



Ichigo Preserves and Improves Real Estate



[Provisional Translation Only]

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## FY18/2 H1 Earnings

October 12, 2017

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

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Submission of the Financial Report (*Shihanki Hokokusho*): October 13, 2017 (expected)

Dividend Payment: N/A

Supplemental Materials to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

### 1. FY18/2 H1 Consolidated Financial Results (March 1, 2017 to August 31, 2017)

#### (1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY	
FY18/2 H1	33,386	-61.2%	12,650	-15.6%	11,562	-16.4%	8,873	-25.7%
FY17/2 H1	85,991	+488.7%	14,984	+205.0%	13,834	+217.9%	11,935	+182.7%

Note: Comprehensive income FY18/2 H1: JPY 8,801 million (-22.2% YOY)  
FY17/2 H1: JPY 11,308 million (+193.7% YOY)

	Net Income per Share (basic, JPY)	Net Income per Share (diluted, JPY)
FY18/2 H1	17.74	17.71
FY17/2 H1	23.79	23.67

#### (2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Equity Ratio (%)	Net Assets per Share (JPY)
FY18/2 H1	286,732	88,281	29.7	170.57
FY17/2	273,459	83,443	29.4	159.60

Note: Shareholders' equity FY18/2 H1: JPY 85,091 million FY17/2: JPY 80,339 million

## 2. Dividends

	Dividend per Share (JPY)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
FY17/2	–	–	–	5	5
FY18/2 (Forecast)	–	–	–	6	6

Changes since the previously announced forecast: None

## 3. FY18/2 Full-Year Consolidated Forecast (March 1, 2017 to February 28, 2018) (YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY	
FY18/2	75,500	-30.9%	20,600	-5.4%	18,300	-7.4%
	Net Income (JPY million) YOY		Net Income per Share (JPY)			
FY18/2	13,500	-9.4%	26.98			

Changes since the previously announced forecast: None

Note: Ichigo provides a full-year earnings forecast, but not a half-year forecast, because Ichigo believes the longer full-year forecast is more consistent with global best practice and the focus of Japan's Corporate Governance Code on growing long-term sustainable corporate value.

## 4. Other

- (1) Changes in significant consolidated subsidiaries  
(material changes in scope of consolidation): Yes
- New subsidiaries (2): SA3 GK Tokumei Kumiai,  
Carpe Diem GK Tokumei Kumiai
- Subsidiaries removed from consolidation (1): None
- (2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements
- (i) Changes in accounting standards/principles: None
- (ii) Changes in accounting principles other than the above: Yes
- (iii) Changes in accounting estimates: None
- (iv) Revisions of previous financial statements: None

(3) Number of outstanding common shares

(i) Number of outstanding shares including treasury shares

FY18/2 H1: 503,797,700

FY17/2: 503,712,300

(ii) Number of treasury shares

FY18/2 H1: 4,943,000

FY17/2: 329,600

(iii) Average number of outstanding shares

FY18/2 H1: 500,323,426

FY17/2 H1: 501,785,169

Note on Appropriate Use of Forecasts

Forward-looking statements contained in these materials are based on judgments regarding information that was available to Ichigo as of the announcement date. However, these statements involve risk and uncertainties, and actual earnings may differ significantly from the indicated forecasts.

5. Segment Information

Asset Management generates fee income via the management of Ichigo Office REIT (8975), Ichigo Hotel REIT (3463), Ichigo Green Infrastructure Investment Corporation (“Ichigo Green,” 9282), and providing real estate services related to real estate acquisition, operations, and disposition.

Value-Add preserves and improves real estate. Ichigo receives rental income during the period 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 is utility-scale solar power production that supplies clean energy and brings productive use to idle land.

Other is primarily legacy securities investments that are not related to the above three segments.

## Consolidated Balance Sheet (FY18/2 H1)

(JPY million)

	FY17/2 (Feb 28, 2017)	FY18/2 H1 (August 31, 2017)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	47,678	55,491
Trade notes and accounts receivable	913	790
Operational loan investments	1,324	1,324
Operational securities investments	1,433	30
Real estate for sale	167,805	170,243
Deferred tax assets	516	491
Other	3,125	1,365
Less: allowance for doubtful accounts	-453	-30
<b>Total Current Assets</b>	<b>222,344</b>	<b>229,707</b>
<b>Fixed Assets</b>		
<b>Property, Plant, and Equipment</b>		
Buildings and structures (net)	7,375	9,614
Solar power plant equipment (net)	7,246	6,753
Land	18,627	22,808
Buildings under construction	9	190
Solar power plants under construction	12,308	12,609
Other (net)	85	110
<b>Total Property, Plant, and Equipment</b>	<b>45,654</b>	<b>52,087</b>
<b>Intangible Assets</b>		
Goodwill	1,864	1,276
Leasehold rights	62	135
Other	29	98
<b>Total Intangible Assets</b>	<b>1,956</b>	<b>1,509</b>
<b>Investments and Other Assets</b>		
Securities investments	1,426	1,407
Long-term loans receivable	10	10
Deferred tax assets	339	355
Other	1,820	1,747
Less: allowance for doubtful accounts	-92	-91
<b>Total Investments and Other Assets</b>	<b>3,504</b>	<b>3,428</b>
<b>Total Fixed Assets</b>	<b>51,115</b>	<b>57,024</b>
<b>Total Assets</b>	<b>273,459</b>	<b>286,732</b>

(JPY million)

	FY17/2 (Feb 28, 2017)	FY18/2 H1 (Aug 31, 2017)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes and accounts payable	110	—
Short-term loans	805	2,436
Short-term non-recourse loans	611	—
Bonds (due within one year)	112	112
Long-term loans (due within one year)	5,209	4,726
Long-term non-recourse loans (due within one year)	6,825	7,160
Income taxes payable	1,655	3,082
Deferred tax liabilities	62	107
Accrued bonuses	36	150
Other current liabilities	4,119	3,799
<b>Total Current Liabilities</b>	<b>19,548</b>	<b>21,575</b>
<b>Long-Term Liabilities</b>		
Bonds	632	576
Non-recourse bonds	100	100
Long-term loans	91,604	110,865
Long-term non-recourse loans	68,319	54,548
Deferred tax liabilities	1,147	1,752
Long-term security deposits received	8,038	8,182
Other long-term liabilities	624	849
<b>Total Long-Term Liabilities</b>	<b>170,467</b>	<b>176,874</b>
<b>Total Liabilities</b>	<b>190,015</b>	<b>198,450</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital	26,650	26,655
Capital reserve	11,056	11,058
Retained earnings	42,840	49,189
Treasury shares	-15	-1,511
<b>Total Shareholders' Equity</b>	<b>80,532</b>	<b>85,392</b>
<b>Accumulated Other Comprehensive Income</b>		
Valuation gain (loss) on other securities	117	81
Deferred gain (loss) on long-term interest rate hedges	-365	-382
Foreign currency translation adjustment	55	—
<b>Total Accumulated Other Comprehensive Income</b>	<b>-192</b>	<b>-300</b>
<b>Stock Options</b>	<b>491</b>	<b>598</b>
<b>Minority Interests</b>	<b>2,612</b>	<b>2,591</b>
<b>Total Net Assets</b>	<b>83,443</b>	<b>88,281</b>
<b>Total Liabilities and Net Assets</b>	<b>273,459</b>	<b>286,732</b>

**Consolidated Income Statement (FY18/2 H1)**

(JPY million)

	FY17/2 H1 (Mar 1, 2016 to Aug 31, 2016)	FY18/2 H1 (Mar 1, 2017 to Aug 31, 2017)
<b>Revenue</b>	<b>85,991</b>	<b>33,386</b>
<b>Cost of Goods Sold</b>	<b>68,522</b>	<b>18,373</b>
<b>Gross Profit</b>	<b>17,468</b>	<b>15,013</b>
<b>SG&amp;A</b>	<b>2,484</b>	<b>2,362</b>
<b>Operating Profit</b>	<b>14,984</b>	<b>12,650</b>
<b>Non-Operating Income</b>		
Interest income	—	3
Dividend income	11	26
Other	14	29
<b>Total Non-Operating Income</b>	<b>26</b>	<b>59</b>
<b>Non-Operating Expenses</b>		
Interest expense	722	596
Mark-to-market loss on long-term interest rate hedges	—	305
Debt financing-related fees	346	156
Other	107	87
<b>Total Non-Operating Expenses</b>	<b>1,175</b>	<b>1,146</b>
<b>Recurring Profit</b>	<b>13,834</b>	<b>11,562</b>
<b>Extraordinary Gains</b>		
Gain on sale of securities investments	2,427	—
Gain on sale of shares in affiliates	—	1,221
<b>Total Extraordinary Gains</b>	<b>2,427</b>	<b>1,221</b>
<b>Extraordinary Losses</b>		
Loss on disposal of fixed assets	—	11
Earthquake-related damages	242	—
<b>Total Extraordinary Losses</b>	<b>242</b>	<b>11</b>
<b>Pre-Tax Net Income</b>	<b>16,019</b>	<b>12,772</b>
<b>Income Taxes</b>	<b>3,812</b>	<b>3,862</b>
<b>Pre-Minority Interest Net Income</b>	<b>12,206</b>	<b>8,910</b>
<b>Net Income Attributable to Minority Interests</b>	<b>271</b>	<b>36</b>
<b>Net Income</b>	<b>11,935</b>	<b>8,873</b>

**Consolidated Income Statement (FY18/2 Q2 Stand-Alone)**

(JPY million)

	FY17/2 Q2 (Jun 1, 2016 to Aug 31, 2016)	FY18/2 Q2 (Jun 1, 2017 to Aug 31, 2017)
<b>Revenue</b>	<b>39,575</b>	<b>20,470</b>
<b>Cost of Goods Sold</b>	<b>28,719</b>	<b>9,459</b>
<b>Gross Profit</b>	<b>10,856</b>	<b>11,011</b>
<b>SG&amp;A</b>	<b>1,284</b>	<b>1,171</b>
<b>Operating Profit</b>	<b>9,571</b>	<b>9,839</b>
<b>Non-Operating Income</b>		
Interest income	—	3
Dividend income	8	6
Other	8	11
<b>Total Non-Operating Income</b>	<b>17</b>	<b>21</b>
<b>Non-Operating Expenses</b>		
Interest expense	340	307
Mark-to-market loss on long-term interest rate hedges	—	48
Debt financing-related fees	143	—
Other	76	39
<b>Total Non-Operating Expenses</b>	<b>560</b>	<b>395</b>
<b>Recurring Profit</b>	<b>9,028</b>	<b>9,465</b>
<b>Extraordinary Gains</b>		
Gain on sale of shares in affiliates	—	86
<b>Total Extraordinary Gains</b>	<b>—</b>	<b>86</b>
<b>Extraordinary Losses</b>		
Loss on disposal of fixed assets	—	11
<b>Total Extraordinary Losses</b>	<b>—</b>	<b>11</b>
<b>Pre-Tax Net Income</b>	<b>9,028</b>	<b>9,539</b>
<b>Income Taxes</b>	<b>2,709</b>	<b>2,860</b>
<b>Pre-Minority Interest Net Income</b>	<b>6,319</b>	<b>6,678</b>
<b>Net Income Attributable to Minority Interests</b>	<b>-30</b>	<b>42</b>
<b>Net Income</b>	<b>6,350</b>	<b>6,635</b>

**Consolidated Statement of Comprehensive Income (FY18/2 H1)**

(JPY million)

	FY17/2 H1 (Mar 1, 2016 to Aug 31, 2016)	FY18/2 H1 (Mar 1, 2017 to Aug 31, 2017)
<b>Net Income</b>	<b>12,206</b>	<b>8,910</b>
<b>Other Comprehensive Income</b>		
Valuation gain (loss) on other securities	-589	-46
Deferred gain (loss) on long-term interest rate hedges	-283	-16
Foreign currency translation adjustment	-25	-45
<b>Total Other Comprehensive Income</b>	<b>-898</b>	<b>-108</b>
<b>Comprehensive Income</b>	<b>11,308</b>	<b>8,801</b>
Comprehensive income attributable to shareholders	11,052	8,513
Comprehensive income attributable to minority interests	255	287



**Consolidated Statement of Comprehensive Income (FY18/2 Q2 Stand-Alone)**

(JPY million)

	FY17/2 Q2 (Jun 1, 2016 to Aug 31, 2016)	FY18/2 Q2 (Jun 1, 2017 to Aug 31, 2017)
<b>Net Income</b>	<b>6,319</b>	<b>6,678</b>
<b>Other Comprehensive Income</b>		
Valuation gain (loss) on other securities	-326	-8
Deferred gain (loss) on long-term interest rate hedges	-71	19
Foreign currency translation adjustment	-17	-23
<b>Total Other Comprehensive Income</b>	<b>-415</b>	<b>-13</b>
<b>Comprehensive Income</b>	<b>5,903</b>	<b>6,665</b>
Comprehensive income attributable to shareholders	5,917	6,359
Comprehensive income attributable to minority interests	-13	306

**Consolidated Cash Flow Statement (FY18/2 H1)**

(JPY million)

	FY17/2 H1 (Mar 1, 2016 to Aug 31, 2016)	FY18/2 H1 (Mar 1, 2017 to Aug 31, 2017)
<b>Cash Flows from Operations:</b>		
Pre-tax net income	16,019	12,772
Depreciation	460	359
Share-based compensation expenses	114	110
Amortization of goodwill	70	50
Increase (decrease) in accrued bonuses	110	148
Increase (decrease) in allowance for doubtful accounts	-33	-353
Interest and dividend income	-11	-29
Interest expense	722	596
Loss (gain) on sale of shares in affiliates	—	-1,221
Loss (gain) on sale of securities investments	-2,427	—
Decrease (increase) in trading notes and receivables	-330	-161
Decrease (increase) in operational securities investments	2,571	1,594
Decrease (increase) in real estate for sale	37,642	-1,638
Decrease (increase) in solar power plants for sale	—	996
Decrease (increase) in advances paid	10	980
Decrease (increase) in prepaid expenses	399	-25
Decrease (increase) in accounts receivable	-318	21
Increase (decrease) in accounts payable	-581	-542
Increase (decrease) in accrued expenses	17	-177
Increase (decrease) in security deposits received	-2,466	-135
Other	-202	1,138
<b>Sub-Total</b>	<b>51,767</b>	<b>14,482</b>
Interest and dividend income received	11	29
Interest expense paid	-634	-513
Income taxes paid	-549	-2,356
Income taxes refunded	1,153	14
<b>Net Cash from (Used for) Operations</b>	<b>51,748</b>	<b>11,657</b>

(JPY million)

	FY17/2 H1 (Mar 1, 2016 to Aug 31, 2016)	FY18/2 H1 (Mar 1, 2017 to Aug 31, 2017)
<b>Cash Flows from Investments:</b>		
Payments into time deposits	-3,000	—
Redemptions of time deposits	201	—
Payments for securities investments	-300	-29
Proceeds from sale of securities investments	6,021	—
Acquisition of property, plant, and equipment	-4,541	-1,117
Acquisition of intangible assets	—	-7
Payments of SPC capital contributions	-2	-18
Payments of security deposits	—	-10
Redemptions of security deposits	5	—
Acquisition of subsidiary shares resulting in change of consolidation scope	-93	-1,453
Sale of subsidiary shares resulting in change of consolidation scope	—	2,096
Other	—	-16
<b>Net Cash from (Used for) Investments</b>	<b>-1,708</b>	<b>-556</b>
<b>Cash Flows from Financing:</b>		
Net increase (decrease) in short-term loans	-778	1,087
Net increase (decrease) in short-term non-recourse loans	—	-611
Proceeds from bond issuance	785	—
Redemption of bonds	—	-56
Proceeds from long-term loans	32,277	22,263
Repayment of long-term loans	-51,323	-7,692
Proceeds from long-term non-recourse loans	4,350	2,200
Repayment of long-term non-recourse loans	-14,994	-15,736
Proceeds from employee exercise of stock options	29	7
Share buyback	—	-1,499
Dividends paid	-1,499	-2,506
Repayments to minority interests	-2,000	—
Dividends paid to minority interests	-39	—
<b>Net Cash from (Used for) Financing</b>	<b>-33,193</b>	<b>-2,544</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>-11</b>	<b>-2</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>16,835</b>	<b>8,553</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>28,368</b>	<b>41,369</b>
<b>Cash and Cash Equivalents Resulting from Exclusion from Consolidation</b>	<b>-1,939</b>	<b>-781</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>43,264</b>	<b>49,141</b>

**Consolidated Cash Flow Statement (FY18/2 Q2 Stand-Alone)**

(JPY million)

	FY17/2 Q2 (Jun 1, 2016 to Aug 31, 2016)	FY18/2 Q2 (Jun 1, 2017 to Aug 31, 2017)
<b>Cash Flows from Operations:</b>		
Pre-tax net income	9,028	9,539
Depreciation	236	169
Share-based compensation expenses	57	57
Amortization of goodwill	34	25
Increase (decrease) in accrued bonuses	-31	10
Increase (decrease) in allowance for doubtful accounts	-26	-348
Interest and dividend income	-8	-9
Interest expense	340	307
Loss (gain) on sale of shares in affiliates	—	-86
Decrease (increase) in trading notes and receivables	472	462
Decrease (increase) in operational securities investments	1,756	1,520
Decrease (increase) in real estate for sale	24,191	1,353
Decrease (increase) in solar power plants for sale	—	996
Decrease (increase) in advances paid	—	780
Decrease (increase) in prepaid expenses	248	68
Decrease (increase) in accounts receivable	75	-5
Increase (decrease) in accounts payable	291	234
Increase (decrease) in accrued expenses	-27	-8
Increase (decrease) in security deposits received	-726	-83
Other	-10	922
<b>Sub-Total</b>	<b>35,901</b>	<b>15,907</b>
Interest and dividend income received	8	9
Interest expense paid	-307	-297
Income taxes paid	-1	-608
Income taxes refunded	1,153	14
<b>Net Cash from (Used for) Operations</b>	<b>36,754</b>	<b>15,025</b>

(JPY million)

	FY17/2 Q2 (Jun 1, 2016 to Aug 31, 2016)	FY18/2 Q2 (Jun 1, 2017 to Aug 31, 2017)
<b>Cash Flows from Investments:</b>		
Payments into time deposits	-3,000	—
Redemptions of time deposits	201	—
Payments for securities investments	-300	—
Acquisition of property, plant, and equipment	-3,496	-237
Acquisition of intangible assets	—	-5
Payments of SPC capital contributions	—	-18
Payments of security deposits	—	—
Redemptions of security deposits	5	—
Acquisition of subsidiary shares resulting in change of consolidation scope	-3	-1,453
Sale of subsidiary shares resulting in change of consolidation scope	—	430
Other	—	—
<b>Net Cash from (Used for) Investments</b>	<b>-6,593</b>	<b>-1,283</b>
<b>Cash Flows from Financing:</b>		
Net increase (decrease) in short-term loans	-15	507
Net increase (decrease) in short-term non-recourse loans	—	-611
Proceeds from bond issuance	785	—
Redemption of bonds	—	-56
Proceeds from long-term loans	6,407	3,633
Repayment of long-term loans	-23,819	-2,599
Proceeds from long-term non-recourse loans	—	2,200
Repayment of long-term non-recourse loans	-4,854	-6,713
Proceeds from employee exercise of stock options	7	1
Dividends paid	-73	-104
<b>Net Cash from (Used for) Financing</b>	<b>-21,562</b>	<b>-3,742</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>-6</b>	<b>—</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>8,593</b>	<b>10,000</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>34,772</b>	<b>39,232</b>
<b>Cash and Cash Equivalents Resulting from Exclusion from Consolidation</b>	<b>-101</b>	<b>-91</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>43,264</b>	<b>49,141</b>

**Revenue, P&L, and Assets by Segment (Current FY18/2 H1)**

(March 1, 2017 to Aug 31, 2017)

(JPY million)

	Segment					Adjustment <sup>2</sup>	Amount Recorded in Consolidated Financial Statements <sup>1</sup>
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenue							
Revenue from External Customers	1,229	29,809	2,241	105	33,386	—	33,386
Inter-Segment Activities or Reclassifications	566	—	—	—	566	-566	—
<b>Total</b>	<b>1,795</b>	<b>29,810</b>	<b>2,241</b>	<b>105</b>	<b>33,953</b>	<b>-566</b>	<b>33,386</b>
Segment P&L	999	11,092	596	-44	12,644	5	12,650
Segment Assets	1,385	231,325	21,864	1,408	255,985	30,746	286,732
Other							
Depreciation	—	151	195	—	346	12	359
Increase in Property, Plant, and Equipment and Intangible Assets	—	6,598	1,288	—	7,886	79	7,966

<sup>1</sup> Segment P&L is on an Operating Profit basis.

<sup>2</sup> The Adjustment to Segment P&L (JPY 5 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 30,746 million) reflects corporate assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (JPY 12 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 79 million) reflects corporate assets that were not allocated to the segments.

**Revenue, P&L, and Assets by Segment (Previous FY17/2 H1)**

(March 1, 2016 to Aug 31, 2016)

(JPY million)

	Segment					Adjustment <sup>2</sup>	Amount Recorded in Consolidated Financial Statements <sup>1</sup>
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenue							
Revenue from External Customers	2,460	82,305	1,214	10	85,991	—	85,991
Inter-Segment Activities or Reclassifications	911	2	—	—	913	-913	—
<b>Total</b>	<b>3,372</b>	<b>82,307</b>	<b>1,214</b>	<b>10</b>	<b>86,904</b>	<b>-913</b>	<b>85,991</b>
Segment P&L	1,473	13,092	351	-135	14,781	202	14,984
Segment Assets	2,599	167,756	24,328	2,011	196,695	32,917	229,612
Other							
Depreciation	3	119	326	—	449	11	460
Increase in Property, Plant, and Equipment and Intangible Assets	—	26	5,434	—	5,461	1	5,462

<sup>1</sup> Segment P&L is on an Operating Profit basis.

<sup>2</sup> The Adjustment to Segment P&L (JPY 202 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 32,917 million) reflects corporate assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (JPY 11 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 1 million) reflects corporate assets that were not allocated to the segments.

**Revenue, P&L, and Assets by Segment (Current FY18/2 Q2 Stand-Alone)**

(Jun 1, 2017 to Aug 31, 2017)

(JPY million)

	Segment					Adjustment <sup>2</sup>	Amount Recorded in Consolidated Financial Statements <sup>1</sup>
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenue							
Revenue from External Customers	547	18,036	1,868	18	20,470	—	20,470
Inter-Segment Activities or Reclassifications	327	—	—	—	327	-327	—
<b>Total</b>	<b>874</b>	<b>18,036</b>	<b>1,868</b>	<b>18</b>	<b>20,798</b>	<b>-327</b>	<b>20,470</b>
Segment P&L	495	8,823	544	-1	9,862	-22	9,839
Segment Assets	1,385	231,325	21,864	1,408	255,985	30,746	286,732
Other							
Depreciation	—	70	92	—	163	6	169
Increase in Property, Plant, and Equipment and Intangible Assets	—	6,580	452	—	7,032	70	7,103

<sup>1</sup> Segment P&L is on an Operating Profit basis.

<sup>2</sup> The Adjustment to Segment P&L (-JPY 22 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 30,746 million) reflects corporate assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (JPY 6 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 70 million) reflects corporate assets that were not allocated to the segments.



**Revenue, P&L, and Assets by Segment (Previous FY17/2 Q2 Stand-Alone)**

(Jun 1, 2016 to Aug 31, 2016)

(JPY million)

	Segment					Adjustment <sup>2</sup>	Amount Recorded in Consolidated Financial Statements <sup>1</sup>
	Asset Management	Value-Add	Clean Energy	Other	Total		
Revenue							
Revenue from External Customers	1,274	37,637	658	4	39,575	—	39,575
Inter-Segment Activities or Reclassifications	364	1	—	—	365	-365	—
<b>Total</b>	<b>1,639</b>	<b>37,638</b>	<b>658</b>	<b>4</b>	<b>39,941</b>	<b>-365</b>	<b>39,575</b>
Segment P&L	673	8,687	207	-121	9,447	124	9,571
Segment Assets	2,599	167,756	24,328	2,011	196,695	32,917	229,612
Other							
Depreciation	1	62	168	—	232	3	236
Increase in Property, Plant, and Equipment and Intangible Assets	—	20	3,744	—	3,765	1	3,766

<sup>1</sup> Segment P&L is on an Operating Profit basis.

<sup>2</sup> The Adjustment to Segment P&L (JPY 124 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 32,917 million) reflects corporate assets, such as cash and reserves, that were not allocated to the segments. The Adjustment to Depreciation (JPY 3 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (JPY 1 million) reflects corporate assets that were not allocated to the segments.