



Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

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Issuer

Ichigo Green Infrastructure Investment Corporation (“Ichigo Green,” 9282)

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Ten-Year Earnings and Dividend Forecast Revision

Ichigo Green is revising up its ten-year earnings and dividend forecast for the June 2017 through June 2026 fiscal periods.

1. Ten-Year Earnings and Dividend Forecast Revision Rationale

Ichigo Green invests in solar power plants with proven operational capabilities and long-term feed-in-tariff (FIT) contracts with Japanese electric power utilities. Because Ichigo Green is also guaranteed a base fee from solar power plant operators regardless of actual power generation, it has significant long-term earnings visibility and stability. Given that its long-term earnings stability gives Ichigo Green the ability to do so, Ichigo Green announced on March 24, 2017 the first-ever ten-year earnings forecast by a Japanese company.

Ichigo Green is revising up its forecast to reflect the finalized depreciable asset taxes and lower-than-expected depreciation expenses on its thirteen solar power plants. Ichigo Green’s dividend per share is therefore expected to increase between 7.1% and 17.7%.

2. Ten-Year Earnings and Dividend Forecast Revision (June 2017 – June 2026)

a. June 2017 (7 months) Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	545	111	48	45	791	2,626	3,417
Current Amended Forecast (B)	545	127	65	62	1,120	2,540	3,660
Difference (B) - (A)	–	+16	+17	+17	+329	-86	+243
% Change	–	+14.4%	+35.4%	+37.8%	+41.6%	-3.3%	+7.1%
Reference: September 2016 Actual ¹	–	-3	-6	-4	–	–	–

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 1,221

¹ While Ichigo Green's fiscal period normally runs from July to June, its first period ran from June 24, 2016 to September 30, 2016. Its second period runs from October 1, 2016 to June 30, 2017. Ichigo Green's actual operating timeframe during the second period is from December 1, 2016, the day of the asset acquisitions, to June 30, 2017.

b. June 2018 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	963	182	82	81	1,589	4,502	6,091
Current Amended Forecast (B)	963	216	118	117	2,270	4,360	6,630
Difference (B) - (A)	–	+34	+36	+36	+681	-142	+539
% Change	–	+18.7%	+43.9%	+44.4%	+42.9%	-3.2%	+8.8%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 2,274

c. June 2019 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	958	159	62	61	1,196	4,505	5,701
Current Amended Forecast (B)	958	216	121	120	2,340	4,370	6,710
Difference (B) - (A)	–	+57	+59	+59	+1,144	-135	+1,009
% Change	–	+35.8%	+95.2%	+96.7%	+95.7%	-3.0%	+17.7%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 2,343

d. June 2020 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	952	166	86	85	1,652	4,516	6,168
Current Amended Forecast (B)	952	201	122	121	2,350	4,380	6,730
Difference (B) - (A)	–	+35	+36	+36	+698	-136	+562
% Change	–	+21.1%	+41.9%	+42.4%	+42.3%	-3.0%	+9.1%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 2,359

e. June 2021 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	946	162	93	92	1,794	4,527	6,321
Current Amended Forecast (B)	946	214	146	145	2,820	4,390	7,210
Difference (B) - (A)	–	+52	+53	+53	+1,026	-137	+889
% Change	–	+32.1%	+57.0%	+57.6%	+57.2%	-3.0%	+14.1%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 2,822

f. June 2022 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	941	173	118	117	2,288	4,529	6,817
Current Amended Forecast (B)	941	211	158	157	3,050	4,390	7,440
Difference (B) - (A)	–	+38	+40	+40	+762	-139	+623
% Change	–	+22.0%	+33.9%	+34.2%	+33.3%	-3.1%	+9.1%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 3,054

g. June 2023 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	935	168	116	115	2,252	4,533	6,785
Current Amended Forecast (B)	935	221	171	170	3,310	4,400	7,710
Difference (B) - (A)	–	+53	+55	+55	+1,058	-133	+925
% Change	–	+31.5%	+47.4%	+47.8%	+47.0%	-2.9%	+13.6%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 3,319

h. June 2024 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	929	171	123	122	2,375	4,569	6,944
Current Amended Forecast (B)	929	214	167	166	3,230	4,410	7,640
Difference (B) - (A)	–	+43	+44	+44	+855	-159	+696
% Change	–	+25.1%	+35.8%	+36.1%	+36.0%	-3.5%	+10.0%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 3,231

i. June 2025 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	924	155	109	108	2,108	4,649	6,757
Current Amended Forecast (B)	924	212	168	167	3,250	4,490	7,740
Difference (B) - (A)	–	+57	+59	+59	+1,142	-159	+983
% Change	–	+36.8%	+54.1%	+54.6%	+54.2%	-3.4%	+14.5%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 3,253

j. June 2026 Earnings and Dividend Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (excluding Dividend in Excess of Earnings per Share) (JPY)	Dividend in Excess of Earnings per Share (JPY)	Dividend per Share (JPY)
Previous Announced Forecast (A)	918	158	115	114	2,224	4,688	6,912
Current Amended Forecast (B)	918	192	150	149	2,900	4,590	7,490
Difference (B) - (A)	–	+34	+35	+35	+676	-98	+578
% Change	–	+21.5%	+30.4%	+30.7%	+30.4%	-2.1%	+8.4%

Forecast number of shares outstanding and EPS: 51,483 shares, JPY 2,907

Notes:

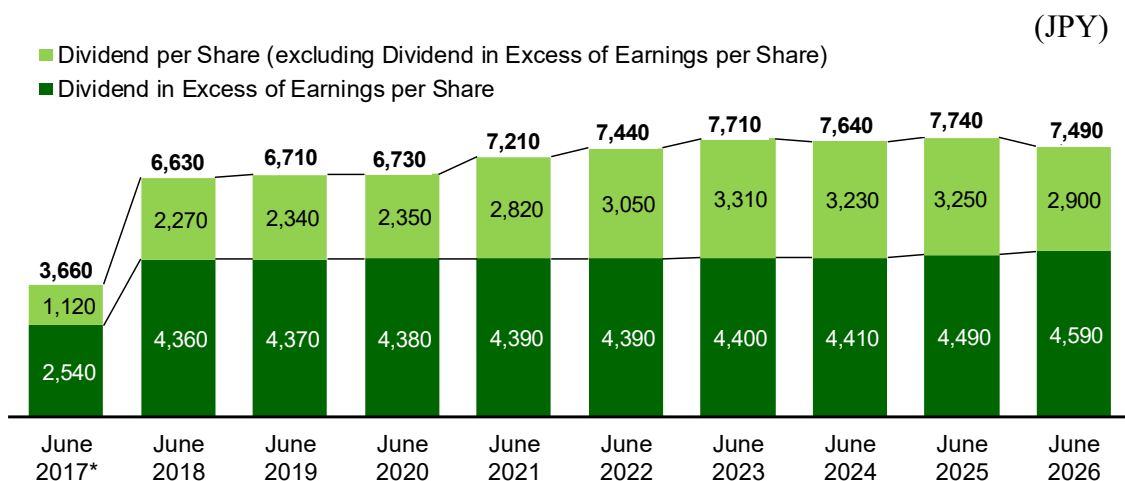
Ichigo Green has an annual fiscal period running from July to June. Because there is no regulatory framework in Japan for Investment Corporations to pay dividends at half-term, Ichigo Green therefore pays an annual dividend once a year. The annual dividend results both in lower administrative costs and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

The forecast presented above for each fiscal period is based on certain preconditions set out below in “Preconditions for Ten-Year Earnings and Dividend Forecast.” The preconditions are subject to change due to such factors as future acquisitions and dispositions of renewable energy power plants, changes in the Tokyo Stock Exchange (TSE) Infrastructure Fund market, fluctuations in interest rates, the issuance of additional shares, and changes in other factors related to Ichigo Green. The actual operating revenue, operating profit, recurring profit, net income, and dividend may vary due to changes in circumstances. These forecasts should not be construed as a guarantee of such performance or results.

For the June 2017 fiscal period, total dividend paid will be JPY 58 million, which is this period’s net income less JPY 4 million of losses carried over from the previous period.

Ichigo Green released this Ten-Year Earnings and Dividend Forecast because the long-term stability of its earnings allows for a long-term forecast. Ichigo Green will issue an earnings and dividend forecast for the post-June 2027 period when reasonable and appropriate. Should a substantial discrepancy emerge between this forecast and actual operating results, Ichigo Green will revise this forecast.

Ten-Year Dividend Forecast



* Ichigo Green’s actual operating period for the June 2017 fiscal period is the seven months from December 1, 2016, the day of the power plant acquisitions, to June 30, 2017.

Preconditions for Ten-Year Earnings and Dividend Forecast
(June 2017 through June 2026 fiscal periods)

Item	Preconditions
Period	<p>June 2017 : October 1, 2016 – June 30, 2017 (273 days)</p> <p>June 2018 : July 1, 2017 – June 30, 2018 (365 days)</p> <p>June 2019 : July 1, 2018 – June 30, 2019 (365 days)</p> <p>June 2020 : July 1, 2019 – June 30, 2020 (366 days)</p> <p>June 2021 : July 1, 2020 – June 30, 2021 (365 days)</p> <p>June 2022 : July 1, 2021 – June 30, 2022 (365 days)</p> <p>June 2023 : July 1, 2022 – June 30, 2023 (365 days)</p> <p>June 2024 : July 1, 2023 – June 30, 2024 (366 days)</p> <p>June 2025 : July 1, 2024 – June 30, 2025 (365 days)</p> <p>June 2026 : July 1, 2025 – June 30, 2026 (365 days)</p>
Number of Shares	<ul style="list-style-type: none"> • 51,483 shares issued and outstanding as of today, with no additional new share issuance through June 2026 • The dividend is also calculated based on the above assumption of 51,483 shares issued and outstanding.
Number of Power Plants	<ul style="list-style-type: none"> • The current 13 power plants • The total number of power plants may change due to acquisitions or sales.
Operating Revenue	<ul style="list-style-type: none"> • Power production revenue is based on the annual P50 power production forecast of the operating power plants. • Specifically, power production revenue is calculated by adding base revenue (electricity sales revenue based on the annual P85 production forecast minus operation and management expenses) to actual power production revenue (electricity sales revenue based on the annual P50 production forecast minus operation and management expenses as well as base revenue). Power production revenue assumes that there is no suspension of renewable energy supply without compensation through June 2026. • 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 for each plant. • Renewable energy plant operation and maintenance expenses (including fees paid to maintenance service providers and repair costs) are hereinafter defined as the total of 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, land, or management. 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

- Per the above, operation and management expenses of the power plants are deducted from the leaseholder's 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.
- While property and city planning taxes with respect to the acquisition and sale of renewable energy plants are, in general, pro-rated between the previous owner and the buyer based on period of ownership and settled at the time of acquisition, Ichigo Green included such estimated taxes in its acquisition cost and therefore did not recognize them as operating expenses for calendar year 2016. 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 periods following acquisition. Because this reduction in assessment value applies to the power plants Ichigo Green owns as of today, the property tax is reduced by JPY 19 million for the June 2017 fiscal period, JPY 30 million for the June 2018 fiscal period, and JPY 10 million for the June 2019 fiscal period. The anticipated amounts of property and city planning tax for the power plants are as follows:

(JPY million)

June 2017	June 2018	June 2019	June 2020	June 2021
45	90	92	88	75

June 2022	June 2023	June 2024	June 2025	June 2026
64	55	47	41	36

Depreciation (including incidental costs) is calculated using the straight-line method, with the depreciation period set to the number of months remaining for the guaranteed FIT, and is forecast as follows:

(JPY million)

June 2017	June 2018	June 2019	June 2020	June 2021
327	562	562	564	565

June 2022	June 2023	June 2024	June 2025	June 2026
566	566	568	578	590

Non-Operating Expenses

- Expenses related to Ichigo Green's TSE listing and new share issuance and to Ichigo Green's establishment: JPY 59 million in the September 2016 fiscal period and JPY 70 million anticipated in the June 2017 fiscal period. Ichigo Green plans to amortize expenses associated with the TSE listing and new share issuance for 36 months and expenses for the establishment of Ichigo Green for 60 months, using the straight-line method. Ichigo Green anticipates such expenses of JPY 22 million in the June 2017 fiscal period, JPY 34 million in the June 2018 fiscal period, JPY 34 million in the June 2019 fiscal period, JPY 21 million in the June 2020 fiscal period, and JPY 12 million in the June 2021 fiscal period.
- Interest expenses and other loan-related expenses are forecast as follows:

(JPY million)

June 2017	June 2018	June 2019	June 2020	June 2021
39	63	60	57	55

June 2022	June 2023	June 2024	June 2025	June 2026
52	49	47	44	41

Loans	<ul style="list-style-type: none"> The forecast is based on outstanding interest-bearing debt of JPY 6.95 billion as of today, and assumes that repayment of the consumption tax loan (loan amount: JPY 760 million) will be made in full on November 30, 2017. Forecast loan to value (LTV) for each fiscal period-end is as follows: <table border="1" data-bbox="357 387 1461 461"> <tr> <td>June 2017</td> <td>June 2018</td> <td>June 2019</td> <td>June 2020</td> <td>June 2021</td> </tr> <tr> <td>57.7%</td> <td>53.5%</td> <td>53.1%</td> <td>52.7%</td> <td>52.1%</td> </tr> </table> <table border="1" data-bbox="357 495 1461 568"> <tr> <td>June 2022</td> <td>June 2023</td> <td>June 2024</td> <td>June 2025</td> <td>June 2026</td> </tr> <tr> <td>51.5%</td> <td>50.7%</td> <td>49.9%</td> <td>48.9%</td> <td>47.7%</td> </tr> </table> <ul style="list-style-type: none"> LTV is calculated with the following formula: $\text{LTV} = \text{Total sum of interest-bearing debt} / \text{total assets} * 100$ 	June 2017	June 2018	June 2019	June 2020	June 2021	57.7%	53.5%	53.1%	52.7%	52.1%	June 2022	June 2023	June 2024	June 2025	June 2026	51.5%	50.7%	49.9%	48.9%	47.7%																												
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Dividend per Share (excluding Dividend in Excess of Earnings per Share)	<ul style="list-style-type: none"> The dividend is based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo Green's Articles of Incorporation. The dividend per share is subject to change due to factors such as leaseholder turnover, fluctuations in rental income due to changes in the content of lease contracts, and unexpected maintenance and repair costs and other expenses. 																																																
Dividend in Excess of Earnings per Share	<ul style="list-style-type: none"> Ichigo Green calculates Dividend in Excess of Earnings per Share 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 dividend in excess of earnings, up to a maximum of 40% of annual depreciation expenses, and to the extent it will not adversely affect Ichigo Green's financial standing. The policy assumes a) such dividend shall not affect its long-term maintenance policy, taking into consideration planned capital expenditure for each period, 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. Calculated as roughly 40% of annual depreciation expense. Depreciation, Dividend in Excess of Earnings, and Dividend in Excess of Earnings per Share are forecast as follows: <p style="text-align: right;">(JPY million)</p> <table border="1" data-bbox="357 1440 1461 1733"> <thead> <tr> <th></th> <th>June 2017</th> <th>June 2018</th> <th>June 2019</th> <th>June 2020</th> <th>June 2021</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>327</td> <td>562</td> <td>562</td> <td>564</td> <td>565</td> </tr> <tr> <td>Dividend in Excess of Earnings</td> <td>131</td> <td>224</td> <td>225</td> <td>225</td> <td>226</td> </tr> <tr> <td>Dividend in Excess of Earnings per Share (JPY)</td> <td>2,540</td> <td>4,360</td> <td>4,370</td> <td>4,380</td> <td>4,390</td> </tr> </tbody> </table> <table border="1" data-bbox="357 1769 1461 2063"> <thead> <tr> <th></th> <th>June 2022</th> <th>June 2023</th> <th>June 2024</th> <th>June 2025</th> <th>June 2026</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>566</td> <td>566</td> <td>568</td> <td>578</td> <td>590</td> </tr> <tr> <td>Dividend in Excess of Earnings</td> <td>226</td> <td>226</td> <td>227</td> <td>231</td> <td>236</td> </tr> <tr> <td>Dividend in Excess of Earnings per Share (JPY)</td> <td>4,390</td> <td>4,400</td> <td>4,410</td> <td>4,490</td> <td>4,590</td> </tr> </tbody> </table>		June 2017	June 2018	June 2019	June 2020	June 2021	Depreciation	327	562	562	564	565	Dividend in Excess of Earnings	131	224	225	225	226	Dividend in Excess of Earnings per Share (JPY)	2,540	4,360	4,370	4,380	4,390		June 2022	June 2023	June 2024	June 2025	June 2026	Depreciation	566	566	568	578	590	Dividend in Excess of Earnings	226	226	227	231	236	Dividend in Excess of Earnings per Share (JPY)	4,390	4,400	4,410	4,490	4,590
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	<ul style="list-style-type: none"> • Irrespective of the above, Ichigo Green did not distribute cash in excess of earnings for the September 2016 fiscal period, because it did not yet operate any power plants. Starting with the June 2017 fiscal period, it is possible that Ichigo Green will not distribute cash in excess of earnings or pay a larger/smaller amount than what is forecast above, although within the range set forth in the rules of the Investment Trusts Association, Japan, in consideration of the possibility of deploying such cash towards capital expenditure, loan repayment, acquisition of new power plants, and share buybacks, and also in consideration of the economic environment, renewable energy market trends, and the financial condition of Ichigo Green. • Because a dividend in excess of earnings will decrease cash-on-hand, it may result in a possible cash shortfall when there is a sudden and unexpected need for capital expenditure, or may limit flexibility in financing power plants acquisitions. Any dividend in excess of earnings will be deducted from paid-in capital or retained earnings.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax system, 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.