Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]
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June 30, 2017

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
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Acquisition of Centro Co., Ltd.

Ichigo decided today to acquire Tokyo-based real estate operator Centro Co., Ltd. ("Centro") and its two subsidiaries upon the retirement of Centro's two founders.

1. Purpose of the Centro Acquisition

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

The Centro acquisition will support these goals in three ways:

1) Expand Ichigo's Earnings Base

As of March-end 2017, Centro owns c. JPY 5 billion (book value) of offices and residences in central Tokyo, which will grow Ichigo's rental income. Centro's asset size focus is also c. JPY 500 million, which matches well to the assets handled by Ichigo subsidiary, Ichigo Owners (established March 1, 2017).

2) Accelerate Ichigo's Growth via New Self-Storage Asset Class

Centro's 100% subsidiary Storage Plus Corp. ("Storage Plus") operates a self-storage business offering indoor storage equipped with the industry's leading security and air conditioning management systems. Japan's supply of self-storage per household is less than 10% of the US, giving it significant growth potential.

Storage Plus has a total of twenty self-storage facilities in Tokyo, Kanagawa, and Sapporo (including those scheduled to open this year), and is experiencing rapid demand growth. The addition of self-storage as an Ichigo Value-Add asset class will thus support Ichigo's further earnings growth.

3) Further Develop Ichigo's Clean Energy Business

Centro's 65% subsidiary Tenuto, Inc. ("Tenuto") is an agri-venture that develops and sells systems to isolate, collect, and reuse industrially-generated CO_2 for agricultural purposes. Tenuto is expected to have synergies with Ichigo's clean energy subsidiary, Ichigo ECO Energy.

2. SPC Overview

Ichigo will consolidate a special purpose company (SPC) established today for the acquisition, with Ichigo being the SPC's 100% shareholder.

Name	GK Carpe Diem Tokumei Kumiai
Address	6-6-3 Nishi Shinjuku, Shinjuku-ku, Tokyo
Operator	GK Carpe Diem
Representative	Managing Member: Ippan Shadan Hojin NAN Manager: Kazutaka Shimohigoshi
Business	Securities investments and other related activities
Paid-In Capital	JPY 100,000
Establishment Date	June 30, 2017
Total Assets	JPY 3.2 billion (expected)
TK Investor	Ichigo Inc. (100%)
Relationship to Parent Company	The SPC does not have any capital, personnel, or business relationship of note to Ichigo.
Business and Financial Conditions in Recent Years	Since the SPC will be established on June 30, 2017, there are no past earnings results.

3. Key Transaction Dates

Ichigo Acquisition Approval	June 30, 2017
Contract Signing	June 30, 2017
SPC Consolidation	June 30, 2017
Acquisition Closing	July 3, 2017

4. Ichigo Investment Amount and % Ownership of Centro

JPY 3.205 billion (100%)

5. Earnings Outlook

The impact of the Centro acquisition on Ichigo's current FY18/2 consolidated earnings is expected to be minimal. As described above, the acquisition will support the further expansion of Ichigo's earnings base.

Reference

Centro Summary

Name	Centro Co., Ltd.
Address	5-4-2 Minami Azabu, Minato-ku, Tokyo
Representatives	Yoshiharu Tanuma, President & Representative Director Isaku Ogawa, Managing Director & Representative Director
Main Business	・Real estate investment (Investment) ・Real estate value-add (Solutions and Renovations) ・Operation & management of real estate (Asset Management) ・Management of real estate (Property Management)
Paid-In Capital	JPY 30 million
Establishment Date	April 13, 2000

Storage Plus Summary

Name	Storage Plus Corp.
Address	5-4-2 Minami Azabu, Minato-ku, Tokyo
Representative	Satoru Matsumoto, Representative Director
Main Business	・Leasing, ownership, operation, and management of rental storage spaces ・Development, construction, and furnishing of rental storage spaces ・Sale of storage-related products and operation of such stores ・Express home delivery services and moving services ・Organization, storage, shipping and delivery of written materials and magnetic tapes
Paid-In Capital	JPY 80 million
Establishment Date	October 2, 2006

Tenuto Summary

Name	Tenuto, Inc.
Address	3-20-1 Minami Azabu, Minato-ku, Tokyo
Representative	Keita Fujiwara, Representative Director
Main Business	・Planning, development, and sale of products related to improving the efficiency of agriculture ・Development and sale of CO_2 controllers ・Building and sale of CO_2 cylinder supply systems ・Planning, development, and sale of remote monitoring cameras ・Agriculture consulting
Paid-In Capital	JPY 20.3 million
Establishment Date	May 18, 2013