

*[Provisional Translation Only]*

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**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)

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## **Transfer of Mid-Size Retail Building to 100% Subsidiary via Corporate Divestiture**

Ichigo established a wholly-owned subsidiary, Ichigo Land Shinchiku Co., Ltd. (“Ichigo Land”), on October 17, 2017 to accelerate the growth of its Value-Add business and further contribute to a sustainable society. Ichigo’s Board of Directors today approved and executed an agreement to transfer a mid-size Value-Add retail building to Ichigo Land via a corporate divestiture.

Note: Because this transaction is between Ichigo and a wholly-owned subsidiary and therefore does not impact Ichigo’s consolidated financials, the below disclosure is more abbreviated than a third-party divestiture.

### **1. Purpose of the Divestiture**

To accelerate the launch of Ichigo Land’s Value-Add business.

### **2. Divestiture Overview**

#### **(a) Schedule**

Ichigo Board Approval	January 12, 2018
Contract Date	January 12, 2018
Completion Date	February 20, 2018 (expected)

Note: Because the divestiture meets the requirements of a simplified absorption-type divestiture under Article 784, Paragraph 2 of the Companies Act for Ichigo and under Article 796, Paragraph 1 of the Companies Act for Ichigo Land, neither Ichigo nor Ichigo Land will call for a shareholder vote on the divestiture.

#### **(b) Divestiture Method**

The divestiture will take the form of an absorption-type company divestiture with Ichigo as the divesting company and Ichigo Land as the succeeding company.

#### **(c) Allotment Details**

N/A

The divestiture will not require any share or monetary transfer, because Ichigo Land is wholly owned by Ichigo.

(d) Share Issuance

N/A

(e) Changes in Capital

N/A

(f) Transfer of Rights and Obligations

Ichigo Land will succeed any and all rights and obligations pertaining to the mid-size Value-Add retail building as set out in the divestiture agreement.

(g) Prospect of Fulfillment of Obligations

Ichigo Land is expected to have no difficulties in fulfilling its obligations as the succeeding company in the divestiture.

3. Overview of Succeeding Company (Ichigo Land)

Name	Ichigo Land Shinchiku Co., Ltd.
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Ryutaro Yamamoto, President & Representative Director
Principal Business	Real Estate Value-Add
Capital	JPY 50 million
Establishment Date	October 17, 2017
Shares Outstanding	1,000 shares
Fiscal Year-End	February
Major Shareholder	Ichigo Inc. (100%)
Business and Financial Conditions in the Previous Fiscal Year	Since Ichigo Land was established on October 17, 2017, there are no past earnings.

4. Overview of Divesting Company (Ichigo)

Name	Ichigo Inc.
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Takuma Hasegawa, President & Representative Director
Principal Business	Asset management, value-add, and clean energy
Capital	JPY 26,686 million (as of November 30, 2017)
Establishment Date	March 17, 2000
Shares Outstanding	504,287,100 shares
Fiscal Year-End	February
Major Shareholder	Ichigo Trust Pte. Ltd. (49.51%) as of August 31, 2017

## Business and Financial Conditions of Ichigo in the Previous Fiscal Year (FY17/2)

Net Assets	JPY 83,443 million
Total Assets	JPY 273,459 million
Net Assets per Share	JPY 159.60
Revenue	JPY 109,253 million
Operating Profit	JPY 21,781 million
Recurring Profit	JPY 19,755 million
Net Income	JPY 14,894 million
Net Income per Share	JPY 29.66

### 5. Overview of Business Segment to be Divested

#### (a) Business Details

1 mid-size Value-Add retail building

#### (b) Financial Results (FY17/2)

Revenue: JPY 182 million

#### (c) Assets and Liabilities to be Divested (as of November 30, 2017)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current Assets	JPY 1,755 million	Current Liabilities	JPY 27 million
Fixed Assets	—	Fixed Liabilities	JPY 128 million

Note: The above asset and liability amounts will be adjusted as necessary based on the actual amounts as of the Completion Date.

### 6. Corporate Details

There will be no changes to Ichigo's Name, Address, Representative, Principal Business, Capital, or Fiscal Year-End as a result of the divestiture.

### 7. Earnings Outlook

While there is no change to Ichigo's FY18/2 consolidated earnings forecast as a result of the divestiture, it is expected to contribute to the further growth of Ichigo's Value-Add business.