, driving a positive structural transformation and business innovation, and played a leading role in

developing a best-practice board committee system to support strong corporate governance, which he can draw upon to fully monitor the Company's activities on behalf of shareholders. He assumed the position of Independent Director in May 2016, and his term of office will have been one year at the close of this shareholder meeting.

(v) Kosuke Nishimoto has extensive experience and knowledge as the CEO and Chairman leading Japan's largest engineering services company, growing the company and deepening its capabilities on behalf of all stakeholders while driving a significant growth in shareholder value. He has deep understanding of human resources and talent development, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders. He assumed the position of Independent Director in May 2016, and his term of office will have been one year at the close of this shareholder meeting.

(vi) Nobuhide Nakaido has extensive experience and knowledge as the Executive Vice President of one of Japan's largest trading companies and President & Chairman of a leading Japanese IT system company, driving innovation in the IT service industry and increasing corporate value through workstyle & workplace transformation. He has extensive knowledge and experience leading major global companies which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders.

(Note 5) No candidate for Independent Director has been involved in inappropriate conduct while serving as a Director in other companies over the past five years.

(Note 6) Additional information pertaining to the independence of the candidates for Independent Director is as follows:

(i) Tetsuya Fujita and Noriko Kawate served as an Independent Director of Ichigo subsidiary, Ichigo Investment Advisors, from July 2012 to May 2016.

(ii) Yukio Suzuki served as an Independent Director of Ichigo subsidiary, Ichigo Real Estate Investment Advisors, from May 2015 to May 2016.

(iii) No candidate for Independent Director has received in the last two years, nor will they receive, material monetary or other financial compensation (excluding any remuneration as Director or Advisor before assuming the position of Independent Director) from Ichigo or related entities.

(iv) No candidate for Independent Director is the spouse of the management of Ichigo or related entities, nor are they related within three degrees of consanguinity.

(Note 7) In order to retain independent directors of high quality, Ichigo has signed limited liability agreements with Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Kosuke Nishimoto. The extent of liabilities for compensation under the agreements is the minimum limited liability amount as defined in Article 425, paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties which cause liability in good faith and without gross negligence. Upon the re-appointment of Tetsuya Fujita, Noriko Kawate, Yukio Suzuki, Masatoshi Matsuzaki, and Kosuke Nishimoto and the appointment of Nobuhide Nakaido as Independent Directors, Ichigo will enter into new limited liability agreements with equivalent terms with each of them.

(Note 8) Scott Callon has not received and will not receive any compensation from Ichigo.

(Note 9) Shares owned by Yukio Suzuki, a candidate for Independent Director, include shares owned by Belle Investment Research of Japan Inc., all of whose shares are owned by Yukio Suzuki.

(Note 10) The number of Ichigo shares owned by each of the candidates for Director is as of February 28, 2017.

Business Report
(March 1, 2016 – February 28, 2017)

I. Current Operations and Financials

A. Business Conditions in the Current Fiscal Year

1. Business Results and Progress

As a result of Japanese government and Bank of Japan policies, corporate earnings and employment conditions in Japan have improved during the current fiscal year. Although consumer spending and price levels remain stagnant, the economy is in a slow recovery phase and there is increasing optimism about the economic outlook. However, uncertainty remains due to the shift in the global economic landscape and volatility in the currency markets.

In the Japanese real estate market, higher corporate earnings have led to higher occupancy and higher rents in offices, most notably in central Tokyo. The J-REIT market is seeing steady appetite for real estate investment. This investment is increasingly diversified, with continuing acquisition of hotels and logistics assets. In the hotel market, strong demand is continuing, as inbound tourism from Asia is still trending upwards.

With respect to the clean energy market, the number of companies considering exiting the market is increasing due to the Ministry of Economy, Trade and Industry (METI) establishing stricter requirements to qualify for the 20-year guaranteed feed-in-tariff (FIT). This is creating a secondary market for the sale and acquisition of existing power plants and approvals to build solar power plants. Three solar YieldCos, including Ichigo Green Infrastructure Investment Corporation ("Ichigo Green," 9282), have listed on the TSE Infrastructure market, and further growth of the TSE Infrastructure market is expected.

Ichigo is working to take advantage of this positive business environment to drive higher earnings for its shareholders and fully achieve its Power Up 2019 Mid-Term Business Plan announced in April 2016. Ichigo is actively acquiring real estate assets that will drive on-going growth in Ichigo's Value-Add business and Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463). Ichigo also sold 13 Ichigo solar power plants to Ichigo Green (9282) to support its IPO on the TSE Infrastructure market on December 1, 2016.

Specifically, in the past year Ichigo has executed on the following major initiatives:

- Expanded growth investments (Value-Add real estate, Ichigo Office REIT and Ichigo Hotel REIT bridge funds, etc.)
- Expanded its clean energy business, including listing Ichigo Green (9282) on the TSE Infrastructure market
- Expanded the size and profitability of its clean energy business
- Improved the environmental efficiency, earthquake resistance, and functionality of its real estate

  Provided high-quality asset management services and strengthened tenant leasing activities
- Acquired its first large-size Value-Add asset

- Launched Ichigo Owners, a real estate owner services company, on March 1, 2017

  Ichigo Owners caters to the needs of both the experienced real estate owners as well as those seeking to invest in real estate of the first time, leveraging Ichigo's value-add capabilities to increase the value of clients' real estate. Ichigo Owners also provides ongoing asset management services tailored to the diverse needs of Ichigo clients, building long-term relationships of trust, and protecting and growing the value of client real estate holdings.

- Improved borrowing terms by de-collateralizing loans, extending loan maturities, switching from floating to fixed-rate loans, and lowering the interest rates on its loans

- Generated Value-Add profits and recycled capital into new investments

- Entered the JPX-Nikkei Index 400
  Ichigo was selected for inclusion in the JPX-Nikkei Index 400 in August 2016. In its Power Up 2019 mid-term business plan, Ichigo is seeking to rank within the JPX-Nikkei 400's top 200 companies by August 2019.

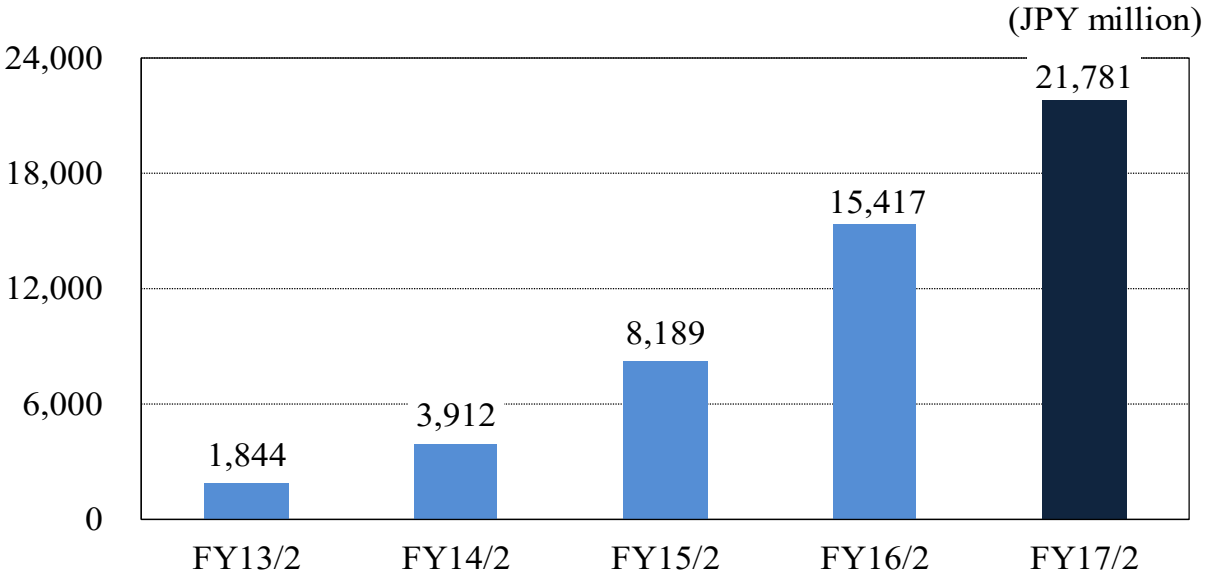
- Implemented a number of measures to strengthen the Ichigo brand

As a result, in the current fiscal year Ichigo recorded revenue of JPY 109,253 million (+119.8% year-on-year); operating profit of JPY 21,781 million (+41.3% year-on-year); recurring profit of JPY 19,755 million (+42.2% year-on-year); and net income of JPY14,894 million (+15.2% year-on-year).

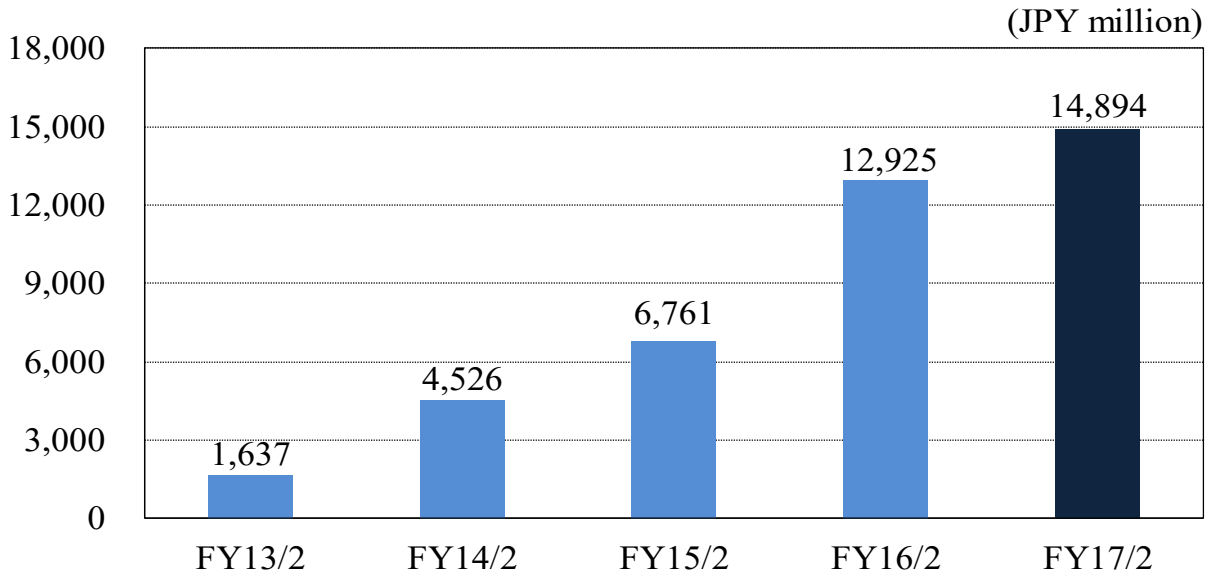


New Value-Add Asset: Tradepia Odaiba

Operating Profit



Net Income



Ichigo Green (9282) TSE Infrastructure Market IPO

Ichigo listed Ichigo Green, a solar power YieldCo, on the TSE Infrastructure market on December 1, 2016.

Ichigo Green's mission is to maximize shareholder value via a renewable energy portfolio that provides both return stability and growth potential, offering investors an opportunity to invest in the significant and rapidly growing green infrastructure asset class while contributing to the development of a sustainable society.



Ichigo Takamatsu Kokubunjicho Nii ECO Power Plant



Ichigo Kiryu Okuzawa ECO Power Plant

2. Capital Expenditures

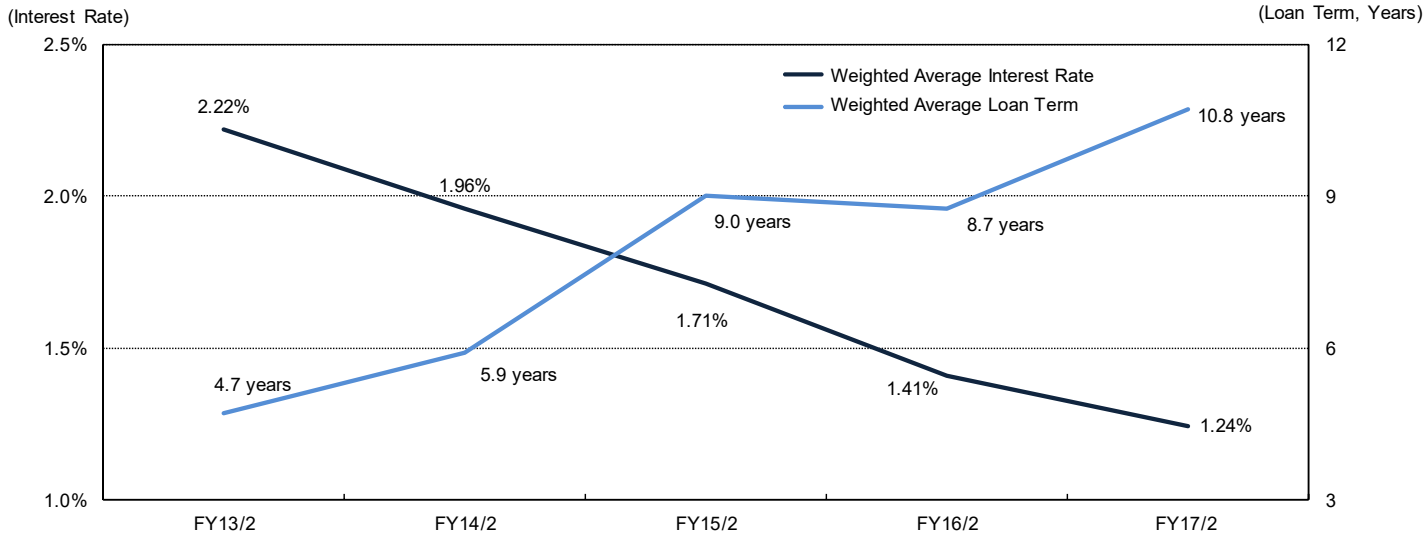
During the current fiscal year Ichigo had capital expenditures of JPY 11,601 million to acquire tangible fixed assets, primarily equipment for new solar power plants.

3. Financing

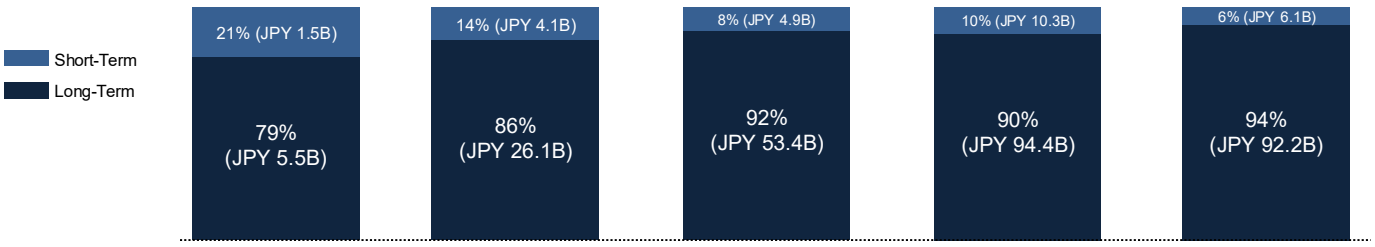
In order to further increase its profitability and financial strength, Ichigo has taken action to lower the cost, diversify the terms, and lengthen the maturity of its loans. In the current fiscal year, Ichigo's balance of interest-bearing corporate loans was JPY 98,363 million (-6.1% year-on-year), and balance of non-recourse loans was JPY 75,857 million (+27.8% year-on-year). The interest rates on these corporate and non-recourse loans were 1.2% (-0.2% year-on-year) and 1.3% (-0.3% year-on-year), respectively.

Ichigo continues to have an extraordinarily stable and durable balance sheet, with long-term loans constituting 93.8% of total loans. Ichigo has continued to lengthen its average loan term (now 10.8 years), and with 40.1% of Ichigo's long-term loans from Japan's megabanks as of current fiscal year end. Ichigo also executed JPY 35 billion of interest rate hedges in the current fiscal year, hedging 51.7% of outstanding interest-bearing corporate loans.

Average Interest Rate and Loan Term



Term Structure of Loans



4. Business Transfers, Absorption-Type Splits or Incorporation-Type Splits

N/A

5. Transferred Businesses from Other Companies

N/A

6. Succession of Rights and Obligations relating to the Business of Other Companies by Absorption-Type Merger or Absorption-Type Split

N/A

7. Acquisition and Disposition of Shares and Other Interests in Other Companies and Stock Acquisition Rights, etc.

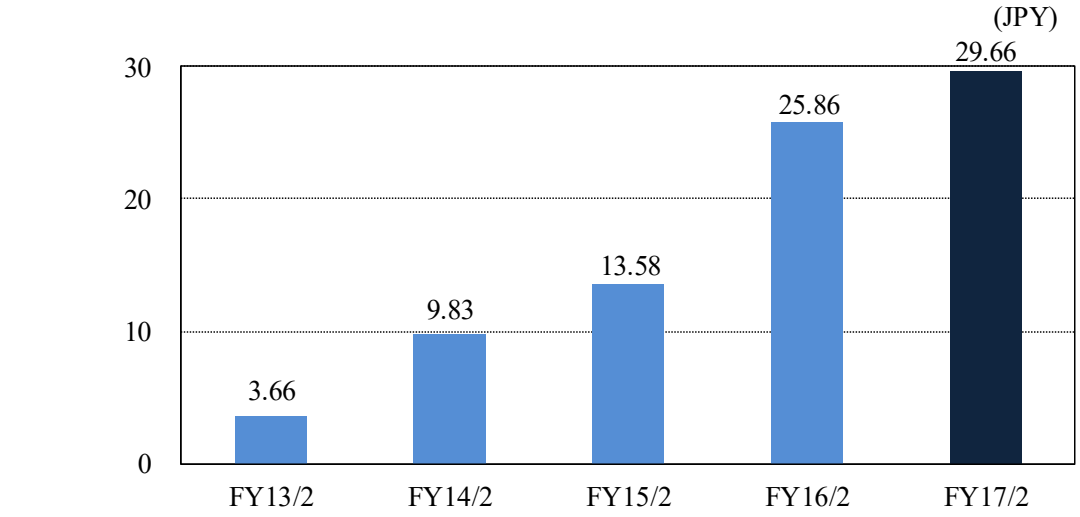
N/A

B. Earnings and Assets in Current and Past Three Fiscal Years

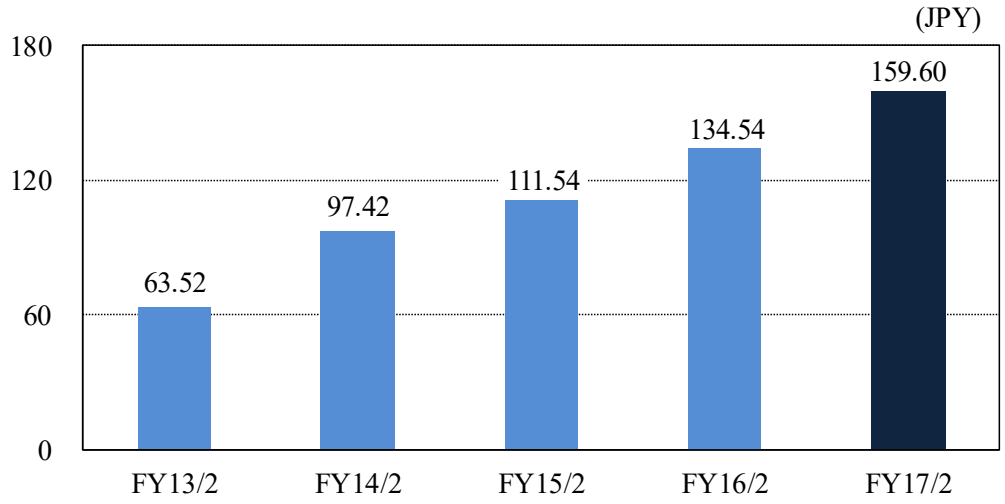
	Fourteenth Term (Year ending February 28, 2014)	Fifteenth Term (Year ending February 28, 2015)	Sixteenth Term (Year ending February 29, 2016)	Seventeenth Term (Year ending February 28, 2017)
Revenue (JPY million)	35,101	42,705	49,699	109,253
Operating Profit (JPY million)	3,912	8,189	15,417	21,781
Recurring Profit (JPY million)	3,597	7,255	13,889	19,755
Net Income (JPY million)	4,526	6,761	12,925	14,894
Net Income per Share (JPY)	9.83	13.58	25.86	29.66
Total Assets (JPY million)	114,944	172,744	251,757	273,459
Net Assets (JPY million)	50,842	58,377	72,166	83,443
Net Assets per Share (JPY)	97.42	111.54	134.54	159.60
Dividend per Share (JPY)	1.1	1.3	3.0	5.0
Return on Equity	11.8%	13.0%	21.0%	20.2%

(Note 1) Net Income per Share is calculated based on the average number of shares issued during the term. Net Assets per Share is calculated based on the number of outstanding shares as of the end of the fiscal year. These figures do not include treasury shares.

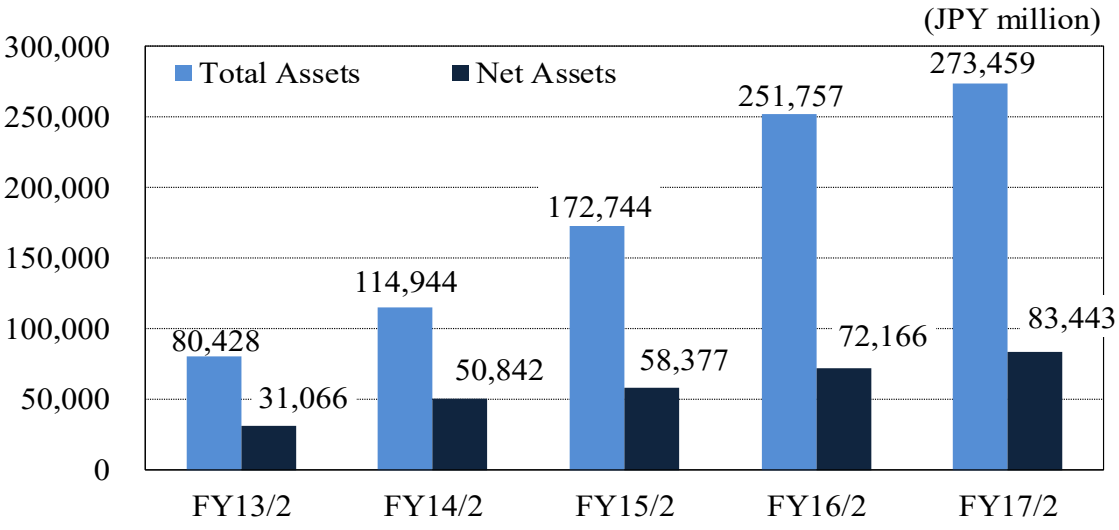
Net Income per Share



Net Assets per Share



Total Assets & Net Assets



C. Important Company and Subsidiary Information

(1) Controlling Parent Company

N/A – Ichigo does not have a controlling parent company.

(2) Important Subsidiaries

Name	Capital	Percentage Ownership of Voting Rights	Business Segment
Ichigo Investment Advisors Co., Ltd.	JPY 400 million	100%	J-REIT and private equity real estate fund asset management
Ichigo Estate Co., Ltd.	JPY 500 million	100%	Real estate business including acquiring, leasing, selling, offering brokerage and advisory services, and managing REIT bridge funds
Ichigo ECO Energy Co., Ltd.	JPY 100 million	100%	Clean energy business generating and supplying solar power, environmental conservation engineering, and consulting
Ichigo Real Estate Services Fukuoka Co., Ltd.	JPY 50 million	100%	Real estate leasing, management, and purchase and sale activity in the Kyushu region
Ichigo Global Capital Co., Ltd.	JPY 10 million	100%	Formation of investment funds for cross-border M&A advisory
Ichigo Marché Co., Ltd.	JPY 95 million	100%	Wholesale market property management
Miyako City Co., Ltd.	JPY 50 million	100%	Large-scale retail store management
Takara Building Maintenance Co., Ltd.	JPY 10 million	100%	Comprehensive facility management

(Note 1) Ichigo Real Estate Investment Advisors has changed its corporate name to Ichigo Investment Advisors Co., Ltd as of September 1, 2016.

(Note 2) Ichigo established 100% subsidiary Ichigo Owners Co., Ltd., a real estate owner services company, with paid-in capital of JPY 100 million on March 1, 2017.

(Note 3) Ichigo sold Takara Building Maintenance Co., Ltd. to Sinanen Holdings Co., Ltd. on March 1, 2017.

D. Key Business Priorities

The Japanese real estate continues to show strength. However, while strong investor demand for real estate continues because of scarce alternative investment opportunities amidst the persistence of low interest rates, investor sentiment has begun to become more cautious due to the uncertainty of the impact of Brexit and the policy mix under US President Donald Trump. With the Bank of Japan already at negative rates, further declines in interest rates appear unlikely. Although investor sentiment seems to be weakening, real estate demand both from corporate and individual investors, supported by favorable corporate earnings and a robust labor market, continues to be robust, and both real estate prices and rents appear firm, with room for rental growth.

Within this environment, Ichigo announced its new mid-term business plan Power Up 2019 last fiscal year. The key goals of Power Up 2019 are to: 1) drive further sustainable earnings growth in Ichigo's core businesses; 2) develop new businesses that will be forward growth engines; and 3) deepen Ichigo's core capabilities and corporate strength.

Ichigo considers Power Up 2019's KPIs to be commitments to its shareholders, and just as with Shift Up 2016, Ichigo intends to exceed them.

Power Up 2019 Key Initiatives

(1) Core Business Growth

- List Ichigo's solar assets on the TSE's new Infrastructure Fund Market
- Support the on-going 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

(3) Finance as a Strategic Weapon

- Grow both financial stability and earnings
- De-collateralize loans, lengthen loan maturities, lower borrowing costs, get credit ratings, and issue bonds to diversify funding profile

(4) High Capital Efficiency and Organic Growth

- ROE >15%

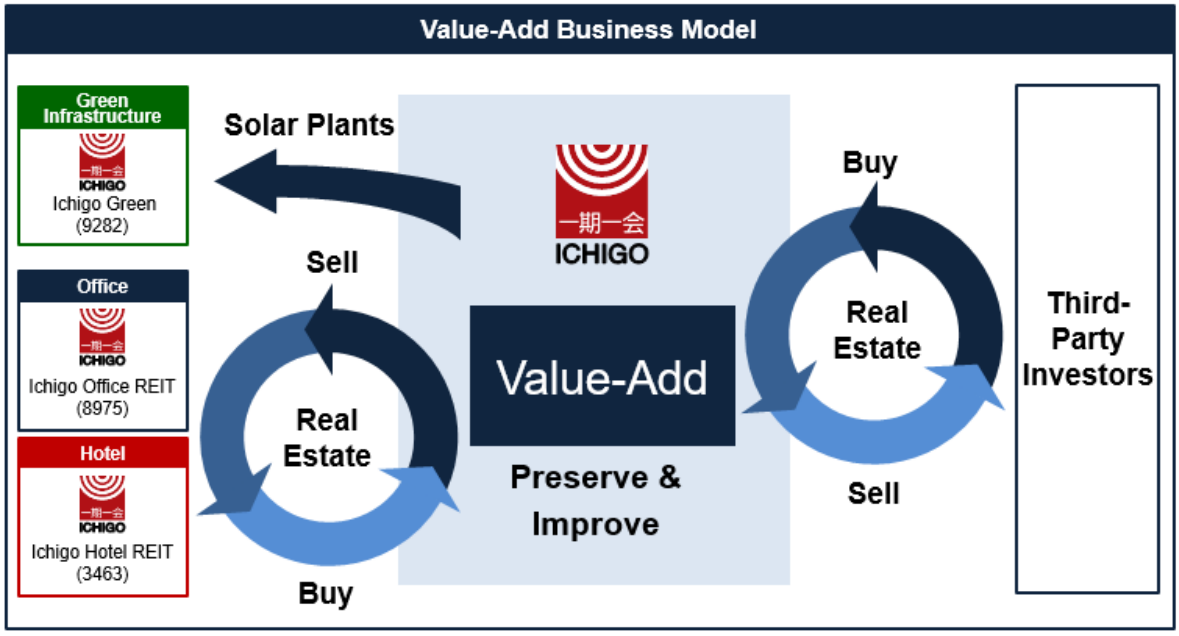
(5) Best Place to Work

- Support employee health and wellness
- Goal: Japan's number one company in providing opportunities for employees

(6) Global Best Practice Governance and Compliance

E. Key Business Segments (as of February 28, 2017)

Ichigo's core activity is to preserve and improve real estate. Ichigo receives rental income during the period it is carrying out its value-add, along with profits on sale that reflect the real estate's higher value after the value-add is complete. In addition to its value-add activity with respect to mid-size office, hotel, and retail assets, Ichigo develops and operates solar power plants to supply clean energy and bring productive use to unused land.



F. Principal Offices (as of February 28, 2017)

	Headquarter
Ichigo Inc. Ichigo Investment Advisors Co., Ltd. Ichigo Estate Co., Ltd. Ichigo ECO Energy Co., Ltd. Ichigo Global Capital Co., Ltd.	Chiyoda-ku, Tokyo
Ichigo Real Estate Services Fukuoka Co., Ltd.	Fukuoka City, Fukuoka Prefecture
Ichigo Marché Co., Ltd.	Matsudo City, Chiba Prefecture
Miyako City Co., Ltd.	Miyazaki City, Miyazaki Prefecture
Takara Building Maintenance Co., Ltd.	Ryugasaki City, Ibaraki Prefecture

(Note) Ichigo Real Estate Investment Advisors Co., Ltd. changed its corporate name to Ichigo Investment Advisors Co., Ltd. on September 1, 2016.

G. Employees (as of February 28, 2017)

1. Employees (Consolidated basis)

Number of employees	Increase/decrease from the end of previous fiscal year
240 (625)	+7 (+12)

(Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo), including directors who are also employees.

(Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.

2. Employees (Parent basis)

Number of employees	Increase/decrease from the end of previous fiscal year	Average age	Average years of employment
84 (3)	+6 (+2)	41.4 years old	4.6 years

(Note 1) The number of employees is the number of full-time employees (excluding workers dispatched from Ichigo to other companies and including workers dispatched from other companies to Ichigo) including directors who are also employees.

(Note 2) The average number of non-full-time employees (including part-time and temporary staff) is presented in parentheses.

(Note 3) On a year-on-year basis the number of employees increased by six; however, this was mainly due to employees being moved from a subsidiary pursuant to a corporate reorganization.

H. Principal Lenders (as of February 28, 2017)

Lenders	Amount
Sumitomo Mitsui Banking Corporation	JPY 21,060 million
Mizuho Bank, Ltd.	JPY 14,268 million
Kansai Urban Banking Corporation	JPY 10,799 million
The Bank of Fukuoka, Ltd.	JPY 7,080 million
The Tokyo Star Bank, Limited	JPY 5,562 million

(Note) These amounts do not include non-recourse loans held by funds that Ichigo manages (e.g., tokumei kumiai partnerships, etc.)

I. Dividend and Distribution Policy

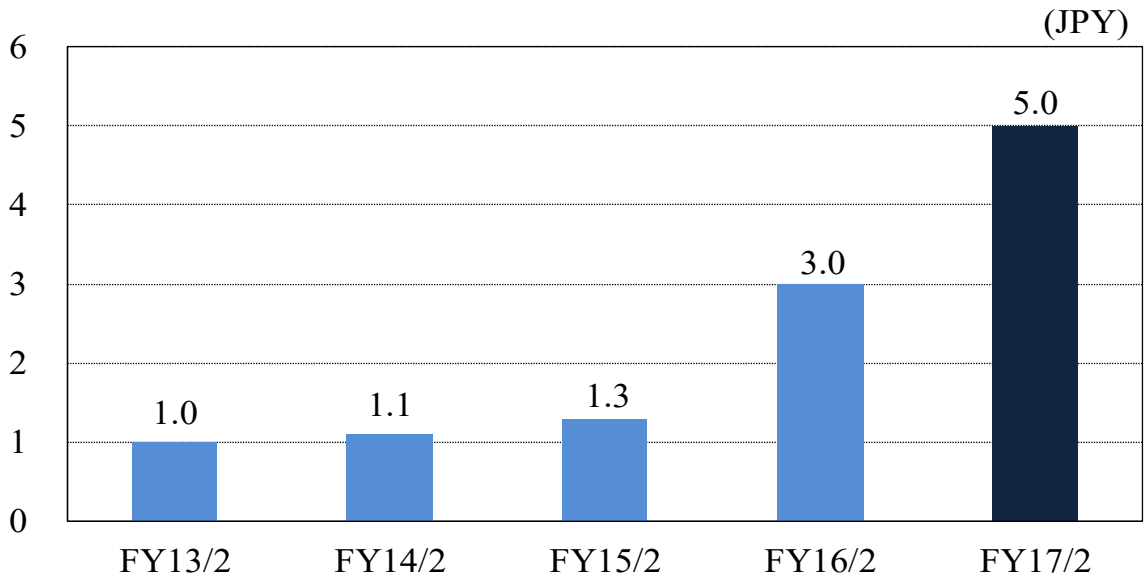
Ichigo views dividend distributions to its shareholders as one of its most important priorities.

Ichigo's Board of Directors adopted on April 19, 2016 a progressive dividend policy. This policy underscores Ichigo's commitment to driving continued organic earnings and dividend growth for its shareholders. Under a progressive dividend policy, the previous year's dividend becomes the floor for the current year's dividend. The dividend will be raised (or kept flat) but not cut, providing shareholders downside dividend protection.

In addition to this progressive dividend policy, Ichigo is newly setting a minimum DOE (dividend on equity) payout ratio of 3%. In contrast to a "dividend payout ratio policy," which calculates dividends based upon annual earnings which can be highly volatile, a DOE policy paying dividends based upon more stable shareholder equity is by its very nature more stable. Ichigo believes that the combination of a progressive dividend and a DOE-based payout policy will significantly increase the security, certainty, and visibility of its dividend to the benefit of Ichigo's shareholders.

Dividend per share this fiscal period is JPY 5, up 67% year-on-year.

Dividend per Share



J. Other Material Matters

N/A

II. Other Matters

A. Shares and Shareholder Information (as of February 28, 2017)

1. Number of Authorized Shares: 1,500,000,000 shares
2. Total Number of Shares Issued: 503,712,300 shares (including 329,600 treasury shares)
3. Number of Shareholders: 38,651

Top 10 Shareholders

Name	Shares Held	Shareholding Ratio
ICHIGO TRUST PTE. LTD. (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited)	249,443,200	49.55%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	26,952,001	5.35%
Chase Manhattan Bank GTS Clients Account Escrow (Standing Proxy: Mizuho Bank, Ltd.)	17,653,000	3.51%
Japan Trustee Services Bank, Ltd. (Trust Account)	11,334,800	2.25%
CGML-LONDON EQUITY (Standing Proxy: Citibank Japan Ltd.)	8,411,900	1.67%
MORGAN STANLEY MUFG SECURITIES CO. LTD	6,796,554	1.35%
MORGAN STANLEY MUFG SECURITIES CO. LTD (Standing Proxy: Sumitomo Mitsui Banking Corporation)	5,051,600	1.00%
MACQUARIE BANK LIMITED-MBL LONDON BRANCH (Standing Proxy: Citibank Japan Ltd.)	5,000,000	0.99%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	4,322,741	0.86%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust Account)	4,226,700	0.84%
TOTAL	339,192,496	67.38%

(Note 1) Shareholding Ratio is calculated excluding 329,600 treasury shares.

(Note 2) The Shareholding Ratio of Ichigo Trust Pte. Ltd., Ichigo's largest shareholder, decreased from 59.55% on February 29, 2016 to 49.55%.

B. Employee Stock Options

1. Stock Acquisition Rights Issued as Consideration for Execution of Duties by Officers

		10th Stock Acquisition Right Plan
Date of resolution		August 8, 2011
Number of stock acquisition rights		398 units[1]
Type and number of shares		79,600 common shares (200 shares per unit)
Issue price		N/A
Exercise price		JPY 11,000 per unit (JPY 55 per share)
Exercise period		August 9, 2013 – August 8, 2018
Exercise conditions[2]		
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights: — Number of shares: — Number of holders: —
	Independent Directors	Number of stock acquisition rights: — Number of shares: — Number of holders: —
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights: 200 units Number of shares: 40,000 shares Number of holders: 2

[1] Of the total stock acquisition rights, 200 units have been issued to Officers. (2,208 units have been exercised in the fiscal year ending February 2017.)

[2] Exercise Conditions

(i) Ichigo must fully complete its buyback of either 61,693 shares or JPY 616,930,000 as approved by Ichigo's Board of Directors on August 8, 2011.

(ii) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(iii) Pledges and other disposition of stock acquisition rights are not permitted.

(iv) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (v).

(v) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

(Note) Shares of Ichigo were split 200 shares to one effective September 1, 2013.

		11th Stock Acquisition Right Plan	
Date of resolution		August 24, 2012	
Number of stock acquisition rights		4,190 units[1]	
Type and number of shares		838,000 common shares (200 shares per unit)	
Issue price		N/A	
Exercise price		JPY 12,000 per unit (JPY 60 per share)	
Exercise period		August 25, 2014 – August 24, 2019	
Exercise conditions[2]			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	1,679 units 335,800 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: Number of holders:	— — —
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	1,181 units 236,200 shares 3

[1] Of the total stock acquisition rights, 2,860 units have been issued to Officers. (3,545 units have been exercised in the fiscal year ending February 2017.)

[2] Exercise Conditions

(i) Ichigo must pay an interim or full-year dividend in the 13th fiscal year (March 1, 2012 – February 28, 2013)

(ii) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(iii) Pledges and other disposition of stock acquisition rights are not permitted.

(iv) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (v).

(v) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

(Note) Shares of Ichigo were split 200 shares to one effective September 1, 2013.

		12th Stock Acquisition Right Plan	
Date of resolution		January 10, 2014	
Number of stock acquisition rights		871,100 units[1]	
Type and number of shares		871,100 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 337 per share	
Exercise period		January 12, 2016 – January 10, 2021	
Exercise conditions[2]			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	153,700 units 153,700 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: Number of holders:	5,300 units 5,300 shares 1
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	142,800 units 142,800 shares 9

[1] Of the total stock acquisition rights, 301,800 units have been issued to Directors. (10,500 units have been exercised in the fiscal year ending February 2017.)

[2] Exercise Conditions

(i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(ii) Pledges and other disposition of stock acquisition rights are not permitted.

(iii) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).

(iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

		13th Stock Acquisition Right Plan	
Date of resolution		January 13, 2015	
Number of stock acquisition rights		1,817,300 units[1]	
Type and number of shares		1,817,300 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 382 per share	
Exercise period		January 14, 2017 – January 13, 2022	
Exercise conditions[2]			
Holding by Directors	Directors (excluding Independent Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	270,000 units 270,000 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: Number of holders:	18,000 units 18,000 shares 2
	Statutory Executive Officers (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	284,000 units 284,000 shares 11

[1] Of the total stock acquisition rights, 572,000 units have been issued to Officers.

[2] Exercise Conditions

(i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(ii) Pledges and other disposition of stock acquisition rights are not permitted.

(iii) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).

(iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

		14th Stock Acquisition Right Plan	
Date of resolution		January 13, 2016	
Number of stock acquisition rights		1,460,000 units[1]	
Type and number of shares		1,460,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 474 per share	
Exercise period		January 14, 2018 – January 13, 2023	
Exercise conditions[2]			
Holding by Officers	Directors (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	175,000 units 175,000 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: Number of holders:	24,000 units 24,000 shares 3
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	203,000 units 203,000 shares 11

[1] Of the total stock acquisition rights, 402,000 units have been issued to Officers.

[2] Exercise Conditions

(i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(ii) Pledges and other disposition of stock acquisition rights are not permitted.

(iii) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).

(iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

		15th Stock Acquisition Right Plan	
Date of resolution		January 13, 2017	
Number of stock acquisition rights		2,000,000 units[1]	
Type and number of shares		2,000,000 common shares (1 share per unit)	
Issue price		N/A	
Exercise price		JPY 423 per share	
Exercise period		January 14, 2020 – January 13, 2025	
Exercise conditions[2]			
Holding by Officers	Directors (excluding those who are Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	210,000 units 210,000 shares 2
	Independent Directors	Number of stock acquisition rights: Number of shares: Number of holders:	90,000 units 90,000 shares 6
	Statutory Executive Officers (excluding those who are also Directors)	Number of stock acquisition rights: Number of shares: Number of holders:	278,000 units 278,000 shares 11

[1] Of the total stock acquisition rights, 578,000 units have been issued to Officers.

[2] Exercise Conditions

(i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(ii) Pledges and other disposition of stock acquisition rights are not permitted.

(iii) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).

(iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

2. Stock Acquisition Rights Issued for the Consideration for Execution of Duties by Officers and Employees during the Current Fiscal Year

		15th Stock Acquisition Right Plan
Date of resolution		January 13, 2017
Number of stock acquisition rights		2,000,000 units[1]
Type and number of shares		2,000,000 common shares (1 share per unit)
Issue price		N/A
Exercise price		JPY 423 per share
Exercise period		January 14, 2020 – January 13, 2025
Exercise conditions[2]		
Holding by Employees	Employees (excluding those who are Directors and Statutory Executive Officers)	Number of stock acquisition rights: 1,407,000 units Number of shares: 1,407,000 shares Number of holders: 179
	Directors and Employees of Subsidiaries	Number of stock acquisition rights: 15,000 units Number of shares: 15,000 shares Number of holders: 2

[1] Of the total stock acquisition rights, 1,422,000 units have been issued to employees.

[2] Exercise Conditions

(i) Any person who is allotted stock acquisition rights is required to remain in the position of Director, Statutory Executive Officer, Advisor or employee of Ichigo, or Director, Statutory Executive Officer, Auditor or employee of Ichigo's subsidiaries and other similar positions until the rights are exercised, except for retirement due to expiration of term, mandatory retirement, and other cases approved by the Board of Directors.

(ii) Pledges and other disposition of stock acquisition rights are not permitted.

(iii) If a person who is allotted stock acquisition rights should become deceased, the heir may exercise the rights subject to the conditions provided for in the Stock Acquisition Rights Allotment Agreement as described in (iv).

(iv) Other conditions are subject to the Stock Acquisition Rights Allotment Agreement entered into between Ichigo and recipient of stock acquisition rights pursuant to the resolution of Ichigo's Board of Directors.

3. Other Material Matters regarding Stock Acquisition Rights

N/A

C. Directors and Officers

1. Directors (as of February 28, 2017)

Position	Name	Responsibility and Other Business Affiliations
Director	Scott Callon	Chairman & Representative Statutory Executive Officer Chairman of the Board of Directors, Nominating Committee Member, Compensation Committee Member Partner and Chief Executive Officer, Ichigo Asset Management, Ltd. Independent Director, Chiyoda Co., Ltd.
Director	Takuma Hasegawa	President & Representative Statutory Executive Officer Chairman of Compliance Committee, Nominating Committee, and Compensation Committee Chairman & Director, Ichigo ECO Energy Co., Ltd.
Director	Minoru Ishihara	Executive Vice President & Statutory Executive Officer (Real Estate Services) & COO Compliance Committee Member Chairman & Representative Director and President, Miyako City Co., Ltd.
Independent Director[3]	Tetsuya Fujita[1]	Chairman of Audit Committee, Nominating Committee Member, Compensation Committee Member, Compliance Committee Member President, ReMark Japan Co., Ltd. Advisor, Laureate International Universities Japan
Independent Director[3]	Noriko Kawate[2]	Nominating Committee Member, Audit Committee Member, Compensation Committee Member President, CLEA Consulting Co., Ltd. Partner, Cast Group
Independent Director[3]	Yukio Suzuki	Vice Chairman of Compliance Committee, Audit Committee Member CEO, Belle Investment Research of Japan Inc. Advisor, Deloitte Touche Tohmatsu, LLC Independent Director, Systena Corporation
Independent Director[3]	Takashi Kawamura	Chairman, Hitachi, Ltd. Independent Director, Mizuho Financial Group Independent Director, Calbee, Inc. Independent Director, Tokyo University Kyoso Platform Development Company External Auditor, Nikkei Inc. Independent Director, Nitori Holdings Co., Ltd.
Independent Director[3]	Masatoshi Matsuzaki	Nominating Committee Member, Compensation Committee Member Chairman of the Board of Directors, Konica Minolta Inc. Deputy Chairman, Japan Association of Corporate Directors Independent Director, Nomura Research Institute, Ltd. Independent Director, Nippon Sheet Glass Co. Ltd. Member, Public Interest Supervisory Committee of PwC Aarata LLC
Independent Director[3]	Kosuke Nishimoto	Independent Director, Ryosan Company, Limited Independent Director, Interworks Inc.

[1] Tetsuya Fujita, Chairman of Audit Committee, has served as president of a major property insurance company in addition to having served as internal audit officer at a major life insurance company and is certified as an internal auditor, and thus has extensive knowledge of internal auditing.

[2] Audit Committee Member Noriko Kawate is a Certified Public Accountant as well as a Certified Tax Accountant and thus has extensive knowledge of the finance and accounting fields.

[3] Ichigo has registered all of the Independent Directors with the Tokyo Stock Exchange as meeting the Tokyo Stock Exchange's qualifications for independent directors.

(Note) Ichigo has assigned officers and employees to assist the Audit Committee to fulfill its duties. Independent from other officers and employees, they proactively collect information and work closely with the Audit Committee members on a daily basis, and thus the effectiveness of auditing by the Audit Committee is ensured. Since such condition is maintained, Ichigo does not appoint a fulltime Audit Committee member.

2. Statutory Executive Officers (as of February 28, 2017)

Position	Name	Responsibility and Other Business Affiliations
Chairman & Representative Statutory Executive Officer	Scott Callon	Overall Group Management Partner and Chief Executive Officer, Ichigo Asset Management, Ltd.
Chairman & Representative Statutory Executive Officer	Kenji Iwasaki	Overall Group Management
President & Representative Statutory Executive Officer	Takuma Hasegawa	Overall Group Management Chairman & Director, Ichigo ECO Energy Co., Ltd.
Executive Vice President & Statutory Executive Officer & COO	Minoru Ishihara	Real Estate Services Chairman & Representative Director and President, Miyako City Co., Ltd.
Executive Managing Director	Eri Murai	Administration & HR
Executive Managing Director	Go Watanabe	Finance
Executive Managing Director	Takeyuki Yoshimatsu	Business Management
Statutory Executive Officer	Katsuhiko Hattori	Engineering
Statutory Executive Officer	Haruki Nakane	Compliance
Statutory Executive Officer	Hiroshi Shimazu	Audit
Statutory Executive Officer	Hisayoshi Towata	Finance
Statutory Executive Officer	Kenichi Nagao	Special Projects
Statutory Executive Officer	Masaaki Yajima	Engineering, PM & BM, Planning Executive Vice President, Takara Building Maintenance Co., Ltd.
Statutory Executive Officer	Akihiko Tsukasa	Osaka Branch
Statutory Executive Officer	Kenichi Tanaka	Planning

3. Directors and Statutory Executive Officers who Stepped Down during the Current Fiscal Year

N/A

4. Outline of Limited Liability Agreement with Independent Directors

Ichigo has entered into agreements to limit liability under Article 423, paragraph 1 of the Company Law pursuant to the provisions of Article 427, paragraph 1 thereof in order to retain talented persons as Independent Directors.

The extent of liability for compensation under the agreements is the minimum limited liability amount as defined in Article 425, paragraph 1 of the Company Law; provided that the liability is limited only when the Independent Directors have performed their duties in good faith and without gross negligence.

5. Total Remuneration Paid to Directors and Statutory Executive Officers

	Number of Recipients	Amount Paid
Directors (of whom are Independent Directors)	10 (7)	JPY 223 million (JPY 51 million)
Statutory Executive Officers	13	JPY 58 million
Total (of whom are Independent Directors)	23 (7)	JPY 281 million (JPY 51 million)

(Note 1) As of the end of the term, there are nine Directors (including six Independent Directors) and fifteen Statutory Executive Officers (three of whom are also Directors), resulting in a total of twenty-one officers. Since those who are both a Statutory Executive Officer and a Director do not receive Statutory Executive Officer's remuneration, the total amount and number of recipients are shown in the row of Directors and not in the row of Statutory Executive Officers.

(Note 2) The figures above do not include two Directors, as they do not receive remuneration from Ichigo.

(Note 3) Since there is one director who stepped down and three Statutory Executive Officers who are also Directors, there is a difference between the twenty-five officers which is the sum of two officers not receiving remuneration and the twenty-three officers in the table above, and the total of twenty-one officers as of the end of the current fiscal year.

(Note 4) The amount paid includes remuneration in the form of stock options of JPY 29 million for Directors (of which JPY 3 million is for Independent Directors) and stock options of JPY 3 million for Statutory Executive Officers.

(Note 5) In addition, Ichigo paid JPY 247 million as employee compensation to twelve Statutory Executive Officers. This amount includes remuneration in the form of stock options of JPY 26 million.

(Note 6) Subsidiaries paid JPY 510,000 as remuneration to officers.

6. Policy on Determining Remuneration for Directors and Statutory Executive Officers

a. Basic Policy

Remuneration for Directors and Statutory Executive Officers of Ichigo is determined based on the duties of each person, contribution to Ichigo, base compensation, prior experience, etc.

b. Specific Policies

– Remuneration for Directors

Remuneration for Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Director, while the performance-based bonus is based on Ichigo's performance.

– Remuneration for Statutory Executive Officers

Remuneration for Statutory Executive Officers consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Statutory Executive Officer, whereas the performance-based bonus is based on the performance of Ichigo and the division and individuals for which each Statutory Executive Officer is responsible.

– Stock Options

Stock options are granted to Directors and Statutory Executive Officers to strengthen their motivation to improve performance for the benefit of shareholders. These stock options are granted in addition to the remuneration described above.

7. External Offices Held

a. Positions in Other Companies and the Relationship between Ichigo and these Other Companies

– Tetsuya Fujita, Independent Director, is also President of ReMark Japan Co., Ltd. Ichigo has no relationship with ReMark Japan Co., Ltd.

– Noriko Kawate, Independent Director, is also President of CLEA Consulting Co., Ltd. and Partner of Cast Group. Ichigo has no relationship with CLEA Consulting Co., Ltd. or Cast Group.

– Yukio Suzuki, Independent Director, is also CEO of Belle Investment Research of Japan Inc. Ichigo has no relationship with Belle Investment Research of Japan Inc.

b. Positions as Independent Directors in Other Companies

– Tetsuya Fujita, Independent Director, is Japan Advisor to Laureate International Universities. Ichigo has no relationship with Laureate International Universities.

– Yukio Suzuki, Independent Director, is an Independent Director of Systena Corporation. Ichigo has no relationship with Systena Corporation.

– Takashi Kawamura, Independent Director, is a Chairman of Hitachi, an Independent Director of Mizuho Financial Group, Calbee, Inc., Tokyo University Kyoso Platform Development Company, and Nitori Holdings Co., Ltd. and an External Auditor of Nikkei Inc. Ichigo has no relationship with any of these companies.

– Masatoshi Matsuzaki, Independent Director, is the Chairman of the Board of Directors of Konica Minolta Inc., the Deputy Chairman of Japan Association of Corporate Directors, an Independent Director of Nomura Research Institute, Ltd., and Nippon Sheet Glass Co. Ltd., and a Member of the Public Interest Supervisory Committee of PwC Aarata LLC. Ichigo has no relationship with any of these companies.

– Kosuke Nishimoto, Independent Director, is an Independent Director of Ryosan Company, Limited and Independent Director of Interworks Inc. Ichigo has no relationship with any of these companies.

c. Relationship with Ichigo or Related Entities of Ichigo

The six Independent Directors have no spouse or relatives in the third degree or closer who are Statutory Executive Officers of Ichigo or related entities.

d. Principal Director Activities in the Current Fiscal Year

		Activities
Independent Director	Tetsuya Fujita	Attended 11 out of 11 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee and attended 3 out of 3 meetings (100%) of the Compliance Committee. Attended 7 out of 7 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Maki Kumagai	Attended 4 out of 4 meetings (100%) of the Board of Directors held during her term. Attended 7 out of 7 meetings (100%) of the Audit Committee during her term. Attended 2 out of 2 meetings (100%) of the Nominating Committee during her term. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Noriko Kawate	Attended 11 out of 11 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee. Attended 7 out of 7 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Kenichiro Yoshida	Attended 4 out of 4 meetings (100%) of the Board of Directors during his term. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Yukio Suzuki	Attended 11 out of 11 meetings (100%) of the Board of Directors. Attended 11 out of 11 meetings (100%) of the Audit Committee since becoming a member. Attended 3 out of 3 meetings (100%) of the Compliance Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Takashi Kawamura	Attended 7 out of 7 meetings (100%) of the Board of Directors since becoming a director. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Masatoshi Matsuzaki	Attended 7 out of 7 meetings (100%) of the Board of Directors since becoming a director. Attended 5 out of 5 meetings (100%) of the Nominating Committee since becoming a member. Attended 7 out of 7 meetings (100%) of the Compensation Committee since becoming a member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.
Independent Director	Kosuke Nishimoto	Attended 7 out of 7 meetings (100%) of the Board of Directors since becoming a director. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team.

D. Independent Auditor

1. Grant Thornton Taiyo LLC

2. Fees Paid to the Independent Auditor

(i) Fees paid to the Independent Auditor for the current fiscal year

Fees for the services specified in Paragraph 1 of Article 2 of the Certified Public Accountants Act (Act No. 103 of 1948)	JPY 76 million
Fees for the services other than those specified in Paragraph 1 of Article 2 of the Certified Public Accountants Act	–
	JPY 76 million

(ii) Total monetary and other financial benefits payable by Ichigo and subsidiaries to the Independent Auditor: JPY 94 million

(Note 1) Pursuant to Item 1, Article 399 of the Company Law, Ichigo's Audit Committee agrees with the amount of auditor's remuneration after a thorough confirmation and consideration of the validity of the content of auditor's audit plan, execution of work, transition of remuneration, and calculation of remuneration estimates based on "Auditor Assessment and Selection Standards" and "Auditor Selection and Compensation Agreement Processes" set forth by Ichigo's Audit Committee.

(Note 2) Audit agreements between Ichigo and the Independent Auditor do not clearly itemize the amounts of audit fees for the audits under both the Company Law and the Financial Instruments and Exchange Law, and, as a matter of practicality, Ichigo is not able to itemize them. Therefore, the amount of fees for the Independent Auditor for the current fiscal year shows the total amount.

3. Policy for the Determination of Dismissal or Non-Reappointment of the Independent Auditor

The Audit Committee has stipulated a Policy for the dismissal or non-reappointment of the Independent Auditor based on the "Independent Auditor Evaluation & Selection Standards" and "Independent Auditor Selection & Compensation Agreement Processes" set forth by Ichigo's Audit Committee. The Policy is as below:

(a) The term of the Independent Auditor is one year, as specified in a one-year audit contract.

(b) The reappointment of the Independent Auditor will be decided at the Audit Committee

(c) 1. The selection, dismissal, or the non-reappointment of the Independent Auditor will be decided at the Annual Shareholder Meeting. The Audit Committee makes the decision to place this on the shareholding meeting agenda.

2. In the event Ichigo decides to dismiss or not reappoint an Independent Auditor at Ichigo's discretion or for the breach of laws and regulations such as the Company Law or the Certified Public Accountants Law, or the breach of the contract of engagement, the dismissal or the non-reappointment will be deliberated by the Audit Committee with reference to the views of the Directors and Statutory Executive Officers.

3. In the event the dismissal or the non-reappointment of the Independent Auditor is to become the agenda of the shareholder meeting, the details of the agenda item will be determined by the Audit Committee.

4. In the event the Independent Auditor contravenes his/her duty as an Auditor or if proper duty as an Auditor stipulated in Article 340 Paragraph 1 of the Company Act is deemed difficult, the Audit Committee may dismiss the Independent Auditor upon consent of all Audit Committee members.

E. Controls to Ensure Appropriate Business Conduct

Pursuant to Articles 416 of the Company Law and Article 112 of the Enforcement Regulation of the Company Law, Ichigo's Board approved and enacted a "Basic Policy for the Establishment of Structure of Internal Controls," with details shown in the following tables. Pursuant to Article 14 of Ichigo's Article of Incorporation, Ichigo has made this policy available on its corporate website.
www.ichigo.gr.jp/ir/management_policies/internal_controls.html

1. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Full Compliance with Japanese Law and Ichigo's Articles of Incorporation (Article 416 Paragraph 1 of the Company Law, Article 112 Paragraph 2 Item 4 of the Enforcement Regulation of the Company Law)

Overview

(1) The Board complies with relevant laws and regulations, the Articles of Incorporation, resolutions adopted at shareholders' meetings, Ichigo's mission, Ichigo's Code of Corporate Ethics, and Ichigo's Code of Conduct in making its decisions and delegating daily management to the Statutory Executive Officers, that in turn supervise employees within their respective delegated areas of management. The Board supervises the Statutory Executive Officers by

receiving periodic reports on the status of business execution. The Audit Committee audits the performance of duties for both Statutory Executive Officers and employees.

(2) The Board sets internal rules, establishes relevant divisions and appoints Statutory Executive Officers, and engages external experts with respect to establishing compliance, financial reporting controls, internal audit, prevention of dealings with anti-social forces, and prevention of insider trading.

Status

(1) The Board is comprised of six independent and three internal directors, and had a total of 11 meetings during this fiscal period with a 100% attendance rate. Statutory Executive Officers make decisions and or seek board approval through proposal documents, and report their activities to the Board at least once every three months. The Audit Committee is comprised of three independent directors, and held a total of 18 meetings during this fiscal period with a 100% attendance rate.

(2) (a) Compliance – The Compliance Committee held three meetings to deliberate material compliance matters and conducted training sessions based on the company's Code of Corporate Ethics and Code of Conduct. A whistle-blowing system exists, including the ability to directly notify an external lawyer.

(b) Financial Reporting Controls – The President together with Statutory Executive Officers of each division and subsidiaries work to ensure compliance with internal controls and the evaluation thereof.

(c) Internal Audit – The objective of Internal Audit for this fiscal year was to contribute to management level decision-making through a group-wide, risk-based approach focusing on recommendations to prevent and improve operations. Specifically, audits examined the appropriateness of fulfilment of management contracts, procurement of funds, storage and status of investment securities, tenant leasing, and construction consignments.

(d) Prevention of Dealings with Anti-Social Forces – Ichigo has established manuals on how to handle Anti-Social Forces as well as rules that prescribe certain Anti-Social Force clauses to be included in contracts. Furthermore, Ichigo works with the Tokyo Metropolitan Police Department and other external experts in conducting due diligence of business counterparts. (See “System Against Anti-Social Forces”)

(e) Prevention of Insider Trading – Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all officers and employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

2. System to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers (Article 112 Paragraph 2 Item 1 of the Enforcement Regulation of the Company Act)

Overview

Ichigo has internal rules with respect to the creation, management, and storage of information and documents pertaining to execution of duties by Statutory Executive Officers, and remains fully compliant with all relevant laws and regulations.

Status

Handling of information is stipulated in the Information Management Policy and handling of documents is stipulated in the Document Management Policy, and all officers and employees conduct business in full compliance with both policies.

3. Risk Management Policies and Systems (Article 112 Paragraph 2 Item 2 of the Enforcement Regulation of the Company Act)

Overview

Ichigo's policy is that the Statutory Executive Officer of each division is responsible for the compliance of respective business operations and for managing business risks. In addition, a Chief Risk Officer has been appointed and a Risk Management Division established in order to ensure a proper risk management framework exists across the entire group and deal with any significant risks that arise. Ichigo's risk management framework also prescribes how to respond to any loss of basic business functions as a result of natural disasters or accidents.

Status

Ichigo continually monitors business execution and the risk thereof, and the Chief Risk Officer reports monitoring results to the Board. Ichigo has business continuity plans that specify how to recover from natural disasters and accidents, and all officers and employees are fully aware of these plans.

4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (Article 112 Paragraph 2 Item 3 of the Company Act)

Overview

Ichigo provides for efficient and agile execution of duties by establishing clarity with respect to scope of responsibilities and associated authority. Ichigo sets business plans and monitors progress based on the group's management philosophy and mission, annual group policies, and annual business targets. Furthermore, Ichigo holds a regular Senior Management Meeting comprised of the Chairmen, President, Executive Vice President, and representatives of each subsidiary to evaluate and take decisions on material business matters.

Status

Statutory Executive Officers execute their duties within their respective delegated scopes of responsibilities without any undue overlap or negligence. Ichigo announced its Power Up 2019 mid-term business plan (MTP) at the beginning of

this fiscal period, set its business policies and targets for this year in accordance with the MTP, and has successfully achieved the targets. The Head of Finance provides analytic support to the Senior Management Meeting to support its effectiveness.

5. Audit Committee and Audit Systems (Article 416 of the Company Act, Article 112 Paragraph 1 Items 1-7 of the Enforcement Regulation of the Company Act)

Overview

(1) Ichigo appoints directors and employees that assist the Audit Committee in the execution of its duties. Such directors and employees are set to be independent from the Board, Directors, and Statutory Executive Officers, with any change in appointment requiring the authorization of the Audit Committee.

(2) Audit Committee Members attend important meetings, and can request explanations from officers and employees as well as view all related materials.

(3) Officers and employees must report to the Audit Committee or Audit Committee Members matters that have material impact on the business and financial situation of Ichigo. Any person making such report shall not receive disadvantageous treatment for making such report.

(4) The Audit Committee maintains a close relationship with the Internal Audit Department by discussing audit plans and receiving reports on audit results. The Audit Committee also receives periodic reports from the external auditor as well as exchanges views on any material audit matters.

(5) The Audit Committee holds meetings with Audit Committee Members and auditors of subsidiaries, attends important meetings at subsidiaries, and receives explanations and reports from subsidiaries in order to assess the appropriate execution of duties by directors and Statutory Executive Offices of subsidiaries.

(6) The Audit Committee, at its sole discretion, can appoint external specialists necessary for the execution of audits and can request that Ichigo bear associated costs.

Status

(1) In accordance with internal rules pertaining to directors and employees assisting in the duties of the Audit Committee, Ichigo has appointed one Statutory Executive Officer and two employees, and has ensured their independence. Furthermore, the prior consent from the Audit Committee has been sought for any organizational or compensation matter with respect to these appointed persons.

(2) In accordance with Audit Committee Rules, the Audit Committee attended important management meetings and received explanations as well as reviewed any relevant materials. In addition, officers and employees have made all required reporting to the Audit Committee, and no disadvantageous treatment has resulted from such reporting.

(3) The Audit Committee approved internal audit plans and received reports on the results of audits. Furthermore, the Audit Committee has received periodic reports from the external auditor and has engaged in discussion of material audit matters.

(4) The Audit Committee holds two liaison meetings a year with Audit Committee Members and auditors of subsidiaries, and receives explanations and reports from the officers and employees of subsidiaries.

(5) The Audit Committee has requested that Ichigo bear the costs associated with auditing of subsidiaries.

6. Systems to Ensure Fully Appropriate Business Activities by Ichigo and its Subsidiaries (Article 112 of the Enforcement Regulation of the Company Act)

Overview

(1) Ichigo and all subsidiaries share Ichigo's Management Philosophy, Code of Corporate Ethics, and Code of Conduct, and have executed a management agreement requiring that they work collaboratively in dealing with corporate governance, compliance, risk management, and prevention of dealings with Anti-Social Forces.

(2) Ichigo has appointed a Statutory Executive Officer and established a Business Management Division responsible for monitoring business activities of subsidiaries, and requires each subsidiary to provide business reports.

(3) With respect to any transaction with Ichigo Trust Pte. Ltd., the controlling shareholder of Ichigo, Ichigo's takes special care to protect the interests of minority shareholders via the Board evaluating the purpose, process, and price of such transactions and ensuring that they increase Ichigo's corporate value.

(4) Ichigo supports, advises, and manages its subsidiaries to ensure their business activities are fully compliant with the Company Act. Ichigo oversees appropriate business conduct of subsidiaries by receiving periodic reports with respect to their business operations as well as execution of duties by directors and officers.

(5) Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all officers and employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

Status

(1) Structure to Ensure that Ichigo Subsidiaries Execute Their Duties in Compliance with Laws and Regulations and Ichigo's Articles of Incorporation

The Boards of each subsidiary have approved a "Basic Policy for the Establishment of Structure of Internal Controls," pursuant to the one established by Ichigo. Audit Committee Members and internal auditors of respective subsidiaries attend Board meetings as well as any other important management meetings and examine related materials to ensure directors and officers are executing their duties in compliance with laws and regulations, and Ichigo's Articles of Incorporation.

(2) Structure for Ichigo Subsidiaries to Report to Ichigo on the Execution of Their Duties

The President receives a report every three months from the presidents of each subsidiary with respect to business operations and the execution of duties by directors and officers.

(3) Structure of Risk Management at Ichigo Subsidiaries

Each subsidiary monitors business risks pursuant to their respective risk management policies, and reports results to Ichigo's Risk Management Division. The Head of Ichigo's Risk Management Division, in turn, reports this information to Ichigo's Board. The Chief Risk Officer provides the Board with a comprehensive update on the status of group-wide risk management.

(4) Structure to Ensure Efficient Execution of Duties at Ichigo Subsidiaries

Each subsidiary has policies in place to ensure clarity of scope of responsibilities, with management decisions being made in line with such policies, therefore resulting in the efficient execution of duties.

Establishment and Status of Internal Structures to Prevent Dealings with Anti-Social Forces

As part of its internal control systems, Ichigo has established an internal structure to prevent dealings with Anti-Social Forces as described below:

(1) Ichigo and its subsidiaries have clear policies on preventing dealings with Anti-Social Forces stipulated within its Code of Corporate Ethics.

(2) Ichigo has appointed the Executive Vice President and the Business Management Division as being responsible in handling requests from Anti-Social Forces, and receives advice on this matter from one of its independent directors that is also a lawyer. Furthermore, Ichigo augments its efforts in this area by collaborating with external experts such as the Organized Crime Control Division of the Tokyo Metropolitan Police Department, the Marunouchi Police Station, and the National Center for Removal of Criminal Organizations.

(3) Ichigo's Compliance Officer centrally manages group-wide information pertaining to Anti-Social Forces

(4) Under no circumstance will Ichigo heed to the request from an Anti-Social Force, and shall firmly reject any request working together with external experts. All contracts with external parties will include language that aims to prevent dealings with Anti-Social Forces. Ichigo will terminate business relationships with any existing counterpart that is identified as being an Anti-Social Force.

(5) All officers and employees of Ichigo and subsidiaries receive compliance training, and are made fully aware of their obligation to prevent dealings with Anti-Social Forces and escalate any concerns on this matter.

F. Policy on Corporate Control (Takeover Defenses)

Ichigo has not adopted any takeover defense, poison pill, or any other policy with respect to persons who would seek to control decisions with respect to Ichigo’s financial and business policies.

Consolidated Balance Sheet

(As of February 28, 2017)

(JPY million)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current Assets	**222,344**	**Current Liabilities**	**19,548**
Cash and cash equivalents	47,678	Trade notes and accounts payable	110
Trade notes and accounts receivable	913	Short-term loans	805
Operational loans	1,324	Short-term non-recourse loans	611
Operational securities investments	1,433	Bonds (due within one year)	112
Real estate for sale	167,805	Long-term loans (due within one year)	5,209
Deferred tax assets	516	Long-term non-recourse loans (due within one year)	6,825
Other	3,125	Income taxes payable	1,655
Less: allowance for doubtful accounts	-453	Deferred tax liabilities	62
Fixed Assets	**51,115**	Accrued bonuses	36
Property, Plant, and Equipment	**45,654**	Other current liabilities	4,119
Buildings and structures	10,173	**Long-Term Liabilities**	**170,467**
Depreciation	-2,797	Bonds	632
Building and structures (net)	7,375	Non-recourse bonds	100
Solar power plant equipment	7,822	Long-term loans	91,604
Depreciation	-575	Long-term non-recourse loans	68,319
Solar power plant equipment (net)	7,246	Deferred tax liabilities	1,147
Land	18,627	Long-term security deposits received	8,038
Buildings under construction	9	Other long-term liabilities	624
Solar power plant equipment under construction	12,308		
Other	416		
Depreciation	-331	**Total Liabilities**	**190,015**
Other (net)	85	**Net Assets**	
Intangible Assets	**1,956**	**Shareholders' Equity**	**80,532**
Goodwill	1,864	Capital	26,650
Leasehold rights	62	Capital reserve surplus	11,056
Other	29	Retained earnings	42,840
Investments and Other Assets	**3,504**	Treasury shares	-15
Securities investments	1,426	**Accumulated Other Comprehensive Income**	**-192**
Long-term loans receivable	10	Valuation gain (loss) on other securities	117
Deferred tax assets	339	Deferred gain (loss) on long-term interest rate hedges	-365
Other	1,820	Foreign currency translation adjustment	55
Less: allowance for doubtful accounts	-92	**Stock Options**	**491**
		Minority Interests	**2,612**
		Total Net Assets	**83,443**
Total Assets	**273,459**	**Total Liabilities and Net Assets**	**273,459**

Consolidated Income Statement

(March 1, 2016 – February 28, 2017)

(JPY million)

Item	Amount	
Revenue		**109,253**
Cost of Goods Sold		**82,446**
Gross Profit		**26,806**
SG&A		**5,025**
Operating Profit		**21,781**
Non-Operating Profit		
Interest income	–	
Dividend income	85	
Other	32	118
Non-Operating Expenses		
Interest expense	1,303	
Valuation loss on derivatives	38	
Debt financing-related fees	585	
Other	216	2,144
Recurring Profit		**19,755**
Extraordinary Gains		
Gain on sales of securities investments	2,466	2,466
Extraordinary Losses		
Impairment loss	1,090	
Earthquake-related damages	244	
Office move expenses	31	
Other	224	1,590
Pre-Tax Net Income		**20,630**
Income taxes-current	4,863	
Income taxes-deferred	573	5,436
Pre-Minority Interest Net Income		**15,194**
Net Income Attributable to Minority Interests		299
Net Income		**14,894**

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2016 – February 28, 2017)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2016	26,575	10,968	29,454	-41	66,956
Changes in the Current Fiscal Year					
Share Issuance	74	74			149
Dividend Payment			-1,504		-1,504
Net Income			14,894		14,894
Change in Consolidated Subsidiaries			-3		-3
Sale of Treasury Shares		13		26	39
Changes in Items other than Shareholders' Equity					
Total Changes	74	88	13,386	26	13,575
Balance as of February 28, 2017	26,650	11,056	42,840	-15	80,532

	Other Comprehensive Income				Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Foreign Currency Translation Adjustment	Total Other Comprehensive Income			
Balance as of March 1, 2016	761	-251	23	533	319	4,357	72,166
Changes in the Current Fiscal Year							
Share Issuance							149
Dividend Payment							-1,504
Net Income							14,894
Change in Consolidated Subsidiaries							-3
Sale of Treasury Shares							39
Changes in Items other than Shareholders' Equity	-643	-113	32	-725	172	-1,745	-2,298
Total Changes	-643	-113	32	-725	172	-1,745	11,277
Balance as of February 28, 2017	117	-365	55	-192	491	2,612	83,443

Parent Balance Sheet

(As of February 28, 2017)

(JPY million)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current Assets	**43,609**	**Current Liabilities**	**4,896**
Cash and cash equivalents	29,387	Short-term loans	285
Accounts receivables	284	Short-term loans from affiliates	42
Real estate for sale	3,201	Bonds (due within one year)	112
Operational securities investments	533	Long-term loans (due within one year)	2,004
Short-term loans to affiliates	8,050	Accounts payable	949
Advance payment	49	Expenses payable	23
Accounts receivables - other	545	Income taxes payable	1,338
Consolidated tax receivables	591	Advances received	84
Deferred tax assets	202	Deposits received	20
Other	1,172	Other current liabilities	35
Less: allowance for doubtful accounts	-411	**Long-Term Liabilities**	**18,821**
Fixed Assets	**54,248**	Bonds	632
Property, Plant, and Equipment	**3,048**	Long-term loans	17,920
Buildings and structures	674	Long-term security deposits received	256
Depreciation	-230	Other long-term liabilities	12
Building and structures (net)	444		
Land	2,579		
Other	59	**Total Liabilities**	**23,718**
Depreciation	-35	**Net Assets**	
Other (net)	24	**Shareholders' Equity**	**73,924**
Intangible Assets	**18**	Capital	26,650
Software	18	Additional paid-in capital	11,056
Investments and Other Assets	**51,182**	Capital reserve	10,966
Investments in securities	1,321	Other additional paid-in capital	89
Securities investments of subsidiaries and affiliates	5,616	Retained earnings	36,232
Bonds of subsidiaries and affiliates	31	Earnings reserve	44
Securities investments of other affiliates	35,316	Other retained earnings	36,187
Long-term loans receivable	10	Retained earnings carried forward	36,187
Long-term loans to affiliates	9,241	Treasury shares	-15
Deferred tax assets	190	**Revaluation and Adjustment**	**-275**
Other	436	Valuation gain (loss) on other securities	66
Less: allowance for doubtful accounts	-981	Deferred gain (loss) hedges	-341
		Stock Options	**491**
		Total Net Assets	**74,140**
Total Assets	**97,858**	**Total Liabilities and Net Assets**	**97,858**

Parent Income Statement

(March 1, 2016 – February 28, 2017)

(JPY million)

Item	Amount	
Revenue		**19,716**
Cost of Goods Sold		**985**
Gross Profit		**18,730**
SG&A		**2,648**
Operating Profit		**16,082**
Non-Operating Profit		
Interest income	371	
Dividend income	80	
Income from provision of credit guarantees	59	
Other	72	582
Non-Operating Expenses		
Interest expense	410	
Debt financing-related fees	205	
Others	251	867
Recurring Profit		**15,797**
Extraordinary Gains		
Gain on sales of investment securities	2,436	2,465
Others	28	
Extraordinary Losses		
Office move expenses	24	24
Pre-Tax Net Income		**18,238**
Income taxes-current	3,256	
Income taxes-deferred	1,155	4,412
Net Income		**13,826**

Parent Statement of Changes in Shareholders' Equity

(March 1, 2016 – February 28, 2017)

(JPY million)

	Shareholders' Equity								
		Capital surplus			Retained earnings				
	Capital	Capital Reserve	Other Capital Surplus	Total Capital Surplus	Earnings Reserve	Other Retained Earnings Carried Forward/ Retained Earnings	Total Retained Earnings	Treasury Shares	Total Shareholder Equity
Balance as of March 1, 2016	26,575	10,891	76	10,968	44	23,866	23,910	-41	61,413
Changes in the Current Fiscal Year									
Share issuance	74	74		74					149
Dividend Payments						-1,504	-1,504		-1,504
Sale of Treasury Shares			13	13				26	39
Net Income						13,826	13,826		13,826
Changes in Items other than Shareholders' Equity									
Total Changes	74	74	13	88	—	12,321	12,321	26	12,511
Balance as of February 28, 2017	26,650	10,966	89	11,056	44	36,187	36,232	-15	73,924

	Valuation Adjustment			Stock Options	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Valuation Adjustment		
Balance as of March 1, 2016	703	-212	491	319	62,223
Changes in the Current Fiscal Year					
Share Issuance					149
Dividend Payments					-1,504
Sale of Treasury Shares					39
Net Income					13,826
Changes in Items other than Shareholders' Equity	-636	-129	-766	172	-593
Total Changes	-636	-129	-766	172	11,917
Balance as of February 28, 2017	66	-341	-275	491	74,140

Auditor's Report on the Consolidated Financial Statements

Report of Independent Auditors

April 13, 2017

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Satoshi Kirikawa, CPA, Designated and Engagement Partner (seal)

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the consolidated financial statements of Ichigo Inc., namely the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements, for the fiscal year from March 1, 2016 to February 28, 2017 pursuant to Article 444, paragraph 4 of the Company Law.

Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the consolidated financial statements in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the consolidated financial statements are compiled and indicated free of material misstatement in the form of fraud or error.

Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the consolidated financial statements. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

We conducted our audit by carrying out auditing procedures on amounts in the consolidated financial statements and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the consolidated financial statements. This included an overall assessment of the consolidated financial statements and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the consolidated financial statements.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

Auditing Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Ichigo Group consisting of Ichigo Inc. and its consolidated subsidiaries for the period for the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Subsequent Events

As described in "7. Material Matters after Closing of the Fiscal Period," the Company completed the sale of its 100% subsidiary Takara Building Maintenance Co., Ltd. on March 1, 2017. This does not affect the opinion of the auditor.

Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or the engagement partner.

Auditor's Report on the Parent Financial Statements

Report of Independent Auditors

April 13, 2017

To the Board of Directors of Ichigo Inc.

Grant Thornton Taiyo LLC

Satoshi Kirikawa, CPA, Designated and Engagement Partner (seal)

Kenta Nishimura, CPA, Designated and Engagement Partner (seal)

We have audited the Seventeenth term financial statements of Ichigo Inc., namely the balance sheet, the income statement, the statement of changes in shareholders' equity and the notes to the financial statements and schedules, for the fiscal year from March 1, 2016 to February 28, 2017 pursuant to Article 436, paragraph 2, item 1 of the Company Law.

Management's Responsibility with respect to the Financial Statements

Management is responsible for compiling and indicating the financial statements and notes and schedules thereto in accordance with the generally accepted accounting principles of Japan. This includes the operation and maintenance of an internal compliance structure which management deems necessary to ensure that the financial statements and notes and schedules are compiled and indicated free of material misstatement in the form of fraud or error.

Auditor's Responsibility

The responsibility of the Auditor is to perform an independent audit and declare an opinion with respect to the financial statements and the notes and schedules. We conducted our audit in accordance with the auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement.

We conducted our audit by carrying out auditing procedures on amounts in the financial statements and notes and schedules and information we received from the Company. These procedures included sampling and testing based on our assessment of the potential risk of material misstatement in the form of fraud or error. Although our intent is not to express an opinion regarding the appropriateness of the internal compliance structure, we did assess operation of the internal compliance structure to the extent it affects the accuracy of the financial statements and notes and schedules. This included an overall assessment of the consolidated financial statements and notes and schedules and any assumptions made by management with respect to the Company's accounting policies or their application, and any estimates indicated in the financial statements and notes and schedules.

We believe we received sufficient and appropriate information to have a reasonable basis to express our opinion.

Auditing Opinion

In our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the financial position of Ichigo Inc. for the period for the financial statements and schedules in conformity with accounting principles generally accepted in Japan.

Subsequent Events

As described in "7. Material Matters after Closing of the Fiscal Period," the Company completed the sale of its 100% subsidiary Takara Building Maintenance Co., Ltd. on March 1, 2017. This does not affect the opinion of the auditor.

Potential Conflicts of Interest

There are no interests to be specified pursuant to the provisions of the Certified Public Accountant Law between the Company and us or the engagement partner.

Audit Committee Report

April 19, 2017

Audit Committee, Ichigo Inc.

Tetsuya Fujita, Audit Committee Member (seal)

Noriko Kawate, Audit Committee Member (seal)

Yukio Suzuki, Audit Committee Member (seal)

The Audit Committee has audited the execution of the duties of the Directors and Statutory Executive Officers during the Seventeenth fiscal year from March 1, 2016 to February 28, 2017. We report the method and results of this audit as follows:

1. Method and Description of Audit

The Audit Committee has received regular reports and has made requests for explanations as necessary from the Directors, Statutory Executive Officers, and employees of Ichigo regarding the details of resolutions by the Board of Directors with respect to Article 416, paragraph 1, item 1, b and e of the Company Law and the system established under the resolutions (internal control system) and in accordance with audit policy and duties prescribed by the Audit Committee. In cooperation with the Internal Audit Office and other internal control related divisions of Ichigo, the Audit Committee has investigated the process and details of decision-making at important meetings, the details of principal-approved documents and other material documents relating to the execution of business, the execution of duties by Statutory Executive Officers and employees and reviewed Ichigo's business and assets. With respect to subsidiaries, we have communicated and exchanged information with directors and auditors of subsidiaries and received business reports from subsidiaries as necessary.

In addition, we have supervised and verified that the Independent Auditor was independent and conducting an appropriate audit and received reports on the execution of duties from the Independent Auditor and requested explanations as necessary. We have also received a report from the Independent Auditor that the structure to ensure appropriate performance of duties (matters described in Article 131, each item of the Company Calculation Rules) has been established pursuant to laws and regulations including the Standards for Quality Control of Audits (issued by Business Accounting Council on October 28, 2005) and that management structures have been properly established within the audit firm.

By these methods, we have reviewed Ichigo’s own business report, financial statements (balance sheet, income statement, statement of changes in shareholders’ equity and notes) and their schedules, along with Ichigo’s consolidated financial statements (including the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders’ equity and consolidated notes).

2. Results of Audit

A. Audit Results of Business Report

(1) We note that the business report and its schedules present Ichigo's status correctly pursuant to all laws and regulations and the Articles of Incorporation.

(2) We note that there has been no misconduct with respect to the execution of duties by Directors and Statutory Executive Officers, nor have we discovered any material facts which violate laws and regulations or the Articles of Incorporation.

(3) We note that the details of the resolution by the Board of Directors with respect to the internal control system are reasonable. Also, there is nothing material to be pointed out with respect to the execution of duties on the internal control system by Statutory Executive Officers.

(4) Audit Results of Financial Statements and their Schedules

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

(5) Audit Results of Consolidated Financial Statements

We note that the method and results of the audit conducted by the Independent Auditor, Grant Thornton Taiyo LLC, were reasonable.

2. Material Matters after Closing of the Fiscal Period

As described in the Consolidated and Parent Financial Statements, Ichigo completed the sale of its 100% subsidiary Takara Building Maintenance Co., Ltd. on March 1, 2017.

(Note) All members of the Audit Committee are Independent Directors as provided in Article 2, item 15 and Article 400, paragraph 3 of the Company Law.