

FY19/6 H1 Earnings

Ichigo Green Infrastructure Investment Corporation (“Ichigo Green,” Tokyo Stock Exchange, 9282)

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Supplemental Material to Financial and Business Results: Yes (Corporate Presentation)

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

1. FY19/6 H1 Financial Results (July 1, 2018 to December 31, 2018)

(1) Earnings

(JPY million; year-on-year change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
FY19/6 H1	535	-2.4%	103	-15.9%	48	-25.6%	47	-25.8%
FY18/6 H1	548	–	122	–	65	–	64	–
FY18/6	1,153	+103.6%	325	+105.2%	212	+117.4%	210	+123.5%

	Net Income per Share (JPY)
FY19/6 H1	463
FY18/6 H1	625
FY18/6	2,046

Notes:

1. Ichigo Green executed a two-for-one stock split on January 1, 2018 (record date: December 31, 2017). Net Income per Share and FFO per Share are thus calculated on a post-stock split basis.

2. Funds from Operations (FFO)

FY19/6 H1 FFO per Share: JPY 3,722

FY18/6 H1 FFO per Share: JPY 3,882

FY18/6 FFO per Share: JPY 8,560

FFO per Share is calculated per the following:

FFO per Share = (Net Income + Depreciation + Amortization of Expenses Related to the Establishment of Ichigo Green + Amortization of Share Issuance Expenses + Amortization of Start-up Expenses + Loss on Disposal of Fixed Assets + Liability for Asset Retirement Obligation ± Loss/Gain on Sales ± Extraordinary Loss/Profit) / Total Shares Outstanding

3. Because FY17/6 was a 9-month fiscal period without a H1 earnings announcement, year-on-year changes for FY18/6 H1 Operating Revenue, Operating Profit, Recurring Profit, and Net Income are not shown.

(2) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Equity Ratio	Net Assets per Share (JPY)
FY19/6 H1	11,617	4,646	40.0%	45,130
FY18/6 H1	12,249	4,887	39.9%	47,471
FY18/6	12,247	5,034	41.1%	48,892

Note: Ichigo Green executed a two-for-one stock split on January 1, 2018 (record date: December 31, 2017). Net Assets per Share is thus calculated on a post-stock split basis.

(3) Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at End of the Period (JPY million)
FY19/6 H1	594	-4	-687	835
FY18/6 H1	1,191	-1,506	259	704
FY18/6	1,597	-1,506	81	933

2. FY19/6 Forecast (July 1, 2018 to June 30, 2019)

(JPY million; year-on-year change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
FY19/6	1,090	-5.4%	254	-21.8%	144	-32.1%	143	-32.1%

	Dividend per Share (excluding DEE) (JPY)	DEE per Share (JPY)	Dividend per Share (JPY)
FY19/6	1,375	2,185	3,560

DEE = Dividend in Excess of Earnings

Forecast FY19/6 Net Income per Share is JPY 1,389.

Note: It is Ichigo Green's general policy to pay a cash Dividend in Excess of Earnings equivalent to c.40% of annual depreciation expenses, subject to the dividend not adversely affecting Ichigo Green's financial standing.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- (i) Changes Accompanying Amendments to Accounting Standards: None
- (ii) Changes Not Listed in (i): None
- (iii) Changes in Accounting Estimates: None
- (iv) Retrospective Restatement: None

(2) Number of Shares Issued and Outstanding

- (i) The number of shares outstanding was 102,966 shares at the end of FY19/6 H1 and FY18/6, and 51,483 shares at the end of FY18/6 H1. (Note: Ichigo Green executed a two-for-one stock split on January 1, 2018.)
- (ii) There were no treasury shares at the end of FY19/6 H1, FY18/6, or FY18/6 H1.

Reference: Earnings and Dividend Forecast (FY20/6 through FY26/6)

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding DEE) (JPY)	DEE per Share (JPY)	Dividend per Share (JPY)
FY20/6	1,085	240	145	144	1,390	2,190	3,580
FY21/6	1,078	251	170	169	1,625	2,195	3,820
FY22/6	1,072	249	183	182	1,750	2,195	3,945
FY23/6	1,065	260	198	197	1,895	2,200	4,095
FY24/6	1,059	253	194	193	1,860	2,205	4,065
FY25/6	1,052	251	196	195	1,875	2,010	3,885
FY26/6	1,046	230	179	178	1,715	1,825	3,540

DEE = Dividend in Excess of Earnings

Note:

Ichigo Green has an annual fiscal year running from July to June. Because there is no regulatory framework in Japan for Investment Corporations to pay dividends at half-year, Ichigo Green therefore pays an annual dividend once a year. The annual dividend results both in lower administrative costs and a dividend that is not impacted by seasonal changes in solar power generation (as a semi-annual dividend would be).

Completion Status of Auditing Procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Law of Japan. The auditing procedures in accordance with those requirements have thus not been completed as of the date of the publication of this document.

Appropriate Use of Earnings Forecasts and Other Matters of Special Note

The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating results may vary due to changes in circumstances, and these forecasts should not be construed as a guarantee of such results.

For details on the preconditions of the FY19/6 earnings forecast, please refer to the “Preconditions for the FY19/6 Earnings Forecast” on pages 5 through 6. For details of the preconditions of the FY20/6 through FY26/6 earnings forecast, please refer to the November 28, 2017 release “Stock Split.”

This English version is a translation of the original Japanese report and is provided solely for informational purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

FY19/6 Earnings Forecast (July 1, 2018 to June 30, 2019)

Operating Revenue	JPY 1,090 million
Operating Profit	JPY 254 million
Recurring Profit	JPY 144 million
Net Income	JPY 143 million
Dividend per Share (excluding DEE)	JPY 1,375
DEE per Share	JPY 2,185
Dividend per Share (including DEE)	JPY 3,560

DEE = Dividend in Excess of Earnings

For details on the forecast preconditions, please refer to the “Preconditions for the FY19/6 Earnings Forecast” on pages 5 through 6.

Preconditions for the FY19/6 Earnings Forecast

	Preconditions
Period	FY19/6: July 1, 2018 – June 30, 2019 (365 days)
Number of Shares	<ul style="list-style-type: none"> • 102,966 shares issued and outstanding as of today, with no additional new share issuance through FY19/6
Number of Power Plants	<ul style="list-style-type: none"> • 15 power plants
Operating Revenue	<ul style="list-style-type: none"> • Power production revenue is based on the annual P50 power production forecast of operating power plants. • Specifically, power production revenue is calculated by adding base revenue (electricity sales revenue based on the annual P85 production forecast minus forecast operating expenses) to actual power generation revenue (electricity sales revenue based on actual power generation minus base revenue, forecast operating expenses, and actual additional operating expenses), and assumes that no EPCO purchaser of Ichigo Green’s power production will seek to suspend purchases without compensation to Ichigo Green. • Forecast power generation is a third-party, 50% probability mean annual production forecast (P50 forecast) that serves as the base forecast for each solar power plant’s operating plan. The P85 annual production is a third-party, 85% probability mean annual production forecast. P85-based electricity sales revenue is the assumed electricity sales revenue calculated by multiplying the annual P85 production forecast by the FIT (Feed-In Tariff) for each plant. • Forecast operating expenses are the total of renewable energy plant operation and maintenance expenses (including fees paid to maintenance service providers and repair costs), operator fees, rent paid, insurance premiums, management costs (including administration and tax fees), property, city planning, and consumption taxes, and other expenses related to the power generation business, renewable energy plants, and site leases. • Maintenance expenses are as estimated by Ichigo Investment Advisors, the asset management company of Ichigo Green, based on third party reports. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected maintenance needs, etc. • Actual production is calculated by multiplying the annual P50 production forecast by the FIT for each plant. The annual P50 production is a third-party, 50% probability mean annual production forecast that serves as the base forecast for each solar power plant’s operating plan. • Operating Revenue is based on the power production revenue of the power plants, and does not assume the sale of any power plants. • Operating Revenue assumes that Ichigo Green fully receives its contractual power production revenue.

Operating Expenses	<ul style="list-style-type: none"> • Per the above, power plant operation and management expenses are deducted from power production revenue, and therefore are not part of Ichigo Green’s operating expenses. • Property and city planning taxes and other operating expenses, excluding depreciation, are calculated based on historical data and information provided by the previous power plant owner(s), adjusted for anticipated expense variations. • Owners of renewable energy plants are generally charged a 1.4% property (depreciable asset tax) tax rate on the assessment value of their plants. However, for certain approved renewable energy plants newly acquired before March 31, 2016, the assessment value used in calculating such property tax is reduced to two-thirds for three fiscal years following acquisition. Because this reduction in assessment value applies to the 15 power plants Ichigo Green owns as of February 14, 2019, the property tax is reduced by JPY 15 million to JPY105 million for FY19/6. • Depreciation (including incidental costs) is calculated based on acquisition price using the straight-line method and is forecast to be JPY 636 million for FY19/6.
Non-Operating Expenses	<ul style="list-style-type: none"> • Ichigo Green plans to amortize expenses associated with its December 2016 Tokyo Stock Exchange (TSE) listing and new share issuance for 36 months and expenses for the start-up and establishment of Ichigo Green for 60 months, using the straight-line method. Ichigo Green anticipates such expenses to be JPY 34 million for FY19/6. • Interest expenses and other borrowing-related expenses of JPY 75 million is anticipated for FY19/6.
Loans	<ul style="list-style-type: none"> • Ichigo Green assumes outstanding debt of JPY 6.733 billion as of the end of FY19/6. • Loan-to-Value (LTV) is anticipated at 58.2% as of the end of FY19/6. • LTV is calculated using the following formula: $LTV = \text{Total interest-bearing debt} / \text{total assets}$
Dividend (excluding DEE)	<ul style="list-style-type: none"> • The dividend forecast assumes that dividends will comply with the dividend policy stipulated in Ichigo Green’s Articles of Incorporation. • The dividend is subject to change due to factors such as power plant operator turnover, changes in power production revenue, and unexpected maintenance and repair costs and other expenses.
Dividend in Excess of Earnings (DEE)	<ul style="list-style-type: none"> • Ichigo Green sets its DEE based on its Articles of Incorporation and dividend policy set forth in Ichigo Investment Advisors’ internal Operating Guidelines. • It is Ichigo Green’s general policy to pay a cash DEE equivalent to c. 40% of annual depreciation expenses, subject to the dividend not adversely affecting Ichigo Green’s financial standing. The policy is based upon a) such dividend not affecting Ichigo Green’s long-term maintenance policy, taking into consideration planned capital expenditure for each fiscal year, and b) a certain amount of retained cash is necessary to cover items such as acquisition of new power plants, maintenance of existing power plants, working capital needs, and loan repayments. • Ichigo Green expects to pay a DEE equivalent to 35.3% of annual depreciation expense for FY19/6. The Total DEE and DEE per Share is expected to be JPY 224 million and JPY 2,185, respectively.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax rules, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.

Financial Statements

(1) Balance Sheet

(JPY thousand)

	FY18/6 (as of June 30, 2018)	FY19/6 H1 (as of Dec. 31, 2018)
Assets		
Current Assets		
Cash and cash equivalents	933,188	835,456
Operating accounts receivable	255,128	132,007
Prepaid expenses	56,977	17,495
Consumption taxes receivable	30,505	-
Total Current Assets	1,275,800	984,960
Fixed Assets		
Property, Plant, and Equipment		
Solar power plant equipment	11,525,022	11,529,612
Depreciation	-962,342	-1,280,488
Solar power plant equipment (net)	10,562,679	10,249,123
Land	208,820	208,820
Total Property, Plant, and Equipment	10,771,500	10,457,944
Investments and Other Assets		
Tenant leasehold and security deposits	10,000	10,000
Long-term prepaid expenses	120,566	112,511
Deferred tax assets	8	10
Total Investments and Other Assets	130,575	122,522
Total Fixed Assets	10,902,075	10,580,466
Deferred Assets		
Expenses related to the establishment of Ichigo Green	37,605	31,437
Share issuance expenses	30,165	19,211
Start-up expenses	1,708	1,458
Total Deferred Assets	69,479	52,106
Total Assets	12,247,355	11,617,533

(JPY thousand)

	FY18/6 (as of June 30, 2018)	FY19/6 H1 (as of Dec. 31, 2018)
Liabilities		
Current Liabilities		
Accounts payable	8,292	–
Long-term loans (due within one year)	427,040	420,300
Accounts payable – other	41,630	21,556
Accrued expenses	302	583
Income taxes payable	654	694
Accrued consumption taxes, etc.	–	37,715
Other	1,386	2,596
Total Current Liabilities	479,306	483,446
Long-Term Liabilities		
Long-term loans	6,733,739	6,487,155
Total Long-Term Liabilities	6,733,739	6,487,155
Total Liabilities	7,213,046	6,970,602
Net Assets		
Shareholders' Equity		
Shareholders' capital	4,954,368	4,954,368
Deduction from shareholders' capital (DEE payment)	-130,766	-355,232
Shareholders' capital (net)	4,823,601	4,599,135
Surplus		
Unappropriated retained earnings	210,707	47,796
Total Surplus	210,707	47,796
Total Shareholders' Equity	5,034,308	4,646,931
Total Net Assets	5,034,308	4,646,931
Total Liabilities and Net Assets	12,247,355	11,617,533

(2) Income Statement

(JPY thousand)

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Operating Revenue		
Solar power plant revenue	548,840	535,904
Total Operating Revenue	548,840	535,904
Operating Expenses		
Solar power plant expenses	363,518	369,738
Asset management fee	19,269	22,397
Custodian fee	1,631	1,761
Other administrative expenses	2,724	3,075
Directors' compensation	4,200	4,200
Other	34,888	31,633
Total Operating Expenses	426,233	432,807
Operating Profit	122,607	103,097
Non-Operating Income		
Interest income	3	4
Interest on tax refund	–	53
Other	–	24
Total Non-Operating Income	3	82
Non-Operating Expenses		
Interest expenses	29,774	27,800
Borrowing-related expenses	9,554	9,554
Amortization of expenses related to the establishment of Ichigo Green	6,168	6,168
Amortization of share issuance expenses	10,954	10,954
Other	1,041	249
Total Non-Operating Expenses	57,493	54,728
Recurring Profit	65,116	48,450
Pre-Tax Income	65,116	48,450
Income Taxes – Current	735	695
Income Taxes – Deferred	6	-1
Total Income Taxes	742	693
Net Income	64,374	47,757
Retained Earnings Brought Forward	16	38
Unappropriated Retained Earnings	64,391	47,796

(3) Statement of Shareholders' Equity

FY18/6 H1 (July 1, 2017 to December 31, 2017)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Deduction from Shareholders' Capital	Shareholders' Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of July 1, 2017	4,954,368	–	4,954,368	89,494	89,494
Changes during the Period					
DEE		-130,766	-130,766		
Dividend				-89,477	-89,477
Net Income				64,374	64,374
Total Changes	–	-130,766	-130,766	-25,102	-25,102
Balance as of December 31, 2017	4,954,368	-130,766	4,823,601	64,391	64,391

	Shareholders' Equity	Total Assets
	Total	
Balance as of July 1, 2017	5,043,862	5,043,862
Changes during the Period		
DEE	-130,766	-130,766
Dividend	-89,477	-89,477
Net Income	64,374	64,374
Total Changes	-155,869	-155,869
Balance as of December 31, 2017	4,887,992	4,887,992

DEE = Dividend in Excess of Earnings

FY19/6 H1 (July 1, 2018 to December 31, 2018)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Deduction from Shareholders' Capital	Shareholders' Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of July 1, 2018	4,954,368	-130,766	4,823,601	210,707	210,707
Changes during the Period					
DEE		-224,465	-224,465		
Dividend				-210,668	-210,668
Net Income				47,757	47,757
Total Changes	–	-224,465	-224,465	-162,911	-162,911
Balance as of December 31, 2018	4,954,368	-355,232	4,599,135	47,796	47,796

	Shareholders' Equity	Total Assets
	Total	
Balance as of July 1, 2018	5,034,308	5,034,308
Changes during the Period		
DEE	-224,465	-224,465
Dividend	-210,668	-210,668
Net Income	47,757	47,757
Total Changes	-387,376	-387,376
Balance as of December 31, 2018	4,646,931	4,646,931

DEE = Dividend in Excess of Earnings

(4) Cash Flow Statement

(JPY thousand)

	FY18/6 H1 (July 1, 2017 to December 30, 2018)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Cash Flows from Operations:		
Pre-tax net income	65,116	48,450
Depreciation	318,015	318,145
Amortization of expenses related to the establishment of Ichigo Green	6,168	6,168
Amortization of share issuance expenses	10,954	10,954
Interest income	-3	-4
Interest expense	29,774	27,800
Decrease (increase) in operating accounts receivable	83,653	123,120
Decrease (increase) in consumption taxes receivable	702,812	30,505
Decrease (increase) in prepaid expenses	24,867	39,481
Decrease (increase) in long-term prepaid expenses	-7,771	8,054
Increase (decrease) in accrued consumption taxes, etc.	-	37,715
Increase (decrease) in operating accounts payable	-11,143	-8,292
Increase (decrease) in accounts payable	-748	-20,073
Other	249	249
Sub-total	1,221,946	622,277
Interest income received	3	4
Interest expense paid	-29,441	-27,519
Income taxes paid	-1,103	-655
Net Cash from (Used for) Operations	1,191,404	594,106
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-1,506,295	-4,589
Net Cash from (Used for) Investments	-1,506,295	-4,589
Cash Flows from Financing:		
Repayment of short-term loans	-760,000	-
Proceeds from long-term loans	1,475,000	-
Repayment of long-term loans	-237,235	-253,324
Dividends paid	-87,820	-209,458
Dividend in Excess of Earnings (DEE) paid	-130,766	-224,465
Net Cash from (Used for) Financing	259,177	-687,248
Net Increase (Decrease) in Cash and Cash Equivalents	-55,714	-97,731
Cash and Cash Equivalents at Beginning of Period	759,965	933,188
Cash and Cash Equivalents at End of Period	704,251	835,456

Notes to Balance Sheet

Minimum Net Assets Stipulated in the Investment Trust and Investment Corporation Law

(JPY thousand)

FY18/6 (as of June 30, 2018)	FY19/6 H1 (as of December 31, 2018)
50,000	50,000

Notes to Income Statement

Details of Solar Power Plant Revenue

(JPY thousand)

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
A. Revenue		
Base Revenue	509,255	504,834
Additional Revenue (>P85 Forecast)	39,584	31,069
Total	548,840	535,904
B. Expenses		
Property and City Planning Taxes	45,503	51,592
Depreciation Expense	318,015	318,145
Total	363,518	369,738
C. Power Production Income (A) – (B)	185,321	166,165

Depreciation

(JPY thousand)

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Property, Plant, and Equipment Depreciation Amount	318,015	318,145

Notes to Statement of Shareholders' Equity

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Number of Authorized Shares	10,000,000	10,000,000
Number of Shares Outstanding	51,483	102,966

Notes to Cash Flow

Relationship between Cash and Cash Equivalents at End of the Fiscal Year and Items Shown on the Balance Sheet

(JPY thousand)

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Cash and Deposits	704,251	835,456
Cash and Cash Equivalents	704,251	835,456

Notes to Derivatives Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous Period (FY18/6)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
			Total	>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	7,160,780	6,733,739	Note	—

Note: Swaps accounted under the Special Treatment of Interest Swap method are processed together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Current Period (FY19/6 H1)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
			Total	>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	6,907,456	6,487,155	Note	—

Note: Swaps accounted under the Special Treatment of Interest Swap method are processed together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Per Share Information

(JPY)

	FY18/6 (July 1, 2017 to June 30, 2018)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Net Assets per Share	48,892	45,130

Details for calculation of Net Income per Share

	FY18/6 H1 (July 1, 2017 to December 31, 2017)	FY19/6 H1 (July 1, 2018 to December 31, 2018)
Net Income per Share (JPY)	625	463
Net Income (JPY thousand)	64,374	47,757
Income not attributable to common shareholders (JPY thousand)	–	–
Net Income attributable to common shareholders (JPY thousand)	64,374	47,757
Average number of shares in the fiscal period	102,966	102,966

Note: Ichigo Green executed a two-for-one stock split on January 1, 2018 (record date: December 31, 2017). Net Assets per Share and Net Income per Share are thus calculated on a post-stock split basis.

New Share Issuance

Date	Method	Total Number of Shares		Issue Amount ¹ (JPY million)	
		Issued	Outstanding	Increase	Total
June 24, 2016	Private Offering ²	3,000	3,000	300	300
November 30, 2016	Initial Public Offering ³	47,180	50,180	4,529	4,829
December 26, 2016	Third-Party Allotment to Underwriter (Greenshoe) ⁴	1,303	51,483	125	4,954
September 21, 2017	DEE Payment (Return of Capital) ⁵	–	51,483	-130	4,823
January 1, 2018	Stock Split ⁶	51,483	102,966	–	4,823
September 20, 2018	DEE Payment (Return of Capital) ⁷	–	102,966	-224	4,599

DEE = Dividend in Excess of Earnings

¹ The DEE payment has been subtracted from Issue Amount, because it is treated as a return of capital.

² 3,000 shares were issued for the establishment of Ichigo Green at a share price of JPY 100,000.

³ New shares were issued for an initial public offering on the Tokyo Stock Exchange at a share price of JPY 100,000 (subscription price of JPY 96,000) to procure funds for asset acquisitions.

⁴ New shares were issued at a subscription price of JPY 96,000 via third-party allotment as part of

the initial public offering to the underwriter (Greenshoe).

⁵ Ichigo Green resolved at its August 9, 2017 board meeting that it will pay a DEE of JPY 2,540 per share for FY17/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 21, 2017.

⁶ Ichigo Green executed a two-for-one stock split on January 1, 2018 (record date: December 31, 2017).

⁷ Ichigo Green resolved at its August 10, 2018 board meeting that it will pay a DEE of JPY 2,180 per share for FY18/6. The DEE is paid from Ichigo Green's solar power production revenue, which Ichigo Green receives in cash. (This revenue is not treated as income under Japanese tax rules, because it is offset by non-cash depreciation expenses.) The Dividend & DEE payment date was September 20, 2018.

Solar Power Plant Information

Solar Power Plant Portfolio Composition

Asset Type	Region	FY18/6 (as of June 30, 2018)		FY19/6 H1 (as of December 31, 2018)	
		Book Value (JPY million)	% of Total	Book Value (JPY million)	% of Total
Solar Power Plant	Hokkaido	3,238	26.4	3,141	27.0
	Kanto	453	3.7	439	3.8
	Chubu	490	4.0	476	4.1
	Chugoku	1,428	11.7	1,390	12.0
	Shikoku	1,496	12.2	1,456	12.5
	Kyushu	484	4.0	470	4.1
	Okinawa	3,178	26.0	3,083	26.5
Sub-total		10,771	87.9	10,457	90.0
Deposits & Other Assets		1,475	12.1	1,159	10.0
Total Assets		12,247	100.0	11,617	100.0

<u>Region</u>	<u>Prefectures</u>
Hokkaido	Hokkaido
Kanto	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa
Chubu	Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka, Aichi
Chugoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi
Shikoku	Tokushima, Kagawa, Ehime, Kochi
Kyushu	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima
Okinawa	Okinawa

Solar Power Plant Details

(as of December 31, 2018)

No.	Solar Power Plant	Location	Total Area (m ²)	FIT (JPY)	Certification Date	FIT Period
E-01	Ichigo Kiryu Okuzawa	Gunma	27,588.00	40	Feb 14, 2013	Sep 29, 2033
E-02	Ichigo Motomombetsu	Hokkaido	48,946.89	40	Jul 4, 2012	Feb 2, 2034
E-03	Ichigo Murooran Hatchodaira	Hokkaido	35,801.00	40	Feb 15, 2013	Mar 2, 2034
E-04	Ichigo Engaru Kiyokawa	Hokkaido	27,164.16	40	Mar 4, 2013	Mar 3, 2034
E-05	Ichigo Iyo Nakayamacho Izubuchi	Shikoku	26,260.77	40	Jul 11, 2012	Apr 1, 2034
E-06	Ichigo Nakashibetsu Midorigaoka	Hokkaido	54,870.00	40	Feb 19, 2013	Nov 3, 2034
E-07	Ichigo Abira Toasa	Hokkaido	29,730.72	40	Jul 4, 2012	Dec 1, 2034
E-08	Ichigo Toyokoro	Hokkaido	29,004.00	40	Feb 22, 2013	Dec 3, 2034
E-09	Ichigo Nago Futami	Okinawa	146,294.00	40	Mar 15, 2013	Feb 1, 2035
E-10	Ichigo Engaru Higashimachi	Hokkaido	46,329.00	40	Feb 15, 2013	Feb 2, 2035
E-11	Ichigo Takamatsu Kokubunjicho Nii	Shikoku	79,340.00	36	Feb 20, 2014	Jun 1, 2035
E-12	Ichigo Miyakonojo Yasuhisacho	Kyushu	94,165.00	36	Feb 14, 2014	Jul 7, 2035
E-13	Ichigo Toyokawa Mitocho Sawakihama	Aichi	19,393.00	32	Feb 13, 2015	Sep 15, 2035
E-14	Ichigo Yamaguchi Aionishi	Chugoku	19,815.38	40	Mar 12, 2013	Dec 6, 2035
E-15	Ichigo Yamaguchi Sayama	Chugoku	43,621.00	36	Mar 17, 2014	Apr 5, 2036

Acquisition Price, Appraisal Value, and Book Value of Solar Power Plants

(as of December 31, 2018)

No.	Solar Power Plant	Solar Energy Producer	Power Purchaser	Acquisition Price (JPY million)	Appraisal Value (JPY million)	Appraisal Value Breakdown (JPY million) Top: Power Plant Bottom: Real Estate	Book Value (JPY million)
E-01	Ichigo Kiryu Okuzawa	Ichigo ECO Kiryu Okuzawa Power Plant GK	TEPCO Energy Partner	489	487	487	439
						–	–
E-02	Ichigo Motomombetsu	Ichigo ECO Motomombetsu Power Plant GK	Hokkaido Electric	495	492	492	446
						–	–
E-03	Ichigo Muroran Hatchodaira	Ichigo ECO Muroran Hatchodaira Power Plant GK	Hokkaido Electric	467	465	465	421
						–	–
E-04	Ichigo Engaru Kiyokawa	Ichigo Engaru Kiyokawa ECO Power Plant GK	Hokkaido Electric	398	383	383	360
						–	–
E-05	Ichigo Iyo Nakayamacho Izubuchi	Ichigo ECO Iyo Nakayamacho Izubuchi Power Plant GK	Shikoku Electric	471	474	474	426
						–	–
E-06	Ichigo Nakashibetsu Midorigaoka	Ichigo Nakashibetsu Midorigaoka ECO Power Plant GK	Hokkaido Electric	770	734	734	695
						–	–
E-07	Ichigo Abira Toasa	Ichigo Abira Toasa ECO Power Plant GK	Hokkaido Electric	441	431	431	400
						–	–
E-08	Ichigo Toyokoro	Ichigo Toyokoro ECO Power Plant GK	Hokkaido Electric	434	431	431	394
						–	–

No.	Solar Power Plant	Solar Energy Producer	Power Purchaser	Acquisition Price (JPY million)	Appraisal Value (JPY million)	Appraisal Value Breakdown (JPY million) Top: Power Plant Bottom: Real Estate	Book Value (JPY million)
E-09	Ichigo Nago Futami	Ichigo ECO Nago Futami Power Plant GK	Okinawa Electric	3,425	3,570	3,570	3,083
						–	–
E-10	Ichigo Engaru Higashimachi	Ichigo Engaru Higashimachi ECO Power Plant GK	Hokkaido Electric	464	447	447	421
						–	–
E-11	Ichigo Takamatsu Kokubunjicho Nii	Ichigo ECO Energy	Shikoku Electric	1,124	1,098	980	897
						118	133
E-12	Ichigo Miyakonojo Yasuhisacho	Ichigo Miyakonojo Yasuhisacho ECO Power Plant GK	Kyushu Electric	517	523	523	470
						–	–
E-13	Ichigo Toyokawa Mitocho Sawakihama	Ichigo Toyokawa Mitocho Sawakihama ECO Power Plant GK	Chubu Electric	523	478	478	476
						–	–
E-14	Ichigo Yamaguchi Aionishi	Ichigo Yamaguchi Aionishi ECO Power Plant GK	Chugoku Electric	544	564	496	443
						68	75
E-15	Ichigo Yamaguchi Sayama	Ichigo Yamaguchi Sayama ECO Power Plant GK	Chugoku Electric	925	953	953	871
						–	–
Total				11,487	11,535	11,348	10,249
						186	208

- ¹ Acquisition Price excludes incidental expenses such as property, city planning, and consumption taxes.
- ² Appraisal Value is a median calculated pursuant to Ichigo Green's Articles of Incorporation (Article 35, Paragraph 2, Item 1) and using land and power plant appraisal values provided by PwC Sustainability LLC. The Appraisal Values are as of June 30, 2018, but since those dates there have been no significant changes in the power plants' valuations nor in relevant market indices, so they are believed to be current and appropriate.
- ³ The top row of the Appraisal Value Breakdown column shows the Plant Appraisal Value, calculated as the difference between the Appraisal Value described in footnote 2 above and the corresponding Real Estate Appraisal Value in reports produced by Daiwa Real Estate Appraisal. Values in the second row show the Real Estate appraisal value by Daiwa Real Estate Appraisal. The appraisal date is June 30, 2018, but since then there have been no significant changes in the power plants' valuations nor in relevant market indices, so they are believed to be current and appropriate.
- ⁴ The top row of the Book Value column shows the book value of the solar power plant and the bottom row shows that of the underlying land on December 31, 2018.

Earnings by Solar Power Plant

(JPY thousand)

No.	Total Portfolio	E-01	E-02	E-03	E-04
Solar Power Plant		Ichigo Kiryu Okuzawa	Ichigo Motomom-betsu	Ichigo Muroran Hatcho-daira	Ichigo Engaru Kiyokawa
(1) Revenue	535,904	22,769	22,398	19,805	16,493
Base Revenue	504,834	20,996	21,095	19,693	16,493
Additional Revenue (>P85 Forecast)	31,069	1,773	1,303	111	–
(2) Expenses	51,592	2,709	2,756	2,600	2,219
Fixed Asset Tax	502	–	–	–	–
Depreciable Asset Tax	51,089	2,709	2,756	2,600	2,219
Other	–	–	–	–	–
(3) NOI	484,311	20,059	19,642	17,204	14,273
(4) Depreciation	318,145	14,895	14,715	13,824	11,806
(5) Net Income	166,165	5,164	4,926	3,379	2,466

No.	E-05	E-06	E-07	E-08	E-09
Solar Power Plant	Ichigo Iyo Nakayama-cho Izubuchi	Ichigo Nakashibetsu Midorigaoka	Ichigo Abira Toasa	Ichigo Toyokoro	Ichigo Nago Futami
(1) Revenue	22,201	31,931	19,626	18,423	171,810
Base Revenue	21,770	29,963	17,075	16,974	171,652
Additional Revenue (>P85 Forecast)	430	1,968	2,551	1,449	158
(2) Expenses	2,606	4,359	2,498	2,459	13,025
Fixed Asset Tax	–	–	–	–	–
Depreciable Asset Tax	2,606	4,359	2,498	2,459	13,025
Other	–	–	–	–	–
(3) NOI	19,595	27,572	17,128	15,964	158,784
(4) Depreciation Expense	13,910	21,850	12,521	12,324	95,354
(5) Net Income	5,684	5,721	4,606	3,640	63,430

(JPY thousand)

No.	E-10	E-11	E-12	E-13	E-14
Solar Power Plant	Ichigo Engaru Higashimachi	Ichigo Takamatsu Kokubunjicho Nii	Ichigo Miyakonojo Yasuhisacho	Ichigo Miyakonojo Mitocho Sawakihama	Ichigo Yamaguchi Aionishi
(1) Revenue	18,734	48,747	23,360	25,069	26,203
Base Revenue	18,734	45,194	23,182	20,209	22,343
Additional Revenue (>P85 Forecast)	–	3,553	178	4,859	3,859
(2) Expenses	1,788	3,972	1,991	2,028	2,424
Fixed Asset Tax	–	204	–	–	297
Depreciable Asset Tax	1,788	3,767	1,991	2,028	2,126
Other	–	–	–	–	–
(3) NOI	16,945	44,775	21,368	23,041	23,779
(4) Depreciation Expense	13,048	27,186	14,190	14,223	13,037
(5) Net Income	3,897	17,589	7,178	8,817	10,741

No.	E-15
Solar Power Plant	Ichigo Yamaguchi Sayama
(1) Revenue	48,328
Base Revenue	39,454
Additional Revenue (>P85 Forecast)	8,873
(2) Expenses	4,150
Fixed Asset Tax	–
Depreciable Asset Tax	4,150
Other	–
(3) NOI	44,177
(4) Depreciation Expense	25,256
(5) Net Income	18,921