



FY18/2 Q1 Corporate Presentation

July 13, 2017

Ichigo (2337)

Ichigo Preserves and Improves Real Estate



World-Class Excellence

ICHIGO

Ichigo's
Hiromi Miyake



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FY18/2 Q1 Earnings

Operating Profit -48%, Net Income -60% YOY

Quiet P&L Quarter, but Business and Earnings On-Plan

- ✓ Drop out of FY17/2 Q1 JPY 29.2B asset sale to Ichigo Office REIT and JPY 2.4B extraordinary gain from CIAM share sale
- ✓ Earnings to accelerate from Q2 on large Value-Add asset sale

(JPY million)

	FY17/2 Q1	FY18/2 Q1	YOY	Full Year Forecast	vs. Full-Year Forecast
Revenue	46,415	12,915	-72.2%	75,500	17.1%
Gross Profit	6,612	4,001	-39.5%	25,994	15.4%
Operating Profit	5,412	2,810	-48.1%	20,600	13.6%
Recurring Profit	4,806	2,097	-56.4%	18,300	11.5%
Net Income	5,585	2,237	-59.9%	13,500	16.6%
EPS	JPY 11.13	JPY 4.46	-59.9%	JPY 26.98	16.5%

Segment Earnings Details

Asset Management Up; Value-Add and Clean Energy Down

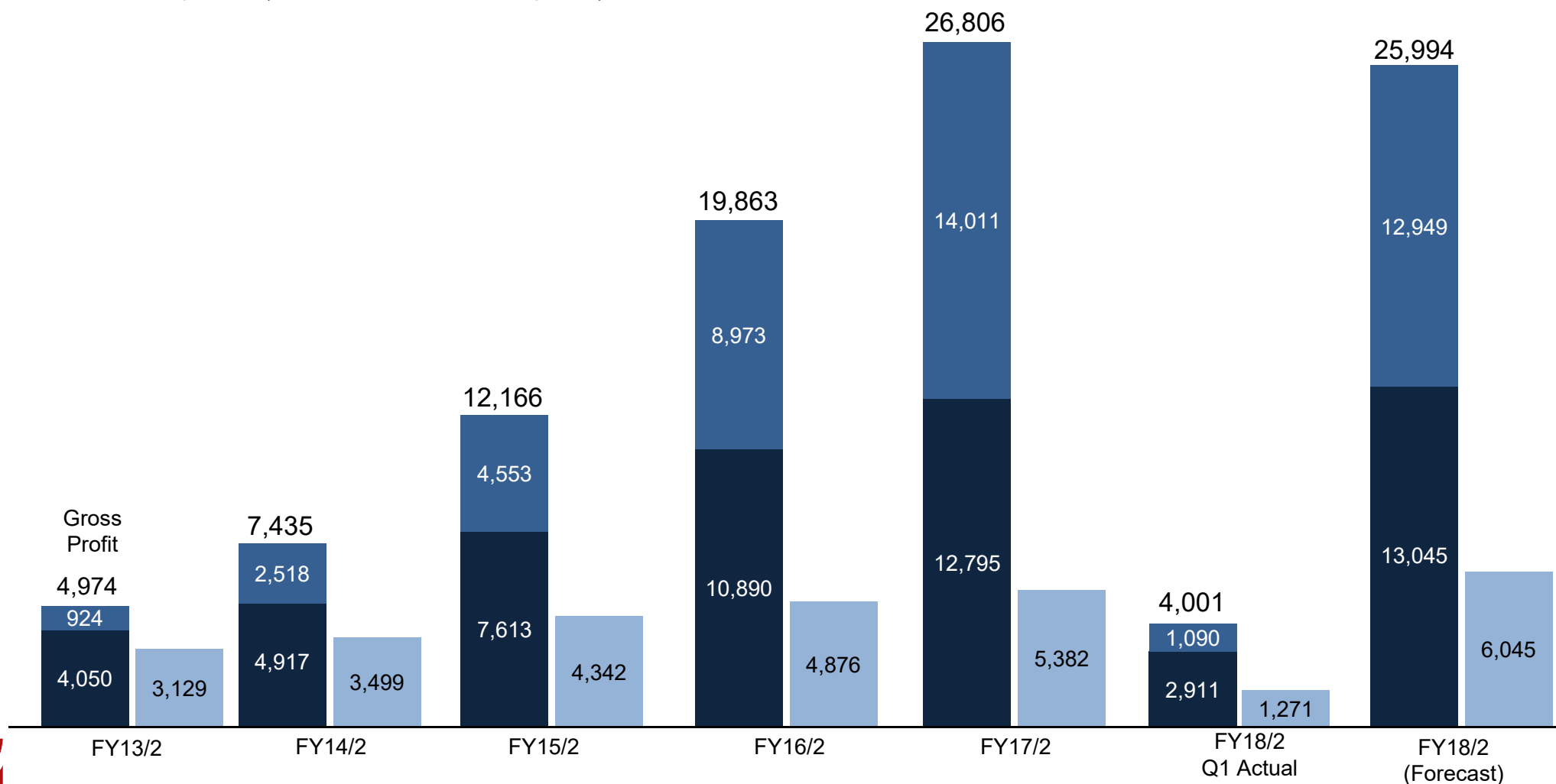
(JPY million)

Segment	Revenue					Operating Profit					Earnings Drivers (Parentheses show YOY change in Gross Profit)
	FY17/2 Q1	FY18/2 Q1	YOY	Full-Year Forecast	vs. Forecast	FY17/2 Q1	FY18/2 Q1	YOY	Full-Year Forecast	vs. Forecast	
Asset Management	1,185	681	-42.5%	2,485	27.4%	800	504	-36.9%	1,656	30.5%	AM Fees 454 (+112) Acquisition/Disposition Fees 43 (-43) Performance Fees 170 (+8) PM/BM Fees -3 (-125)
Value-Add	44,667	11,773	-73.6%	69,719	16.9%	4,404	2,269	-48.5%	18,304	12.4%	Rental Income 2,278 (-431) Profits on Sale 908 (-2,004)
Clean Energy	556	373	-32.9%	3,216	11.6%	143	52	-63.7%	620	8.4%	FIT Solar Power Sales 171 (-82)
Other	5	86	+1,356.0%	78	111.4%	-14	-43	-	-52	-	Shut-down costs for overseas fund -43(-43)
Total	46,415	12,915	-72.2%	75,500	17.1%	5,334	2,782	-47.8%	20,529	13.6%	
Adjustment (including offsets of cross-segment transactions)	-	-	-	-	-	77	27	-64.5%	70	-	
Total	46,415	12,915	-72.2%	75,500	17.1%	5,412	2,810	-48.1%	20,600	13.6%	

Stock + Flow Earnings Model

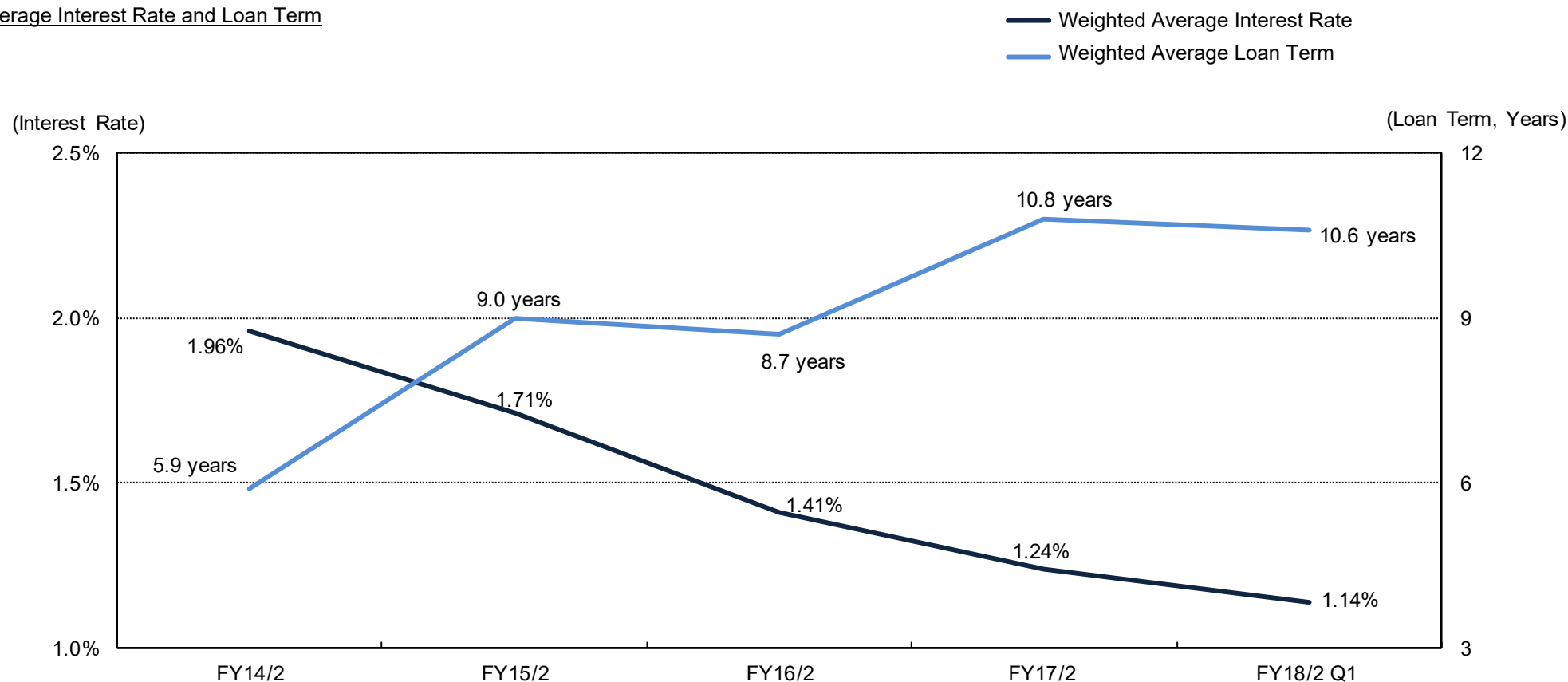
- Stock Earnings (Primarily Rental Income, AM Fees, and FIT Solar Power Sales)
- Flow Earnings (Primarily Profits on Value-Add Real Estate Sales)
- Fixed Expenses (Fixed SG&A + Interest Expense)

(JPY million)

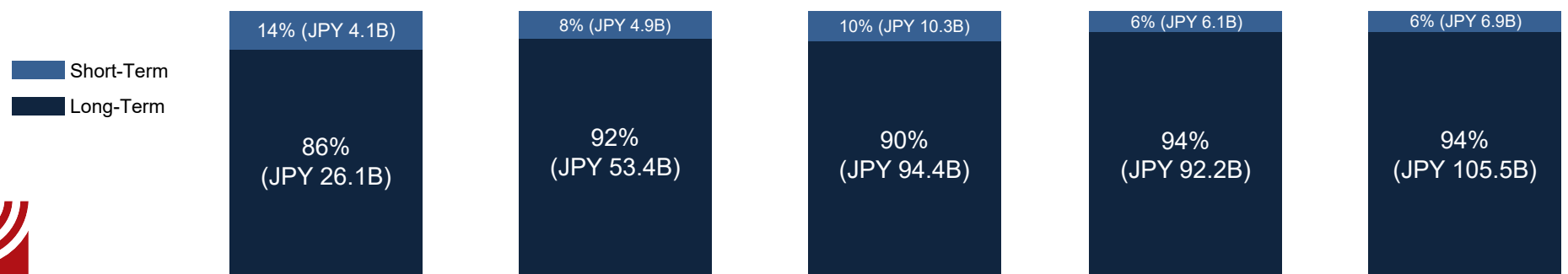


Strong Financial Position

Average Interest Rate and Loan Term



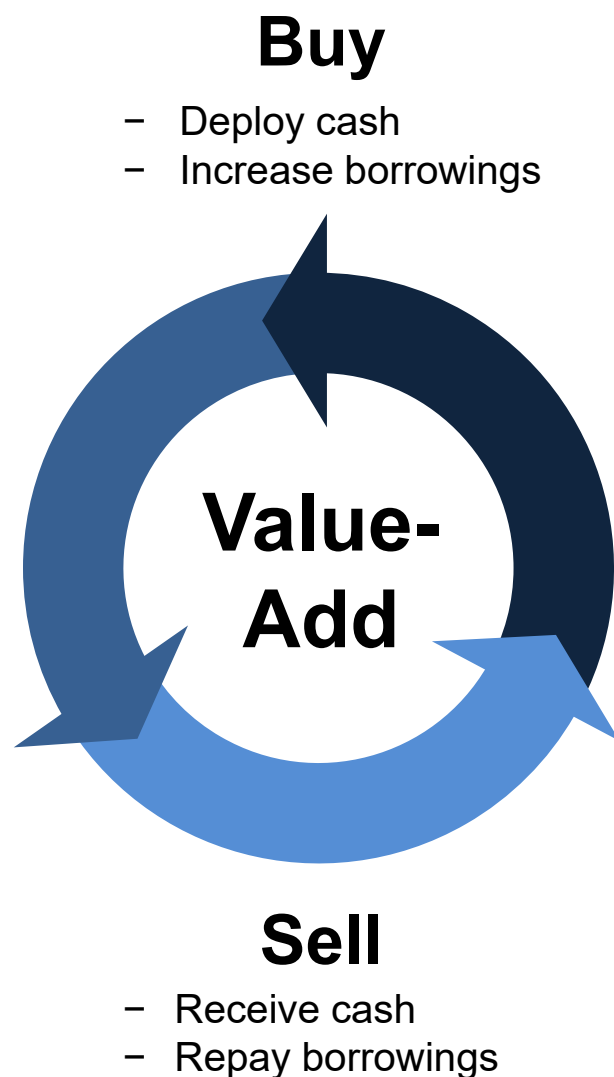
Term Structure of Loans



Powerful Value-Add Business Model Underpins Growth

Capital-Efficient Asset Turnover

Acquired JPY 12.3B and Sold JPY 7.0B of Real Estate in Q1



Acquisitions

Residential	5 Assets	JPY 3.6B
Office	1 Asset	JPY 0.5B
Retail	1 Assets	JPY 1.8B
Hotel	2 Assets	JPY 2.7B
Logistics	2 Assets	JPY 3.5B

Total 11 Assets JPY 12.3B

Sales

Residential	1 Asset	JPY 0.7B
Office	3 Assets	JPY 6.3B

Total 4 Assets JPY 7.0B

Centro Acquisition

Tokyo-Based Real Estate Operator Acquired July 3, 2017

- ✓ JPY 5B Central Tokyo real estate assets
- ✓ Storage Plus (100% subsidiary): indoor self-storage business
- ✓ Tenuto (65% subsidiary): agri-venture that develops systems to reuse industrially-generated CO2

Accelerate Growth via New Self-Storage Asset Class

- ✓ Industry's leading security and air conditioning
- ✓ Experiencing rapid business growth
- ✓ Drive growth in Ichigo stock earnings

Ichigo Owners' Synergies

- ✓ c. JPY 500M real estate assets well-matched to Ichigo Owners' client needs



Storage Plus Indoor Self-Storage

- Industry's leading security system
- High-grade air conditioning
- 20 facilities (including 2017 openings)

Agricultural Business Entry with Future Growth Potential

Large Q2 Value-Add Asset Sale

Central Tokyo Office Building (Acquired 2007)

- ✓ Originally purchased for ongoing rental income (Building met current earthquake resistance standards, but did further seismic reinforcement)
- ✓ Building functional aging (built in 1973) and FAR allowance expansion suggested redevelopment was best use of site
 - Agreed with all tenants to convert lease contracts to fixed-term leases over a number of years
- ✓ Strong buyer demand for the asset
 - Located in area where assets for sale are scarce
 - High potential with ongoing redevelopment in the area
- ✓ Sold to Japanese real estate company with strong redevelopment capability

Contract Date July 7, 2017

Settlement Date July 27, 2017 (expected)

Q2 Earnings Impact

Revenue JPY 14.2B, Gross Profit JPY 7.3B, Net Income JPY 5.0B

Ichigo Office (8975) Strategic Portfolio Restructuring

Increased Portfolio Scale, Quality, and Stability

- Sold 3 prime location office assets in Tokyo to Ichigo Office (total JPY 7B)
- Acquired from Ichigo Office 4 non-office assets with significant on-going costs
- Increased Ichigo Office NOI (+JPY 129M), portfolio weighting of Office assets with greater earnings stability (+3.0%), and portfolio scale (+JPY 2.4B)

Win Gotanda Building



Shinagawa-ku, Tokyo

Ichigo Hongo Building



Bunkyo-ku, Tokyo

Oimachi Center Building



Shinagawa-ku, Tokyo



Ichigo Value-Add

- Rectified building code issues
- Upgraded equipment to higher environmental standards
- Increased occupancy via leasing activities
- Renovated common areas
- Implemented Ichigo Property Management Standard to raise service quality & lower costs
- Strengthened tenant relationships
- Fostered relationships among co-owners, tenant & owner groups, and building maintenance companies (Win Gotanda Building and Oimachi Center Building)

Deployed Ichigo's Value-Add capabilities to improve assets (make REITable) and increase NOI

Ichigo Green (9282) EPS Growth

Sold 2 Solar Power Plants to Ichigo Green

- Diversifies Ichigo Green's portfolio by adding plants in Japan's Chugoku Region
- EPS +17.9% impact

Ichigo Yamaguchi Aionishi ECO Power Plant



Panel Output	1.24MW
FIT	JPY 40
Sale Price	JPY 544M
Appraisal Value	JPY 470M to JPY 637M

Ichigo Yamaguchi Sayama ECO Power Plant



Panel Output	2.35MW
FIT	JPY 36
Sale Price	JPY 925M
Appraisal Value	JPY 785M to JPY 1,050M

Ichigo Office REIT and Ichigo Hotel REIT Dividend Growth

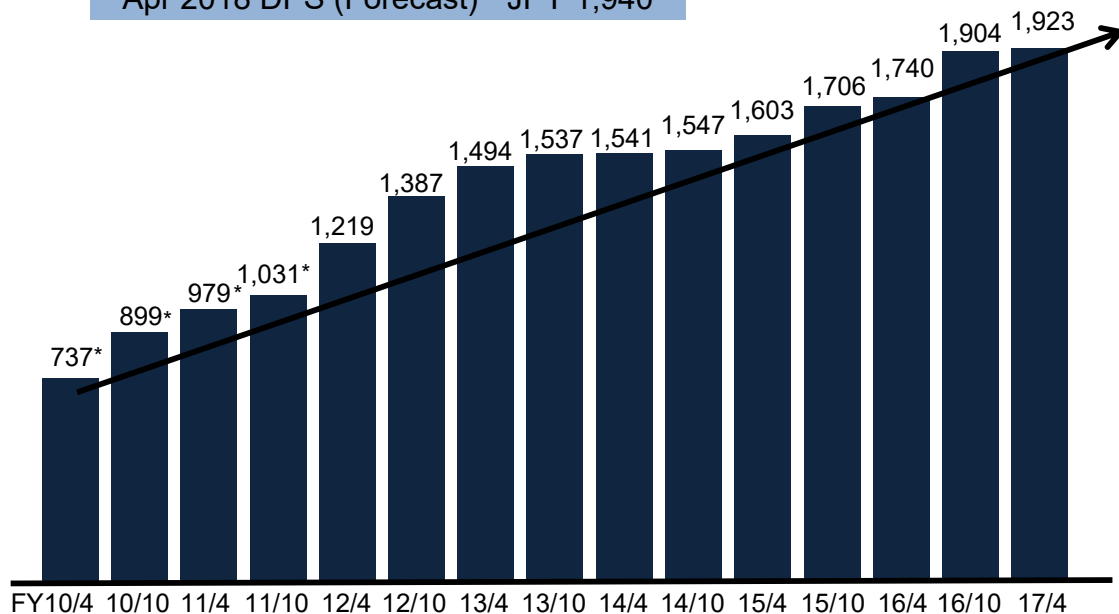
Ichigo Office REIT (8975) Dividend Growth

14 Consecutive Periods of Dividend Growth – No.1 vs. All J-REITs

Apr 2017 DPS (Actual) JPY 1,923

Oct 2017 DPS (Forecast) JPY 1,930

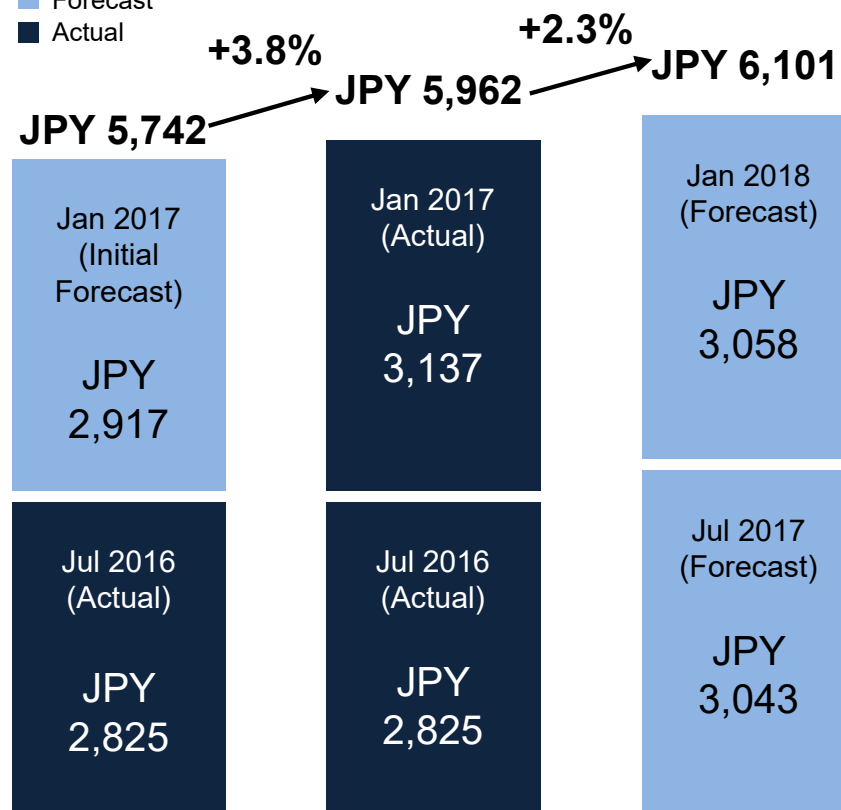
Apr 2018 DPS (Forecast) JPY 1,940



Ichigo Hotel REIT (3463) Dividend Growth

Grow Dividend by Leveraging Ichigo's Value-Add Capabilities

Forecast
Actual



* Adjusted to reflect stock split on November 1, 2011

* Annualized dividend shown to offset seasonal volatility

Ichigo Office (8975) Environmental Sustainability Initiatives

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Certification

- ✓ Ichigo Marunouchi Building: S Rank (Highest)
- ✓ Ichigo Kanda Nishikicho Building: A Rank

DBJ (Development Bank of Japan) Green Building Certification

- ✓ Ichigo Nihonbashi East Building: Three stars (Excellent Environmental and Social Awareness)

BELS (Building-Housing Energy-Efficiency Labeling System) Certification

- ✓ Ichigo Akihabara North Building: Two stars



Ichigo
Marunouchi
Building
S Rank
★★★★★



Ichigo Kanda
Nishikicho
Building
A Rank
★★★★★



Ichigo
Nihonbashi
East
Building
★★★



Ichigo
Akihabara
North
Building
★★



Ichigo Akasaka 317 Building

Renovated Prime Location Office Building to Target Fast-Growing Companies as Tenants, and Converted Floors to Retail Use

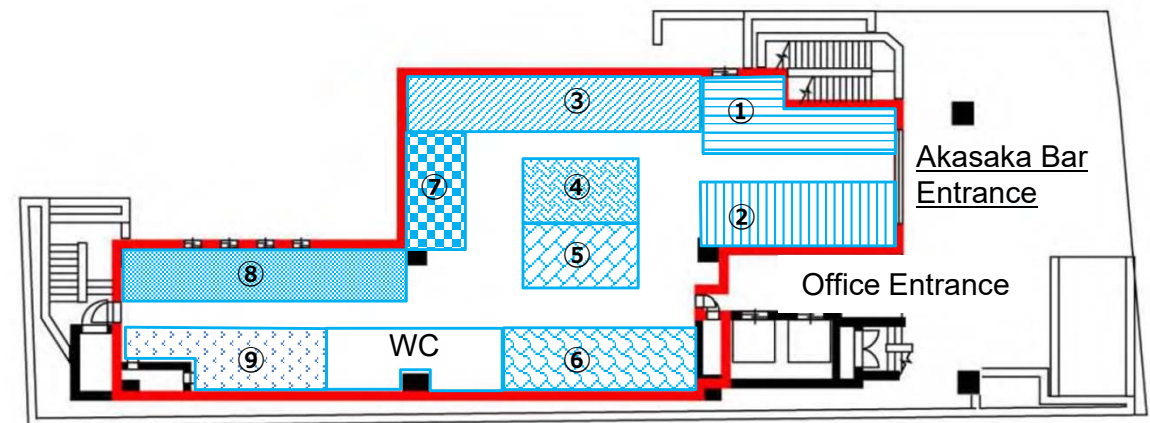
Opened Akasaka Bar Yokochō on First Floor, Gathering Nine Different Bars in One Place (June 2017)

- ✓ Redesigned an irregularly-shaped floor to allow for multiple tenant leasing
- ✓ Successful in attracting new tenants, e.g., travel guidebook company seeking to enter the dining industry
 - Minimized risk for tenants by allowing them to start with very small space and minimal equipment
 - Successful customer acquisitions for new tenants



Floor Redesign

Split up an irregularly-shaped floor into 9 units to maximize leasable area



Clean Energy Business Growth

Ichigo Showamura Ogose ECO Power Plant (43.3MW)

- ✓ Development ahead of schedule
 - Started full plant inspection and installation of monitoring terminals
 - Test-operation start date: July 3, 2017
 - Forecast NOI: JPY 1.4B



Ichigo Showamura Ogose ECO Power Plant

New Solar Power Plant Development

- ✓ Ichigo Minakami Aramaki ECO Power Plant (10.3MW)
 - Approval obtained for development on former pasture in northern Kanto
 - Construction start in August 2017; operation start in April 2019

Wind Power in Detailed Power Plant Simulation & Design Phase

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

Share Buyback Completion

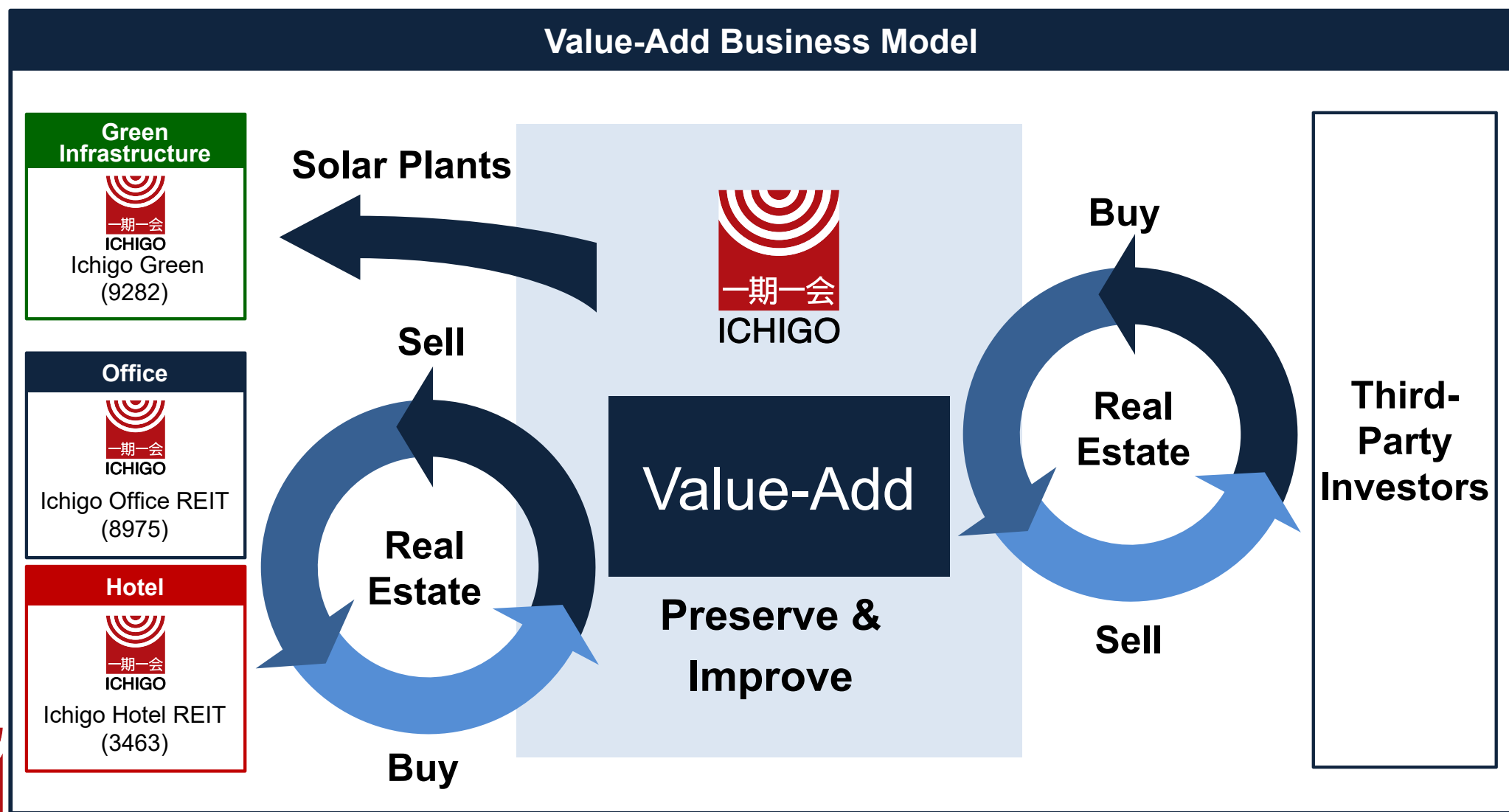
Purpose: Grow Value for Ichigo's Shareholders

Number of Shares	4,627,400 shares (0.92% of total shares outstanding)
Amount	JPY 1,499,979,200
Buyback Period	April 24, 2017 – April 28, 2017
Buyback Method	In-market purchases via trust bank
Average Share Price	JPY 324

Appendix: Financial & Real Estate Data

Powerful Value-Add Business Model

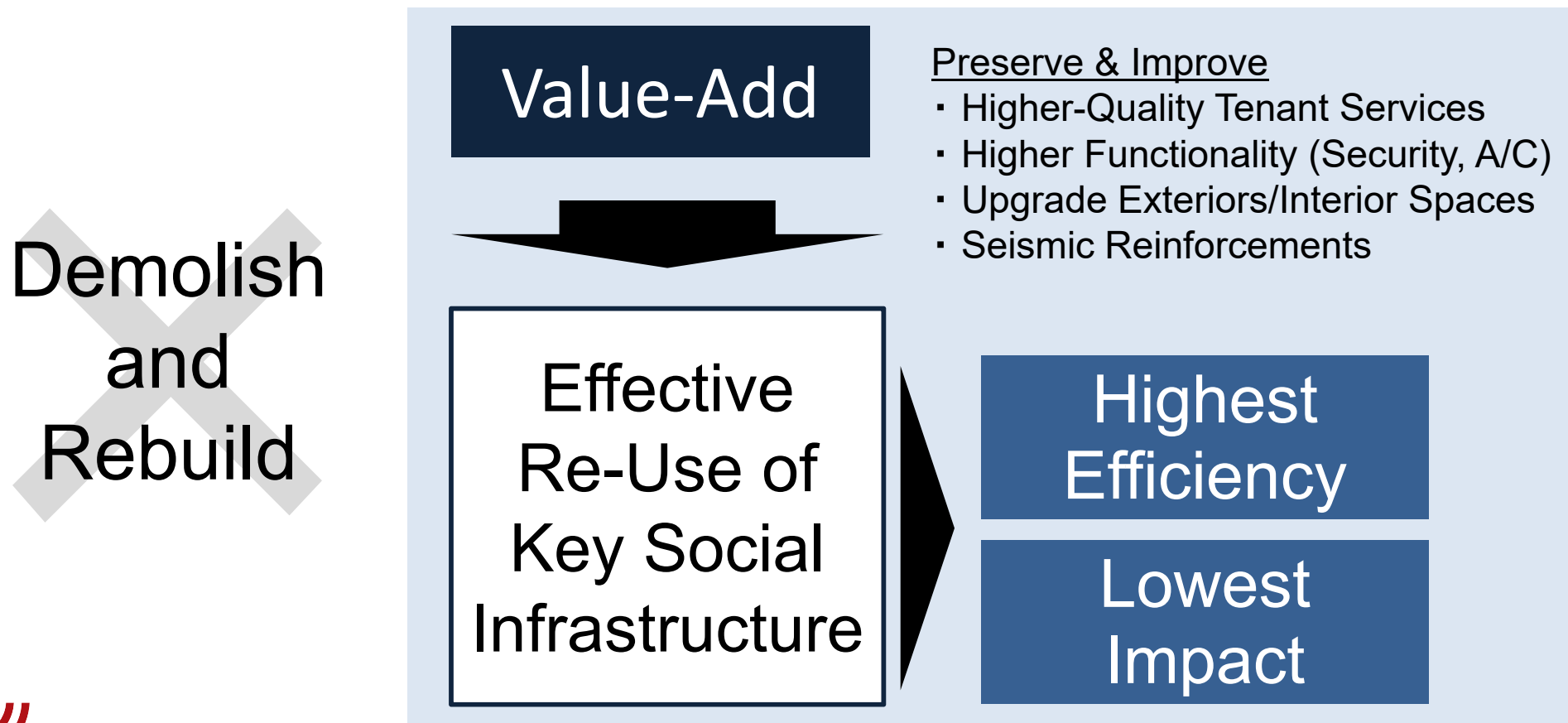
Significant Synergies between Ichigo's Value-Add and Asset Management Businesses



Sustainable Real Estate Serving a Sustainable Society

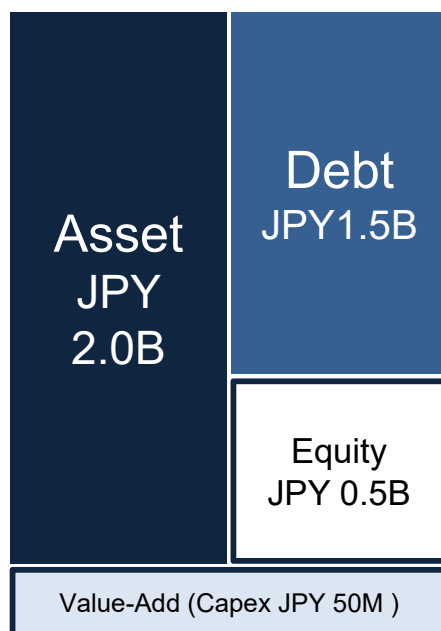
End Demolish and Rebuild and Embrace Value-Add

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



Value-Add Sample Earnings Model

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



NOI at Acquisition

$(\text{JPY } 110\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 87.5\text{M NOI/year}$
 $\text{NOI} \div \text{Initial Investment} = 17.5\% \text{ NOI return during investment period}$

NOI after Value-Add

$(\text{JPY } 126.5\text{M NOI/year}) - (\text{JPY } 22.5\text{M interest/year}) = \text{JPY } 104\text{M NOI/year}$
 $\text{NOI} \div \text{Total Investment (JPY } 500\text{M} + \text{JPY } 50\text{M}) = 18.9\% \text{ NOI return during investment period}$

Value-Add for Capital Gain

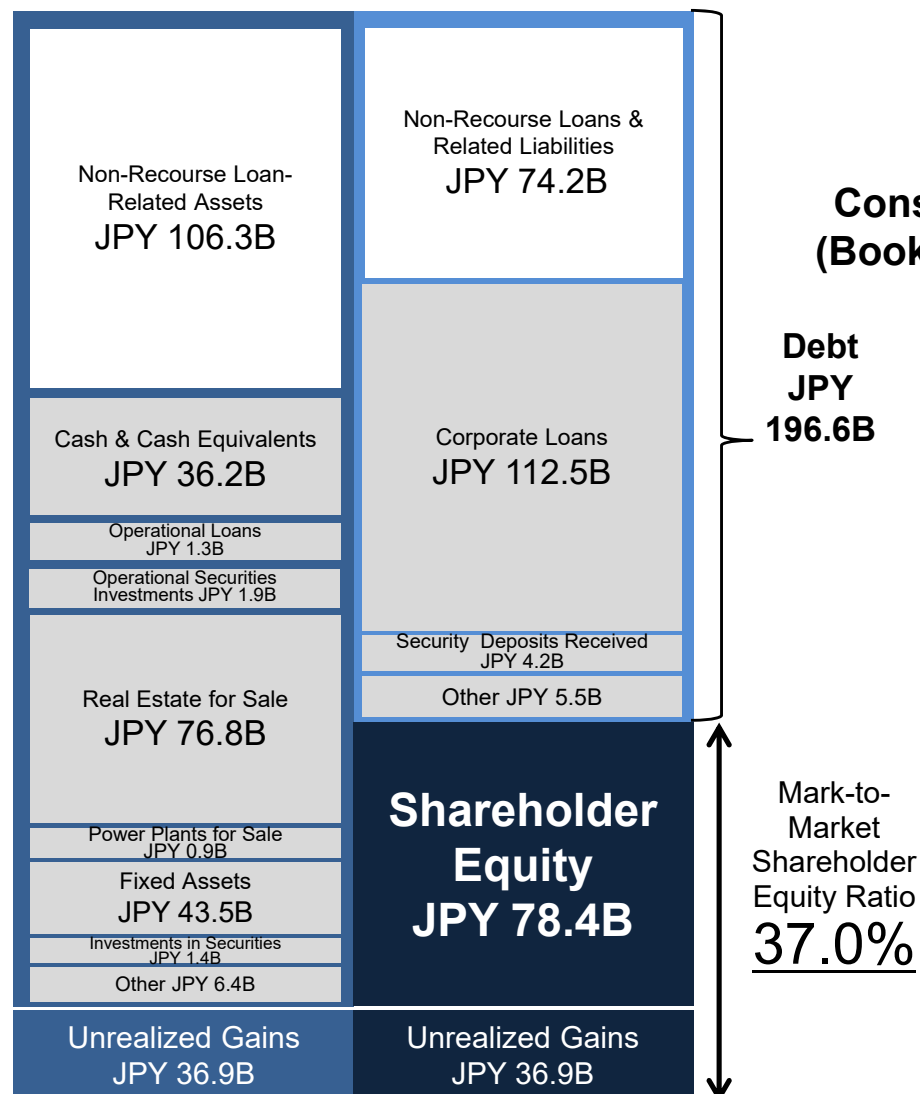
The 15% increase in NOI at an equivalent cap rate increases the exit price by 15%: $\text{JPY } 2\text{B} \times 115\% = \text{JPY } 2.3\text{B}$
 $\text{JPY } 2.3\text{B} - (\text{JPY } 2\text{B} + \text{JPY } 50\text{M}) = \text{JPY } 250\text{M capital gain}$

Result

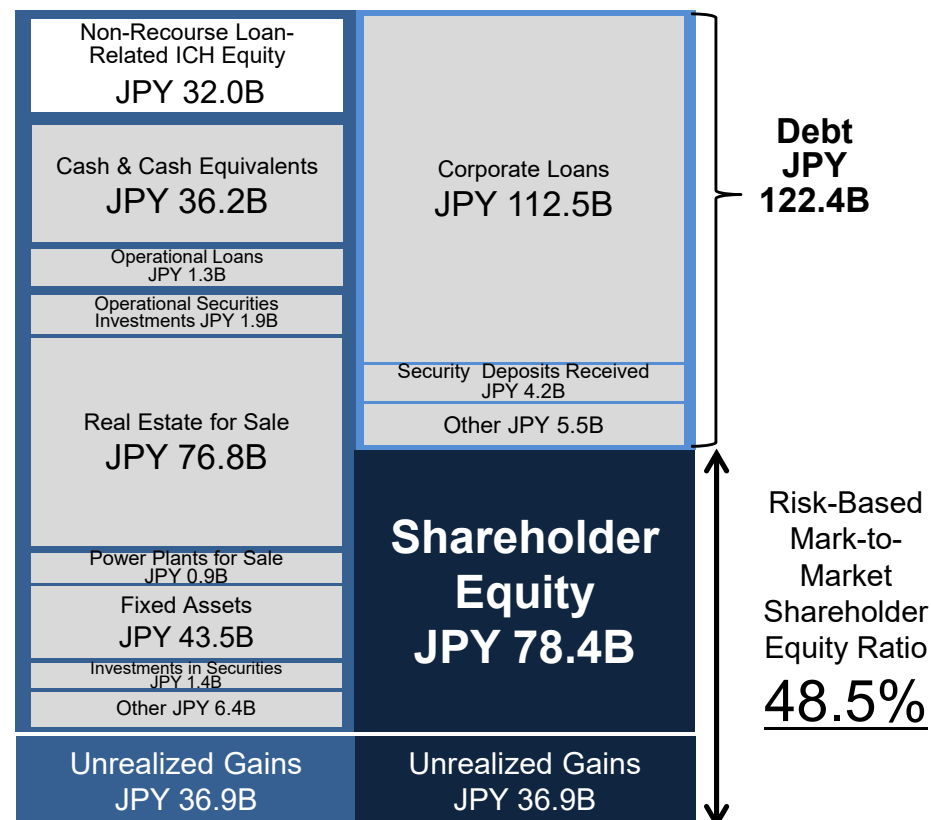
JPY 550M investment generates JPY 512M over 3 years → 31.1% p.a.

Consolidated Risk-Based Balance Sheet

Mark-to-Market Consolidated Balance Sheet: JPY 312.0B
(Book Value JPY 275.1B + Unrealized Gains JPY 36.9B)



Consolidated Risk-Based Balance Sheet: JPY 237.8B
(Book Value JPY 200.9B + Unrealized Gains JPY 36.9B)



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

Significant Unrealized Gains on Balance Sheet

Total Unrealized Gains: JPY 36.9B (Appraisal Value Basis)

Real estate directly held by Ichigo

(JPY million)

Location	Book Value as of May 31, 2017	NOI	Cap Rate NOI/Book Value after Write-down	Appraisal Value as of May 31, 2017	Unrealized Gains
Tokyo	105,194	5,809	5.9%	124,977	+19,783
Outside Tokyo	86,525	5,703	6.9%	103,346	+16,821
Total	191,718	11,512	6.4%	228,323	+36,604

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

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

(JPY million)

	Book Value as of May 31, 2017	Appraisal Value as of May 31, 2017	Unrealized Gains
Equity Investments (Non-consolidated)	—	—	—
Equity Investments (Consolidated)	1,054	1,383	+328
Total	1,054	1,383	+328

Business Segments

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

Consolidated Balance Sheet

(JPY million)

	FY17/2	FY18/2 Q1		YOY	Market Value	Unrealized Gains	Unrealized Gains on Listed Securities ²
		B/S	Outside Investors' Interest				
Cash and Cash Equivalents	47,678	45,542	567	-2,136	45,542	-	-
Operational Loan Investments (Value-Add)	1,324	1,324	-	-	1,830	+505	-
Operational Securities Investments	1,433	1,960	-	+527	1,960	-	-
Value-Add	84	658	-	+574	658	-	-
Clean Energy	512	512	-	-	512	-	-
Other	837	789	-	-48	789	-	-
Real Estate for Sale (Value-Add)	167,805	170,799	3,014	+2,994	203,720	+32,120	-
Power Plants for Sale (Clean Energy)	-	996	-	+996	996	-	-
Fixed Assets	45,654	45,299	-	-355	49,596	+4,296	-
Asset Management	30	-	-	-30	-	-	-
Value-Add	25,920	25,858	-	-62	30,154	+4,296	-
Clean Energy	19,620	19,356	-	-264	19,356	-	-
Other ¹	82	84	-	+2	84	-	-
Intangible Assets	1,956	1,391	-	-565	1,391	-	-
Securities Investments	1,426	1,416	-	-10	1,416	-	+135
Other	6,178	6,423	6	+245	6,423	-	-
Total Assets	273,459	275,154	3,588	+1,695	312,877	+36,921	+135

¹ Other refers to company assets that are not allocated to the three business segments

² Unrealized Gains on Listed Securities is recorded in Unrealized Gains on Securities Investments.

Consolidated Balance Sheet: Segment Breakdown

(JPY million)

Segment	Cash and Cash Equivalents	Operational Loans	Operational Securities Investments	Real Estate for Sale	Power Plants for Sale	Fixed Assets	Intangible Assets	Securities Investments	Other Assets	Total Assets
Asset Management	—	—	—	—	—	—	964	—	919	1,884
Value-Add	14,407	1,324	658	170,799	—	25,858	156	—	3,348	216,553
Clean Energy	661	—	511	—	996	19,356	246	—	957	22,731
Other	102	—	789	—	—	—	—	1,416	-472	1,836
Company-Wide Assets	30,370	—	—	—	—	84	24	—	1,669	32,148
Total	45,542	1,324	1,960	170,799	996	45,299	1,391	1,416	6,423	275,154

Consolidated P&L: Gross Profit Segment Breakdown

(JPY million)

Segment	Revenue			Gross Profit			YOY (Gross Profit)
	FY17/2 Q1	FY18/2 Q1	Change	FY17/2 Q1	FY18/2 Q1	Change	
Asset Management	1,185	681	-503	734	670	-64	-8.7%
Asset Management Fees	438	511	+73	435	508	+73	+16.8%
PMBM Fees	567	—	-567	122	-3	-125	-103.0%
Other	179	170	-9	176	165	-11	-6.5%
Value-Add	44,667	11,773	-32,893	5,621	3,186	-2,435	-43.3%
Rental Income	4,086	3,714	-372	2,709	2,278	-431	-15.9%
Asset Sales	40,581	8,059	-32,521	2,912	908	-2,004	-68.8%
Clean Energy	556	373	-183	254	171	-82	-32.4%
Other	5	86	+80	1	-27	-29	—
Total	46,415	12,915	-33,499	6,612	4,001	-2,610	-39.5%

Consolidated P&L: Results vs. Forecast

(JPY million)

Segment	FY18/2 Q1 (3M)						FY18/2 Full-Year Forecast (12M)		
	Revenue	vs. Full-Year Forecast	Gross Profit	vs. Full-Year Forecast	Operating Profit	vs. Full-Year Forecast	Revenue	Gross Profit	Operating Profit
Asset Management	681	27.4%	670	27.3%	504	30.5%	2,485	2,457	1,656
Asset Management Fees	511	22.1%	508	22.2%	—	—	2,315	2,293	—
PM/BM Fees	—	—	-3	—	—	—	—	—	—
Other	170	100.0%	165	100.8%	—	—	170	164	—
Value-Add	11,773	16.9%	3,186	14.3%	2,269	12.4%	69,719	22,336	18,304
Rental Income	3,714	22.7%	2,278	21.4%	—	—	16,379	10,625	—
Asset Sales	8,059	15.1%	908	7.8%	—	—	53,340	11,711	—
Clean Energy	373	11.6%	171	15.3%	52	8.4%	3,216	1,122	620
Other	86	111.4%	-27	—	-43	—	78	78	-52
Total	12,915	17.1%	4,001	15.4%	2,782	13.6%	75,500	25,994	20,529
Adjustment (including offsets of cross-segment transactions)	—	—	—	—	27	—	—	—	70
Total	12,915	17.1%	4,001	15.4%	2,810	13.6%	75,500	25,994	20,600

Asset Management AUM Detail




		FY13/2 (12M)	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q1 (3M)
Ichigo Office REIT (8975)	AUM (Fiscal Year End)	JPY 104.3B	JPY 120.5B	JPY 123.8B	JPY 165.1B	JPY 194.5B	JPY 196.9B
	AM Fee % (Average)	0.63%	0.65%	0.65%	0.64%	0.69%	0.70% ¹
	AM Fee Gross Profit (Actual)	JPY 663M	JPY 733M	JPY 759M	JPY 1,016M	JPY 1,291M	JPY 339M
Ichigo Hotel REIT (3463)	AUM (Fiscal Year End)	–	–	–	JPY 20.4B	JPY 47.6B	JPY 47.6B
	AM Fee % (Average)	–	–	–	0.59% ¹	0.90%	0.89% ¹
	AM Fee Gross Profit (Actual)	–	–	–	JPY 30M	JPY 287M	JPY 106M
Ichigo Green (9282)	AUM (Fiscal Year End)	–	–	–	–	JPY 10.0B	JPY 10.0B
	AM Fee % (Average)	–	–	–	–	0.21% ^{1,2}	0.35% ^{1,2}
	AM Fee Gross Profit (Actual)	–	–	–	–	JPY 5M	JPY 8M
Private Equity Real Estate Funds (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 169.7B	JPY 63.3B	JPY 21.5B	JPY 15.4B	JPY 6.4B	JPY 6.4B
	AM Fee % (Average)	0.15%	0.26%	0.37%	0.32%	0.25%	0.16% ¹
	AM Fee Gross Profit (Actual)	JPY 285M	JPY 257M	JPY 114M	JPY 60M	JPY 27M	JPY 2M
Total (excluding consolidated funds)	AUM (Fiscal Year End)	JPY 274.1B	JPY 183.8B	JPY 145.3B	JPY 200.9B	JPY 258.6B	JPY 261.0B
	AM Fee % (Average)	0.33%	0.47%	0.59%	0.61%	0.68%	0.71% ¹
	AM Fee Gross Profit (Actual)	JPY 948M	JPY 989M	JPY 872M	JPY 1,106M	JPY 1,611M	JPY 456M

¹ Annualized

² In addition to the above AM fee, operator fees received from Ichigo Green (0.4% p.a. of AUM) will be recorded separately in the Clean Energy segment.

Asset Management – Ichigo REITs and YieldCo

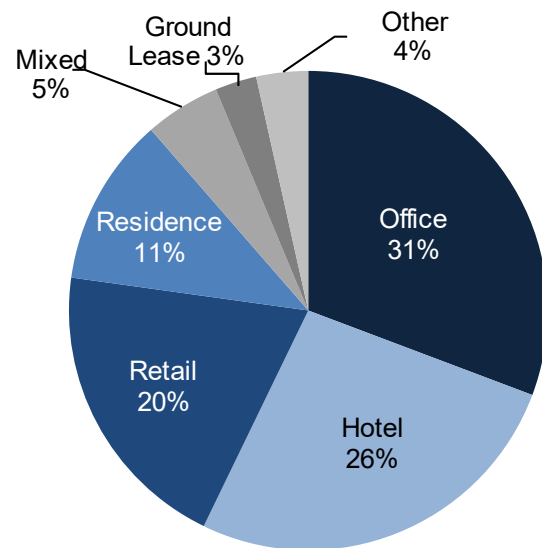
Ichigo Green IPO Expands Ichigo's J-REIT and YieldCo Line-Up

REIT/ YieldCo	Listing Date	Characteristics	Forecast Dividend Yield (Based on Closing Share Price on June 30, 2017)	Portfolio
Ichigo Office REIT (8975)	October 12, 2005	<ul style="list-style-type: none"> Specialized Office REIT focused on mid-size offices with return stability and upside potential 14 Consecutive periods of dividend growth, No.1 among all J-REITs 	5.5%	<p>85 assets JPY 196.9B</p> 
Ichigo Hotel REIT (3463)	November 30, 2015	<ul style="list-style-type: none"> Specialized Hotel REIT focused on driving shareholder value via income stability and earnings growth Portfolio growth via Ichigo's sponsor support 	5.3%	<p>20 hotels JPY 49.1B</p> 
Ichigo Green (9282)	December 1, 2016	<ul style="list-style-type: none"> Offers investors an opportunity to invest in Japan's rapidly expanding green infrastructure asset class Solar YieldCo focused on driving shareholder value via income stability and earnings growth The second TSE-listed YieldCo 	7.1%	<p>15 power plants JPY 11.4B (29.43MW)</p> 

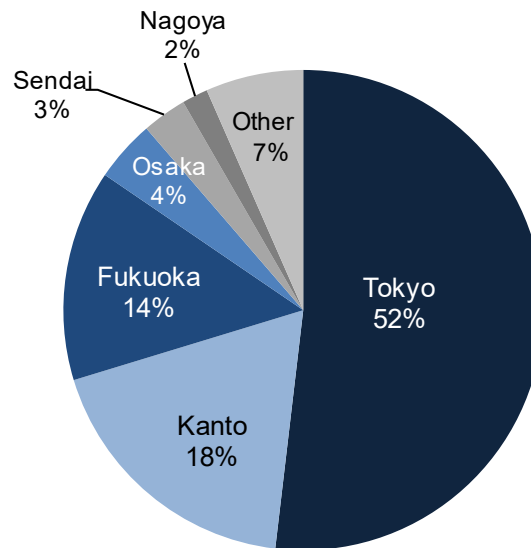
* Forecast dividend yield is based on the most recent dividend forecast. Ichigo Green includes Dividend in Excess of Earnings from operating cashflow.

Ichigo-Owned Real Estate Portfolio

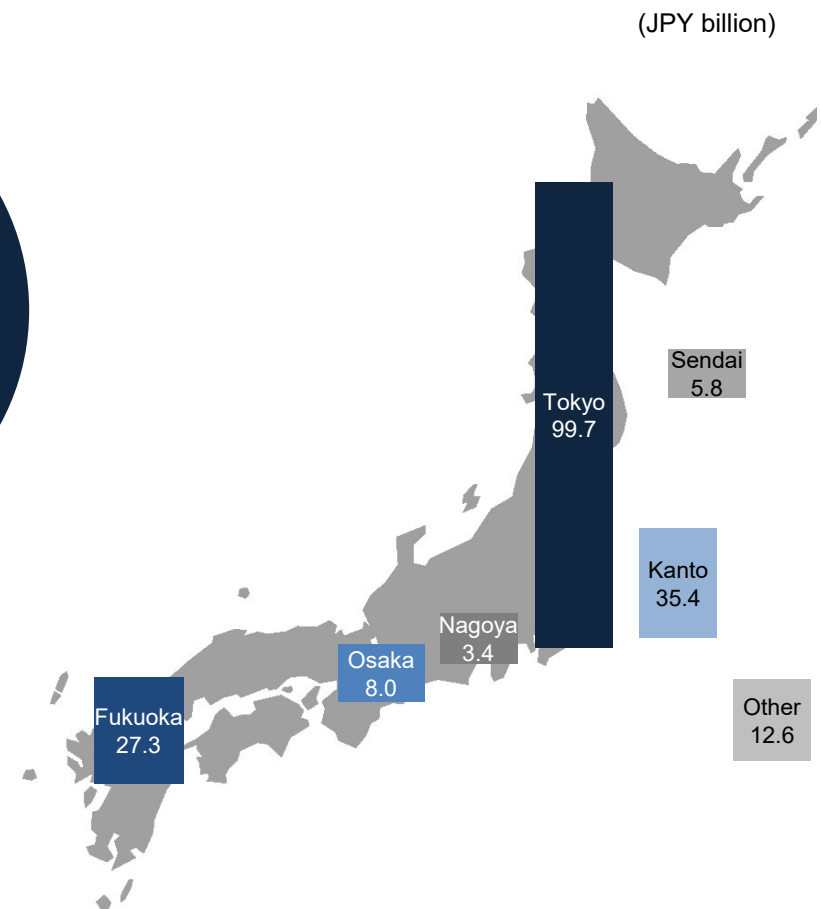
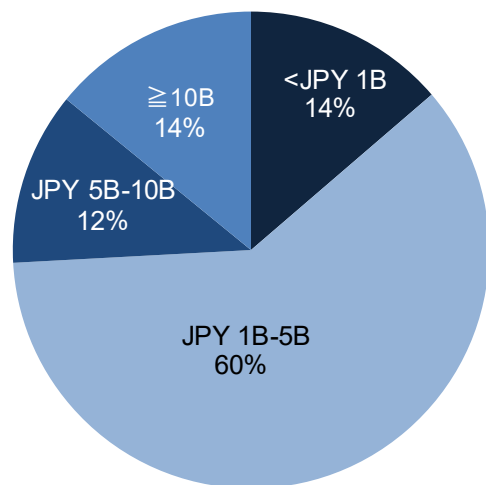
Asset Type



Asset Location



Asset Size



Total Ichigo-Owned Assets: JPY 192B
Including Ichigo-Managed AUM: JPY 459B

* Acquisition price basis.
 Ichigo-Managed AUM includes JPY 10B Ichigo Green assets.
 Total Ichigo-Owned Assets Book Value: JPY 192B

Value-Add Asset Breakdown (1)

98 Assets, JPY 192.2B, Forecast NOI JPY 11.5B (6.4% Yield)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
1	Other	Fixed Asset	Matsudo City, Chiba	45 years	JPY 2B-3B	2005/06	JPY 74M	JPY 1,900M	—	—
2	Retail	Real Estate for Sale	Minato-ku, Tokyo	48 years	JPY 2B-3B	2005/10	JPY 147M	JPY 1,033M	—	—
3	Retail	Real Estate for Sale	Minato-ku, Tokyo	31 years	≥ JPY 3B	2006/03	JPY 191M	JPY 1,356M	—	—
4	Retail	Fixed Asset	Yokohama City, Kanagawa	12 years	JPY 1B-2B	2006/09	JPY 73M	JPY 1,157M	—	—
5	Office	Real Estate for Sale	Sendai City, Miyagi	9 years	≥ JPY 3B	2006/10	JPY 275M	JPY 1,042M	—	—
6	Office	Fixed Asset	Fukuoka City, Fukuoka	8 years	≥ JPY 3B	2006/12	JPY 391M	JPY 1,339M	—	—
7	Other	Fixed Asset	Isumi City, Chiba	—	JPY 1B-2B	2007/02	—	JPY 1,055M	—	—
9	Residence	Real Estate for Sale	Ota-ku, Tokyo	12 years	<JPY 1B	2007/04	JPY 56M	JPY 403M	—	—
10	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	37 years	<JPY 1B	2007/06	JPY 85M	JPY 240M	—	—
11	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	36 years	<JPY 1B	2007/06	JPY 123M	JPY 233M	—	—
12	Retail	Real Estate for Sale	Chiyoda-ku, Tokyo	53 years	JPY 2B-3B	2007/06	JPY 252M	JPY 554M	—	—
13	Office	Real Estate for Sale	Minato-ku, Tokyo	43 years	≥ JPY 3B	2007/11	JPY 388M	JPY 2,049M	—	—
14	Ground Lease	Real Estate for Sale	Atsugi City, Kanagawa	—	JPY 1B-2B	2011/06	JPY 176M	JPY 147M	—	—
15	Mixed(Office/Retail)	Fixed Asset	Hiratsuka City, Kanagawa	21 years	<JPY 1B	2012/02	JPY 86M	JPY 172M	—	—
16	Retail	Real Estate for Sale	Yokohama City, Kanagawa	3 years	<JPY 1B	2012/10	JPY 33M	JPY 171M	—	—

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (2)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
17	Retail	Fixed Asset	Toshima-ku, Tokyo	6 years	≥ JPY 3B	2013/03	JPY 230M	JPY 340M	—	—
18	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30 years	<JPY 1B	2013/05	JPY 46M	JPY 154M	—	—
19	Mixed(Office/Retail)	Fixed Asset	Chofu City, Tokyo	32 years	JPY 1B-2B	2013/06	JPY 122M	JPY 310M	—	—
21	Residence	Real Estate for Sale	Minato-ku, Tokyo	1 year	<JPY 1B	2013/06	JPY 45M	JPY 203M	—	—
24	Office	Real Estate for Sale	Chiyoda-ku, Tokyo	26 years	JPY 1B-2B	2013/08	JPY 86M	JPY 520M	—	—
26	Retail	Fixed Asset	Kobe City, Hyogo	16 years	JPY 1B-2B	2013/09	JPY 149M	JPY 616M	—	—
27	Retail	Fixed Asset	Tokorozawa City, Saitama	9 years	JPY 1B-2B	2013/11	JPY 62M	JPY 92M	—	—
28	Ground Lease	Real Estate for Sale	Chiba City, Chiba	—	JPY 2B-3B	2014/02	JPY 128M	JPY 342M	—	—
29	Ground Lease	Real Estate for Sale	Fujisawa City, Kanagawa	—	JPY 1B-2B	2014/03	JPY 115M	JPY 273M	7.52X	44.5%
30	Mixed(Office/Retail)	Real Estate for Sale	Shibuya-ku, Tokyo	33 years	<JPY 1B	2014/03	JPY 39M	JPY 108M	6.95X	26.0%
31	Office	Real Estate for Sale	Shibuya-ku, Tokyo	6 years	JPY 1B-2B	2014/04	JPY 61M	JPY 1,090M	1.25X	12.0%
32	Retail	Fixed Asset	Fukuoka City, Fukuoka	11 years	JPY 1B-2B	2014/04	JPY 60M	JPY 279M	—	—
34	Office	Real Estate for Sale	Shinagawa-ku, Tokyo	24 years	JPY 1B-2B	2014/05	JPY 133M	JPY 515M	2.27X	23.4%
35	Mixed(Office/Retail)	Real Estate for Sale	Minato-ku, Tokyo	8 years	JPY 2B-3B	2014/05	JPY 162M	JPY 434M	3.08X	15.2%
37	Retail	Real Estate for Sale	Minato-ku, Tokyo	45 years	<JPY 1B	2014/07	JPY 39M	JPY 77M	10.47X	23.9%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (3)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
38	Mixed(Office/Retail)	Real Estate for Sale	Shinjuku-ku, Tokyo	41 years	≥JPY 3B	2014/07	JPY 188M	JPY 645M	3.32X	21.1%
39	Retail	Fixed Asset	Fukuoka City, Fukuoka	13 years	<JPY 1B	2014/07	JPY 47M	JPY 213M	—	—
40	Retail	Fixed Asset	Fukuoka City, Fukuoka	32 years	<JPY 1B	2014/09	JPY 52M	JPY 252M	—	—
41	Hotel	Real Estate for Sale	Utsunomiya City, Tochigi	30 years	JPY 1B-2B	2014/09	JPY 144M	JPY 400M	1.97X	28.3%
42	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	16 years	<JPY 1B	2014/09	JPY 54M	JPY 177M	5.54X	26.2%
43	Retail	Real Estate for Sale	Osaka City, Osaka	15 years	JPY 1B-2B	2014/09	JPY 102M	JPY 301M	4.64X	24.3%
44	Retail	Real Estate for Sale	Machida City, Tokyo	31 years	<JPY 1B	2014/10	JPY 51M	JPY 82M	11.34X	43.9%
45	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	14 years	JPY 1B-2B	2014/11	JPY 76M	JPY 135M	10.70X	33.8%
46	Residence	Real Estate for Sale	Chiyoda-ku, Tokyo	14 years	JPY 2B-3B	2014/12	JPY 116M	JPY 332M	2.18X	29.2%
47	Residence	Real Estate for Sale	Koto-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 90M	JPY 270M	1.56X	14.6%
48	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 79M	JPY 238M	1.67X	16.6%
49	Residence	Real Estate for Sale	Minato-ku, Tokyo	12 years	JPY 1B-2B	2014/12	JPY 64M	JPY 185M	1.63X	15.7%
50	Residence	Real Estate for Sale	Sumida-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 60M	JPY 163M	1.55X	15.2%
51	Residence	Real Estate for Sale	Ota-ku, Tokyo	15 years	<JPY 1B	2014/12	JPY 57M	JPY 150M	2.21X	35.7%
52	Residence	Real Estate for Sale	Osaka City, Osaka	9 years	<JPY 1B	2014/12	JPY 58M	JPY 148M	1.86X	24.8%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (4)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
53	Residence	Real Estate for Sale	Chuo-ku, Tokyo	14 years	<JPY 1B	2014/12	JPY 40M	JPY 99M	2.96X	44.4%
54	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	<JPY 1B	2014/12	JPY 39M	JPY 123M	1.97X	23.3%
55	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 28M	JPY 82M	2.05X	25.8%
56	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	11 years	JPY 1B-2B	2014/12	JPY 85M	JPY 270M	2.00X	23.2%
57	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	JPY 1B-2B	2014/12	JPY 57M	JPY 186M	1.90X	21.0%
58	Residence	Real Estate for Sale	Shibuya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 49M	JPY 157M	1.89X	21.5%
59	Residence	Real Estate for Sale	Setagaya-ku, Tokyo	12 years	<JPY 1B	2014/12	JPY 42M	JPY 117M	2.11X	27.2%
60	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	10 years	<JPY 1B	2014/12	JPY 19M	JPY 55M	1.80X	21.1%
61	Mixed(Office/Retail)	Operational Loan	Shinjuku-ku, Tokyo	54 years	JPY 1B-2B	2014/12	JPY 118M	JPY 57M	15.26X	51.7%
62	Retail	Real Estate for Sale	Fukuoka City, Fukuoka	13 years	<JPY 1B	2014/12	JPY 43M	JPY 212M	—	—
63	Retail	Fixed Asset	Meguro-ku, Tokyo	10 years	JPY 1B-2B	2014/12	JPY 83M	JPY 129M	—	—
64	Retail	Real Estate for Sale	Shinagawa-ku, Tokyo	63 years	<JPY 1B	2015/01	JPY 17M	—	—	—
66	Retail	Real Estate for Sale	Sendai City, Miyagi	13 years	<JPY 1B	2015/02	JPY 49M	JPY 8M	42.58X	198.9%
68	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	15 years	<JPY 1B	2015/04	JPY 39M	JPY 79M	5.65X	27.9%
69	Hotel	Real Estate for Sale	Osaka City, Osaka	14 years	JPY 2B-3B	2015/05	JPY 194M	JPY 633M	1.56X	58.3%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (5)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
70	Hotel	Real Estate for Sale	Aomori City, Aomori	9 years	<JPY 1B	2015/06	JPY 51M	JPY 113M	2.10X	20.2%
71	Retail	Real Estate for Sale	Fujisawa City, Kanagawa	2 years	JPY 1B-2B	2015/07	JPY 97M	JPY 126M	6.80X	37.3%
89	Office	Real Estate for Sale	Musashino City, Tokyo	28 years	≥JPY 3B	2015/07	JPY 128M	JPY 670M	1.72X	13.3%
92	Office	Real Estate for Sale	Fukuoka City, Fukuoka	9 years	JPY 1B-2B	2015/07	JPY 91M	JPY 353M	1.82X	17.7%
93	Office	Real Estate for Sale	Fukuoka City, Fukuoka	14 years	JPY 1B-2B	2015/07	JPY 90M	JPY 358M	1.92X	18.8%
96	Hotel	Real Estate for Sale	Sapporo City, Hokkaido	24 years	<JPY 1B	2015/08	JPY 27M	JPY 2M	5.52X	291.5%
98	Hotel	Real Estate for Sale	Naha City, Okinawa	28 years	JPY 2B-3B	2015/11	JPY 232M	JPY 640M	1.91X	25.9%
105	Hotel	Real Estate for Sale	Kumamoto City, Kumamoto	32 years	JPY 1B-2B	2015/12	JPY 142M	JPY 453M	1.61X	61.2%
109	Hotel	Real Estate for Sale	Nagoya City, Aichi	8 years	JPY 2B-3B	2016/03	JPY 124M	JPY 525M	1.84X	37.7%
110	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	31 years	≥JPY 3B	2016/03	JPY 273M	JPY 905M	2.05X	104.5%
111	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	33 years	JPY 2B-3B	2016/03	JPY 192M	JPY 228M	5.32X	23.3%
112	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	29 years	≥JPY 3B	2016/03	JPY 249M	JPY 354M	10.64X	36.2%
113	Hotel	Real Estate for Sale	Yokohama City, Kanagawa	29 years	≥JPY 3B	2016/03	JPY 223M	JPY 344M	5.84X	25.5%
114	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	27 years	≥JPY 3B	2016/04	JPY 177M	JPY 550M	1.73X	72.6%
115	Hotel	Real Estate for Sale	Osaka City, Osaka	10 years	JPY 2B-3B	2016/04	JPY 117M	JPY 274M	2.96X	30.7%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (6)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
116	Retail	Real Estate for Sale	Sendai City, Miyagi	28 years	<JPY 1B	2016/04	JPY 48M	JPY 86M	7.50X	28.4%
118	Retail	Real Estate for Sale	Nagoya City, Aichi	20 years	JPY 1B-2B	2016/06	JPY 84M	JPY 102M	7.71X	32.6%
119	Retail	Real Estate for Sale	Shibuya-ku, Tokyo	30 years	<JPY 1B	2016/06	JPY 31M	JPY 136M	3.91X	17.4%
120	Hotel	Real Estate for Sale	Shinjuku-ku, Tokyo	37 years	≥ JPY 3B	2016/09	JPY 288M	JPY 349M	2.70X	39.9%
121	Office	Real Estate for Sale	Minato-ku, Tokyo	16 years	≥ JPY 3B	2016/10	JPY 1,352M	JPY 3,450M	2.87X	43.5%
122	Hotel	Real Estate for Sale	Shima City, Mie	19 years	<JPY 1B	2017/01	JPY 47M	JPY 73M	5.49X	43.1%
123	Hotel	Real Estate for Sale	Shibuya-ku, Tokyo	22 years	≥ JPY 3B	2016/12	JPY 152M	JPY 1,123M	1.25X	25.4%
124	Hotel	Real Estate for Sale	Asahikawa City, Hokkaido	27 years	<JPY 1B	2016/12	JPY 74M	JPY 593M	1.48X	48.5%
125	Hotel	Real Estate for Sale	Kurashiki City, Okayama	24 years	JPY 1B-2B	2016/12	JPY 93M	JPY 484M	1.53X	53.0%
126	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	26 years	JPY 1B-2B	2016/12	JPY 67M	JPY 505M	1.25X	25.4%
127	Hotel	Real Estate for Sale	Ishigaki City, Okinawa	14 years	JPY 2B-3B	2017/02	JPY 162M	JPY 544M	1.80X	80.2%
128	Hotel	Real Estate for Sale	Mito City, Ibaraki	24 years	JPY 1B-2B	2017/02	JPY 97M	JPY 602M	1.47X	47.0%

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

Value-Add Asset Breakdown (7)

No.	Asset Type	Classification	Location	Building Age	Acquisition Price	Acquisition Date	Expected NOI/Year	Ichigo Investment	Forecast Equity Multiple ¹	Forecast IRR ²
129	Residence	Real Estate for Sale	Shinjuku-ku, Tokyo	31 years	<JPY 1B	2017/03	JPY 21M	JPY 416M	1.14X	14.2%
130	Retail	Real Estate for Sale	Taito-ku, Tokyo	24 years	JPY 1B-2B	2017/04	JPY 99M	JPY 297M	4.42X	21.1%
131	Hotel	Real Estate for Sale	Fukuoka City, Fukuoka	–	JPY 1B-2B	2017/04	JPY 101M	JPY 236M	2.07X	49.9%
132	Residence	Real Estate for Sale	Minato-ku, Tokyo	13 years	<JPY 1B	2017/04	JPY 51M	JPY 190M	2.66X	38.3%
133	Residence	Real Estate for Sale	Minato-ku, Tokyo	15 years	<JPY 1B	2017/04	JPY 46M	JPY 152M	3.85X	32.7%
134	Residence	Real Estate for Sale	Chuo-ku, Tokyo	14 years	JPY 1B-2B	2017/04	JPY 58M	JPY 197M	2.88X	26.2%
135	Other	Real Estate for Sale	Narashino City, Chiba	25 years	JPY 1B-2B	2017/04	JPY 114M	JPY 188M	6.18X	25.8%
136	Other	Real Estate for Sale	Narashino City, Chiba	25 years	JPY 1B-2B	2017/04	JPY 153M	JPY 203M	8.75X	32.8%
137	Residence	Real Estate for Sale	Meguro-ku, Tokyo	1 year	<JPY 1B	2017/05	JPY 26M	JPY 647M	1.13X	12.9%
138	Hotel	Real Estate for Sale	Ogaki City, Gifu	27 years	JPY 1B-2B	2017/05	JPY 137M	–	–	–
139	Office	Real Estate for Sale	Shibuya-ku, Tokyo	–	<JPY 1B	2017/05	JPY 28M	JPY 600M	1.15X	15.1%
Total				98 Assets	JPY 192,255M		JPY 11,512M	JPY 41,170M	2.72X	37.9%
Total				98 Assets	JPY 192,089M	(Book Value)				
Assets acquired in FY18/2 Q1 (3M) Total 11 Assets					JPY 12,392M		JPY 833M	JPY 3,126M	2.65X	26.9%

* Assets acquired in the current FY18/2 Q1 period

¹ Forecast Equity Multiple is based on the business plan of each asset and is the expected sum of rental income and profits on sale divided by Ichigo Investment.

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

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

What is a FIT?

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

Contract Date	FIT	Guarantee Period	Contract Date	FIT	Guarantee Period
FY2012	JPY 40	20 years	FY2015 (7/1~3/31)	JPY 27	20 years
FY2013	JPY 36	20 years	FY2016	JPY 24	20 years
FY2014	JPY 32	20 years	FY2017	JPY 21*	20 years
FY2015 (4/1~6/30)	JPY 29	20 years			

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

* FIT for >2MW non-residential solar power production determined via auction process

Clean Energy Earnings

Gross Profit Decrease Due to Solar Power Plant Sales to Ichigo Green (9282)

	FY17/2 (12M)	FY18/2 Q1 (3M)	FY18/2 Full-Year Forecast (12M)	vs. Full-Year Forecast
Revenue	JPY 12,352M	JPY 373M	JPY 3,216M	11.6%
Cost of Goods Sold	JPY 8,580M	JPY 201M	JPY 2,094M	—
Gross Profit	JPY 3,772M	JPY 171M	JPY 1,122M	15.3%
SG&A	JPY 470M	JPY 119M	JPY 501M	—
Adjustments (including offsets of inter- segment transactions)	—	—	—	—
Operating Profit	JPY 3,301M	JPY 52M	JPY 620M	8.4%

Solar Power Plant Schedule

Ichigo

19 Plants Online
28.39MW

19 Plants Online
28.39MW

28 Plants (Forecast)
98.97MW

Ichigo Green
(9282)

13 Plants Online
25.83MW

13 Plants Online
25.83MW

15 Plants (Forecast)
29.43MW

Total operating and in-development: 43 plants, 128.40MW

Solar Power Plant Portfolio (1)

Ichigo (Operating)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Tokushima Higashi-Okinosu	Shikoku	2.52	JPY 40	Aug 2013
Ichigo Fuchu Jogecho Yano	Chugoku	0.99	JPY 40	Mar 2014
Ichigo Yubetsu Barou	Hokkaido	0.80	JPY 40	Apr 2014
Ichigo Maebashi Naegashima	Kanto	0.67	JPY 40	Apr 2014
Ichigo Betsukai Kawakamicho	Hokkaido	0.88	JPY 40	Oct 2014
Ichigo Toyokoro Sasadamachi	Hokkaido	0.60	JPY 40	Oct 2014
Ichigo Higashi-Hiroshima Saijocho Taguchi	Chugoku	2.72	JPY 40	Jan 2015
Ichigo Akkeshi Shirahama	Hokkaido	0.80	JPY 40	Mar 2015
Ichigo Hamanaka Bokujo Tsurunokotai	Tohoku	2.31	JPY 36	Dec 2015
Ichigo Yonago Izumi	Chugoku	2.61	JPY 40	Jan 2016
Ichigo Kasaoka Takumicho	Chugoku	1.11	JPY 32	Mar 2016
Ichigo Kijo Takajo	Kyushu	0.89	JPY 40	May 2016
Ichigo Toki Oroshicho	Chubu	1.39	JPY 36	Jun 2016
Ichigo Toride Shimotakai Kita	Kanto	1.03	JPY 32	Jul 2016
Ichigo Toride Shimotakai Minami	Kanto	0.54	JPY 32	Jul 2016
Ichigo Hamanaka Bokujo Kajibayashi	Tohoku	2.31	JPY 36	Oct 2016
Ichigo Sera Tsukuchi	Chugoku	2.54	JPY 32	Feb 2017

Ichigo (In-Development)

(As of July 13, 2017)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Sera Aomizu	Chugoku	2.87	JPY 32	Aug 2017
Ichigo Memuro Nishishikari	Hokkaido	1.32	JPY 40	Dec 2017
Ichigo Showamura Ogose	Kanto	43.34	JPY 36	Jan 2018
Ichigo Kasaoka Iwanoike	Chugoku	2.61	JPY 24	Jan 2018
Ichigo Kure Yasuuracho Nakahata	Chugoku	2.65	JPY 36	Jan 2018
Ichigo Tsu	Kinki	2.94	JPY 24	Feb 2018
Ichigo Toki Tsurusatocho Kakino	Chubu	1.26	JPY 24	Mar 2018
Ichigo Itoshima Ihara	Kyushu	1.29	JPY 36	Jul 2018
Ichigo Minakami Aramaki	Kanto	10.26	JPY 36	Apr 2019
Ichigo Hitachi Omiya	Kanto	2.96	JPY 24	Nov 2019
Ichigo Miyakonojo Takazakicho Tsumagirishima	Kyushu	2.64	JPY 32	Nov 2021
Total (Operating & In-Development)		98.97MW		

Ichigo Green (9282)

Solar Power Plant	Area	Panel Output (MW)	FIT (Pre-tax)	Operation Start Date
Ichigo Kiryu Okuzawa	Kanto	1.33	JPY 40	Sep 2013
Ichigo Motomombetsu	Hokkaido	1.40	JPY 40	Feb 2014
Ichigo Muroan Hatchodaira	Hokkaido	1.24	JPY 40	Mar 2014
Ichigo Engaru Kiyokawa	Hokkaido	1.12	JPY 40	Mar 2014
Ichigo Iyo Nakayamacho Izubuchi	Shikoku	1.23	JPY 40	Apr 2014
Ichigo Nakashibetsu Midorigaoka	Hokkaido	1.93	JPY 40	Nov 2014
Ichigo Abira Toasa	Hokkaido	1.16	JPY 40	Dec 2014
Ichigo Toyokoro	Hokkaido	1.02	JPY 40	Dec 2014
Ichigo Nago Futami	Okinawa	8.44	JPY 40	Feb 2015
Ichigo Engaru Higashimachi	Hokkaido	1.24	JPY 40	Feb 2015
Ichigo Takamatsu Kokubunjicho Nii	Shikoku	2.43	JPY 36	Jun 2015
Ichigo Miyakonojo Yasuhisacho	Kyushu	1.44	JPY 36	Jul 2015
Ichigo Toyokawa Mitocho Sawakihama	Chubu	1.80	JPY 32	Sep 2015
Ichigo Yamaguchi Aionishi	Chugoku	1.24	JPY 40	Dec 2015
Ichigo Yamaguchi Sayama	Chugoku	2.35	JPY 36	Apr 2016
Total		29.43MW		

Total Solar Plant Output
128.40MW

Solar Power Plant Portfolio (2)

Serving Local Communities and the Environment

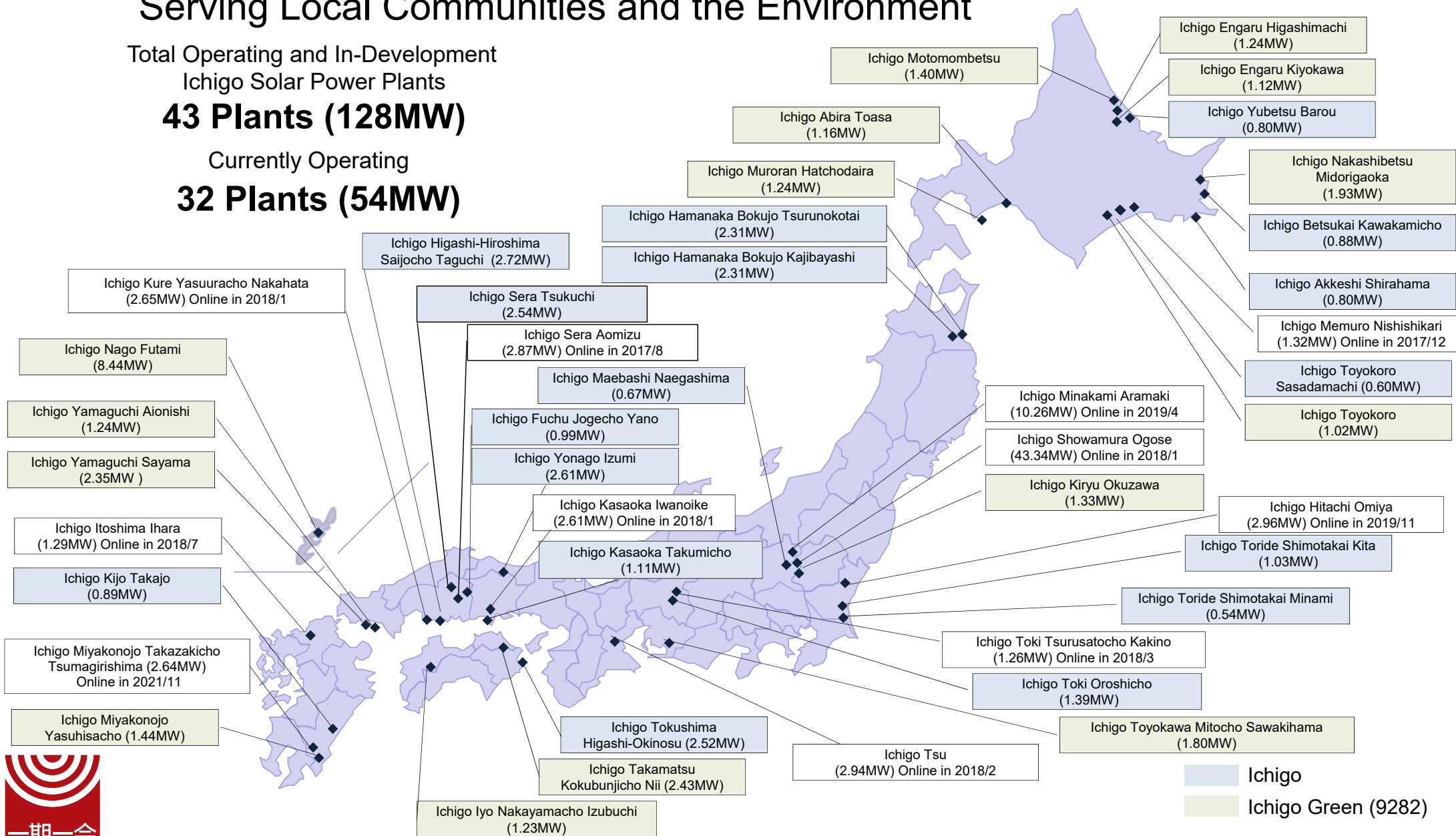
(As of July 13, 2017)

Total Operating and In-Development
Ichigo Solar Power Plants

43 Plants (128MW)

Currently Operating

32 Plants (54MW)

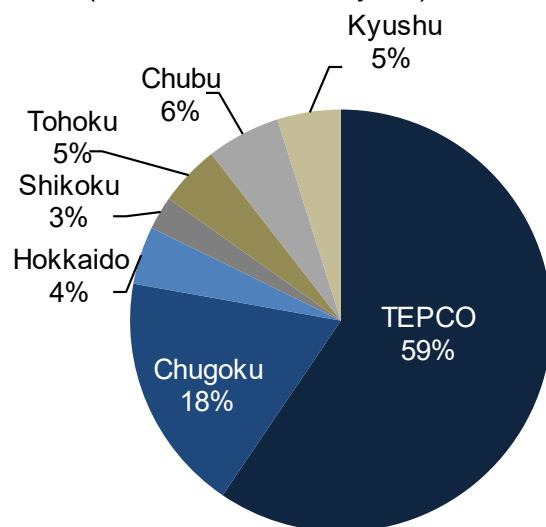


Ichigo-Owned Solar Power Plant Details

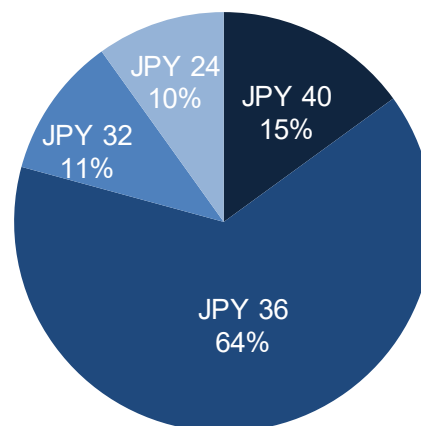
Total Operating and In-Development
Ichigo-Owned Solar Power Plants: 28 Plants (98.97MW)

(As of July 13, 2017)

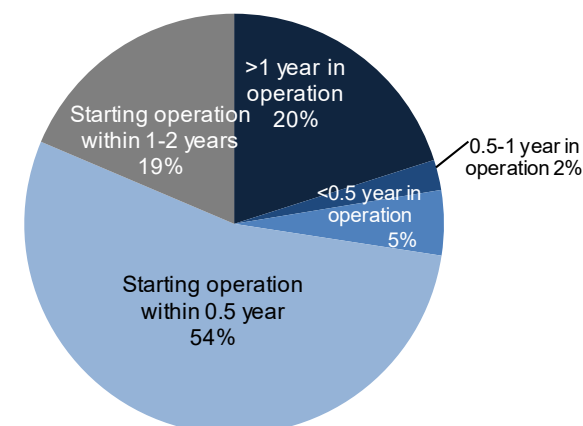
■ By Customer
(Electric Power Utility Co)



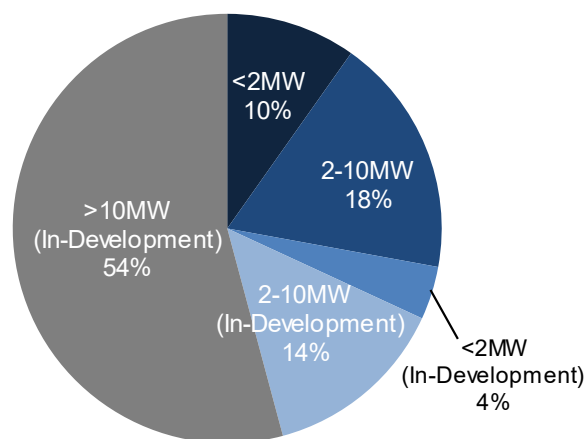
■ By Feed-In-Tariff



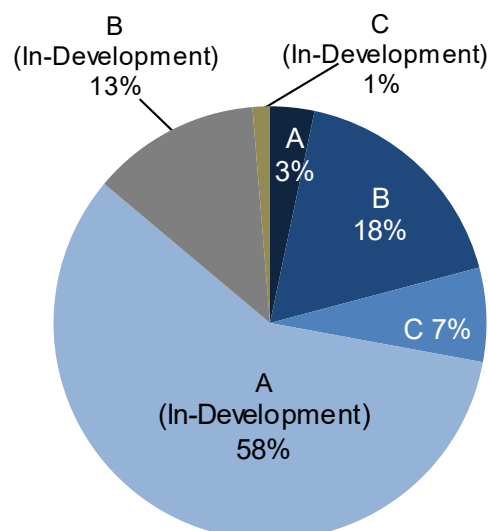
■ By Operating Timeline



■ By Output



■ By Solar Intensity



Rank	Solar Intensity
A	≥ 4.00
B	$\geq 3.75, < 4.00$
C	$\geq 3.50, < 3.75$
D	< 3.50

Unit: kWh/m² per day

Consolidated Balance Sheet: Assets

	FY14/2	FY15/2	FY16/2	FY17/2	FY18/2 Q1	(JPY million) vs. 17/2
Assets						
Current Assets						
Cash and cash equivalents	24,991	19,383	28,779	47,678	45,542	-2,136
Trade notes and accounts receivable	451	519	691	913	1,250	+337
Operational loan investments	1,100	2,330	1,324	1,324	1,324	—
Operational securities investments	3,583	1,965	1,784	1,433	1,960	+527
Real estate for sale	54,084	109,769	172,833	167,805	170,799	+2,994
Power plants for sale	—	—	—	—	996	+996
Deferred tax assets	576	1,200	1,766	516	515	-1
Other	1,384	2,657	3,966	3,125	3,105	-20
Less: allowance for doubtful accounts	-410	-484	-458	-453	-445	+8
Total Current Assets	85,761	137,342	210,687	222,344	225,049	+2,705
Fixed Assets						
Property, Plant, and Equipment						
Buildings and structures (net)	4,901	4,021	3,830	7,375	7,296	-79
Solar power plant equipment (net)	2,044	9,168	12,256	7,246	6,193	-1,053
Land	12,433	12,142	12,192	18,627	18,899	+272
Other (net)	1,922	989	3,264	12,402	12,908	+506
Total Property, Plant, and Equipment	21,300	26,321	31,546	45,654	45,299	-355
Intangible Assets						
Goodwill	2,221	2,082	1,942	1,864	1,301	-563
Leasehold rights	392	392	392	62	62	—
Other	71	27	38	29	27	-2
Total Intangible Assets	2,686	2,502	2,373	1,956	1,391	-565
Investments and Other Assets						
Securities investments	4,278	5,266	5,486	1,426	1,416	-10
Long-term loans receivable	13	12	12	10	10	—
Deferred tax assets	222	2	39	339	343	+4
Other	780	1,392	1,736	1,820	1,735	-85
Less: allowance for doubtful accounts	-97	-95	-124	-92	-91	+1
Total Investments and Other Assets	5,196	6,578	7,149	3,504	3,413	-91
Total Fixed Assets	29,183	35,402	41,069	51,115	50,105	-1,010
Total Assets	114,944	172,744	251,757	273,459	275,154	+1,695

Consolidated Balance Sheet: Liabilities & Net Assets

	(JPY million)					
	FY14/2	FY15/2	FY16/2	FY17/2	FY18/2 Q1	vs. 17/2
Liabilities						
Current Liabilities						
Trade notes and accounts payable	132	124	80	110	—	-110
Short-term loans	950	1,416	2,188	805	1,385	+580
Short-term non-recourse loans	—	48	79	611	611	—
Bonds (due within one year)	—	—	—	112	112	—
Long-term loans (due within one year)	3,123	3,488	8,161	5,209	5,439	+230
Long-term non-recourse loans (due within one year)	428	786	2,975	6,825	6,271	-554
Income taxes payable	96	284	631	1,655	731	-924
Deferred tax liabilities	24	30	53	62	68	+6
Accrued bonuses	14	16	13	36	138	+102
Other current liabilities	2,817	3,677	3,979	4,119	3,163	-956
Total Current Liabilities	7,588	9,872	18,161	19,548	17,922	-1,626
Long-Term Liabilities						
Bonds	—	—	—	632	632	—
Non-recourse bonds	—	100	100	100	100	—
Long-term loans	26,126	53,409	94,409	91,604	104,962	+13,358
Long-term non-recourse loans	24,178	43,004	56,193	68,319	59,950	-8,369
Deferred tax liabilities	1,213	1,402	1,543	1,147	1,146	-1
Long-term security deposits received	4,770	6,391	8,707	8,038	7,986	-52
Negative goodwill	180	90	—	—	—	—
Other long-term liabilities	44	96	475	624	833	+209
Total Long-Term Liabilities	56,513	104,494	161,430	170,467	175,610	+5,143
Total Liabilities	64,102	114,367	179,591	190,015	193,532	+3,517
Net Assets						
Shareholders' Equity						
Capital	26,443	26,499	26,575	26,650	26,654	+4
Capital reserve	10,808	10,873	10,968	11,056	11,057	+1
Retained earnings	10,891	17,201	29,454	42,840	42,561	-279
Treasury shares	-92	-78	-41	-15	-1,511	-1,496
Total Shareholders' Equity	48,050	54,496	66,956	80,532	78,762	-1,770
Accumulated Other Comprehensive Income						
Valuation gain (loss) on other securities	400	1,208	761	117	90	-27
Deferred gain (loss) on long-term interest rate hedges	—	-36	-251	-365	-401	-36
Foreign currency translation adjustment	9	6	23	55	35	-20
Total Accumulated Other Comprehensive Income	409	1,177	533	-192	-275	-83
Stock Options	121	198	319	491	541	+50
Minority Interests	2,261	2,505	4,357	2,612	2,593	-19
Total Net Assets	50,842	58,377	72,166	83,443	81,622	-1,821
Total Liabilities and Net Assets	114,944	172,744	251,757	273,459	275,154	+1,695

Consolidated P&L

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 Q1 (3M)	FY17/2 Q1 (3M)	Change (YOY)	FY18/2 Full-Year Forecast	vs. Forecast
Revenue	35,101	42,705	49,699	109,253	12,915	46,415	-33,500	75,500	17.1%
Cost of Goods Sold	27,666	30,539	29,835	82,446	8,914	39,803	-30,889	-	-
Gross Profit	7,435	12,166	19,863	26,806	4,001	6,612	-2,611	25,994	15.4%
SG&A	3,522	3,977	4,446	5,025	1,191	1,200	-9	-	-
Operating Profit	3,912	8,189	15,417	21,781	2,810	5,412	-2,602	20,600	13.6%
Non-Operating Income									
Interest income	4	5	2	-	-	-	-	-	-
Dividend income	112	78	79	85	20	3	+17	-	-
Amortization of negative goodwill	90	90	90	-	-	-	-	-	-
Other	31	39	43	32	17	5	+12	-	-
Total Non-Operating Income	238	213	215	118	37	8	+29	-	-
Non-Operating Expenses									
Interest expense	370	943	1,277	1,303	288	381	-93	-	-
Stock issuance cost	89	-	-	-	-	-	-	-	-
Valuation loss on derivatives	-	-	-	38	256	-	+256	-	-
Debt financing-related fees	-	-	86	585	156	202	-46	-	-
Other	93	202	379	216	48	30	+18	-	-
Total Non-Operating Expenses	553	1,146	1,743	2,144	750	614	+136	-	-
Recurring Profit	3,597	7,255	13,889	19,755	2,097	4,806	-2,709	18,300	11.5%
Extraordinary Gains									
Gain on sale of fixed assets	7	-	-	-	-	-	-	-	-
Gain on sale of securities investments	204	-	223	2,466	-	2,427	-2,427	-	-
Loss (gain) on shares in affiliate	-	-	-	-	1,135	-	+1,135	-	-
Receipt of share trading proceeds	434	-	-	-	-	-	-	-	-
Other	33	57	-	-	-	-	-	-	-
Total Extraordinary Gains	680	57	223	2,466	1,135	2,427	-1,292	-	-
Extraordinary Losses									
Loss on sale/retirement of fixed assets	1	-	-	-	-	-	-	-	-
Valuation loss on securities investments	-	-	49	-	-	-	-	-	-
Office move expenses	21	1	9	31	-	-	-	-	-
Impairment loss	307	-	-	1,090	-	-	-	-	-
Earthquake-related damages	-	-	-	244	-	242	-242	-	-
Other	13	91	31	224	-	-	-	-	-
Total Extraordinary Losses	344	93	89	1,590	-	242	-242	-	-
Pre-Tax Net Income	3,933	7,220	14,022	20,630	3,232	6,990	-3,758	-	-
Income Taxes	-573	343	960	5,436	1,001	1,103	-102	-	-
Pre-Minority Interest Net Income	4,506	6,876	13,062	15,194	2,231	5,886	-3,655	-	-
Net Income Attributable to Minority Interests	-19	115	136	299	-6	301	-307	-	-
Net Income	4,526	6,761	12,925	14,894	2,237	5,585	-3,348	13,500	16.6%

Consolidated Cash Flows from Operating Activities

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (3M)
Cash Flows from Operating Activities:					
Pre-tax net income	3,933	7,220	14,022	20,630	3,232
Depreciation	304	565	792	778	189
Share-based compensation expenses	69	112	174	223	53
Amortization of goodwill	139	139	139	141	25
Amortization of negative goodwill	-90	-90	-90	—	—
Increase (decrease) in accrued bonuses	-11	1	-3	23	138
Increase (decrease) in allowance for doubtful accounts	33	65	3	-3	-4
Interest and dividend income	-116	-83	-81	-85	-20
Interest expense	370	943	1,277	1,303	288
Loss (gain) on sale of securities investments	-204	—	-223	-2,466	—
Loss (gain) on sale/retirement of fixed assets	-6	—	—	—	—
Impairment loss	307	—	—	1,090	—
Valuation loss on securities investments	—	—	49	—	—
Loss (gain) on shares in affiliate	—	—	—	—	-1,135
Decrease (increase) in trading notes and receivables	97	-68	-172	-367	-623
Decrease (increase) in operational loans receivable	218	-1,230	1,006	—	—
Decrease (increase) in operational securities investments	1,635	1,110	1,239	2,727	73
Valuation loss on operational securities investments	114	—	19	—	—
Decrease (increase) in real estate for sale	-6,729	-42,991	-63,070	-6,303	-2,991
Decrease (increase) in solar power plants for sale	—	—	—	7,251	—
Valuation loss on SPC capital contributions	12	91	11	16	—
Decrease (increase) in advances paid	—	—	-990	-190	200
Decrease (increase) in accounts receivable	-255	-1,079	-1,140	-193	26
Increase (decrease) in accounts payable	-139	388	535	204	-777
Increase (decrease) in accrued expenses	137	16	42	92	-168
Increase (decrease) in advances received	38	211	317	-49	—
Increase (decrease) in security deposits received	1,230	1,391	2,380	-667	-52
Other	522	-407	435	1,304	122
Sub-total	1,611	-33,693	-43,324	25,460	-1,424
Interest and dividend income received	116	83	81	85	20
Interest expense paid	-378	-843	-1,226	-1,146	-216
Income taxes paid and refunded	-94	161	-186	-2,852	-1,747
Net Cash from (Used for) Operating Activities	1,254	-34,292	-44,654	21,547	-3,368

Consolidated Cash Flows from Investing & Financing Activities

(JPY million)

	FY14/2 (12M)	FY15/2 (12M)	FY16/2 (12M)	FY17/2 (12M)	FY18/2 (3M)
Cash Flows from Investing Activities:					
Payments into time deposits	—	-325	—	-6,100	—
Redemptions of time deposits	—	325	—	201	—
Payments for securities investments	—	-210	-671	-300	-29
Proceeds from sale of securities investments	282	—	296	6,136	—
Proceeds from redemptions of investments	2	—	3	—	—
Acquisition of property, plant, and equipment	-7,150	-10,769	-6,628	-11,719	-879
Proceeds from sale of property, plant, and equipment	72	—	—	—	—
Acquisition of intangible assets	-389	-23	-21	-1	-2
Payments of SPC capital contributions	-5	-10	-9	-63	—
Redemption of SPC capital contributions	7	—	6	—	—
Payments of security deposits	-5	-127	-37	-5	-10
Acquisition of subsidiary shares resulting in change of consolidation scope	-1,389	—	—	-93	—
Sale of subsidiary shares resulting in change of consolidation scope	—	—	—	—	1,665
Payments for acquisitions of newly consolidated subsidiaries	—	-1,349	—	—	—
Other	-35	4	9	11	-16
Net Cash from (Used for) Investing Activities	-8,610	-12,485	-7,052	-11,933	727
Cash Flows from Financing Activities:					
Net increase (decrease) in short-term loans	465	466	771	-1,383	580
Net increase (decrease) in short-term non-recourse loans	—	48	31	532	—
Proceeds from bond issuance	—	—	—	785	—
Redemptions of corporate bonds	—	—	—	-56	—
Proceeds from long-term loans	26,777	47,203	64,866	55,674	18,630
Repayment of long-term loans	-5,388	-19,557	-19,192	-61,221	-5,093
Proceeds from long-term non-recourse loans	5,675	19,900	18,150	30,850	—
Repayment of long-term non-recourse loans	-19,030	-5,958	-2,772	-15,400	-9,023
Proceeds from issuance of common shares	16,387	—	—	—	—
Proceeds from employee exercise of stock options	242	99	153	137	6
Payments received from minority interests	—	—	2,000	—	—
Payments to minority interests	—	—	—	-2,000	—
Share buyback	—	—	—	—	-1,499
Dividends paid	-445	-543	-646	-1,501	-2,402
Dividends paid to minority interests	—	—	-43	-39	—
Net Cash from (Used for) Financing Activities	24,682	41,658	63,318	6,377	1,198

Appendix: Power Up 2019 Mid-Term Business Plan

Power Up 2019 Key Goals & KPIs

Key Goals

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

Power Up 2019 KPIs (Key Performance Indicators)

(JPY million)

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

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

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

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

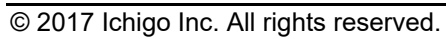
- (a) 3-year average ROE (40% weighting)
- (b) 3-year cumulative operating profit (40% weighting)
- (c) Market capitalization (20% weighting)

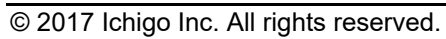
Power Up 2019 Key Initiatives

Profitability		Sustainability	
(1) Core Business Growth	<ul style="list-style-type: none"> List Ichigo's solar assets on the TSE's new Infrastructure Market Support the ongoing growth of Ichigo Office REIT (8975) and Ichigo Hotel REIT (3463) Expand the architecture and structural engineering team to deliver real estate that is high-function, safe, secure, and environmentally friendly Spin out a dedicated leasing team to drive tenant acquisition and rental income 	(3) Finance as a Strategic Measure	<ul style="list-style-type: none"> Grow <u>both</u> financial stability and earnings De-collateralize loans, lengthen loan maturities, lower debt costs, get credit ratings, and issue bonds to diversify funding profile
		(4) High Capital Efficiency and Organic Growth	<ul style="list-style-type: none"> ROE >15%
(2) New Business Creation	<ul style="list-style-type: none"> 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 <u>Real Estate</u> and <u>IT</u> capabilities 	(5) Best Place to Work	<ul style="list-style-type: none"> Support employee health and wellness Goal: Japan's number one company in providing opportunities for employees
		(6) Global Best Practice Governance and Compliance	

Adoption of Progressive Dividend & DOE Policy

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



[illegible]

These materials were prepared to explain the Company's businesses and are not for the purpose of soliciting investment in marketable securities issued by the Company. The Company does not guarantee the accuracy of the figures, information, estimates or other statements included herein, and accepts no responsibility for damages or losses arising through the use of the figures, information, estimates or other statements contained herein.

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

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



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

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