



Creating peace of mind through honest and committed management.

June 18, 2012

## FINANCIAL REPORT FOR THE FISCAL PERIOD ENDING APRIL 2012 (November 1, 2011 – April 30, 2012)

Ichigo Real Estate Investment Corporation (“Ichigo REIT,” Representative: Yoshihiro Takatsuka, Executive Director, URL: [www.ichigo-reit.co.jp/english](http://www.ichigo-reit.co.jp/english)) is listed on the Tokyo Stock Exchange with the securities code 8975.

Asset Management Company: **Ichigo REIT Management Co., Ltd.**  
 Representative: Wataru Orii, President & Representative Director  
 Inquiries: Masanori Kubota, Director (Finance)  
 Tel. +81-3-3502-4891

Submission Date for Securities Report: July 27, 2012 (expected)  
 Start Date for Dividend Payments: July 23, 2012 (expected)  
 Supplement Material to Financial and Business Results: Yes  
 Financial and Business Results Briefing: Yes (for institutional investors and analysts)

### 1. Financial Results for the Fiscal Period Ending April 2012

(Monetary amounts are rounded down to the nearest million yen)

#### (1) Earnings

(million yen; period-on-period change)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Fiscal Period ending April 2012	4,273	442.4%	1,534	281.6%	526	118.5%	17,089	—
Fiscal Period ending October 2011	787	3.4%	402	3.3%	240	4.8%	236	5.3%

	Net Income per Unit (yen)	Ratio of Net Income to Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Operating Revenue
Fiscal Period ending April 2012	20,275	50.4%	0.8%	12.3%
Fiscal Period ending October 2011	1,031	1.6%	1.0%	30.6%

(Note) Ichigo REIT implemented a 7 for 1 unit split on November 1, 2011. The Net Income per Unit for the October 2011 period above is calculated based on the assumption that the unit split was effective during the October 2011 period. Net Income per Unit before the unit split for the October 2011 period was 7,219 yen.

#### (2) Dividends

	Dividend per Unit (not including dividends in excess of earnings) (yen)	Total Dividends (million yen)	Dividend per Unit in Excess of Earnings (yen)	Total Dividends in Excess of Earnings (million yen)	Payout Ratio (%)	Ratio of Dividends to Net Assets (%)
Fiscal Period ending April 2012	1,219	1,027	0	0	6.0	3.0
Fiscal Period ending October 2011	7,220	236	0	0	100.0	1.6

(Note 1) Net Income for the April 2012 period includes negative goodwill of 16,562 million yen in extraordinary income and therefore the amount differs from the dividend. The dividend is the total amount of retained earnings less negative goodwill and a dividend reserve of 501 million yen.

(Note 2) Payout Ratio is rounded down to the first decimal place.

(3) Assets and Equity

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Unit (yen)
Fiscal Period ending April 2012	115,226	52,584	45.6	62,390
Fiscal Period ending October 2011	24,999	15,164	60.7	66,251

(Note) Ichigo REIT implemented a 7 for 1 unit split on November 1, 2011. The Net Asset per Unit for the October 2011 period above is calculated based on the assumption that the unit split was effective during the October 2011 period. Net Asset per Unit before unit split for the October 2011 period was 463,758 yen.

(4) Cash Flow

	Cash Flow from Operating Activities (million yen)	Cash Flow from Investment Activities (million yen)	Cash Flow from Financing Activities (million yen)	Cash and Cash Equivalents at End of the Period (million yen)
Fiscal Period ending April 2012	4,334	(490)	(3,229)	9,628
Fiscal Period ending October 2011	311	3	(273)	1,901

2. Earnings Forecasts for the Fiscal Periods Ending October 2012 and April 2013

(million yen; period-on-period change)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Fiscal Period ending October 2012	4,266	(0.2%)	1,746	13.8%	619	17.7%	618	(96.4%)
Fiscal Period ending April 2013	4,168	(2.3%)	1,974	13.1%	1,107	78.7%	1,106	78.8%

(yen)

	Dividend per Unit (not including dividends in excess of earnings)	Dividend per Unit in Excess of Earnings
Fiscal Period ending October 2012	1,260	0
Fiscal Period ending April 2013	1,310	0

Reference: The forecast Net Income per unit is 734 yen for the October 2012 period and 1,313 yen for the April 2013 period. The dividend for the October 2012 period is scheduled to include a dividend reserve of 448 million yen.

Note: The Fiscal Period ending October 2011 runs from May 1, 2011 to October 31, 2011.  
 The Fiscal Period ending April 2012 runs from November 1, 2011 to April 30, 2012.  
 The Fiscal Period ending October 2012 runs from May 1, 2012 to October 31, 2012.  
 The Fiscal Period ending April 2013 runs from November 1, 2012 to April 30, 2013.

### 3. Other

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

- |  |     |
|--|-----|
| (i) Changes accompanying Amendments to Accounting Standards: | Yes |
| (ii) Changes other than (i):                                 | No  |
| (iii) Changes in Accounting Estimates:                       | No  |
| (iv) Retrospective Restatement:                              | No  |

#### (2) Number of Investment Units Issued and Outstanding

- (i) The number of investment units issued and outstanding (including treasury investment units) was 32,700 units at the end of the October 2011 period and 842,823 units at the end of April 2012 period.
- (ii) The number of treasury investment units was 0 units at the end of the October 2011 period and 0 units at the end of the April 2012 period.

#### 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 not been completed as of the date of the publication of this document.

#### Appropriate Use of Performance Forecasts and Other Matters of Special Note

The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, dividend per unit and dividend per unit in excess of earnings may vary due to changes in circumstances. Moreover, these forecasts should not be construed as a guarantee of such performance or results.

For details on the preconditions, please refer to the “Preconditions for Earnings Forecasts of the Fiscal Periods ending October 2012 and April 2013” on pages 4-5.

Ichigo REIT implemented a 7 for 1 unit split with the record date of October 31, 2011 and the effective date of November 1, 2011. The performance forecasts for the October 2012 and April 2013 periods are calculated based on the post-split investment units.

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

Preconditions for Earnings Forecasts of the Fiscal Periods ending October 2012 and April 2013.

Item	Preconditions
Periods	<p>The Fiscal Period ending October 2012: May 1, 2012 – October 31, 2012 (184 days)                      The Fiscal Period ending April 2013: November 1, 2012 – April 30, 2013 (181 days)</p>
Portfolio Assets	<ul style="list-style-type: none"> <li>• 67 properties as of April 30, 2012. Ichigo REIT sold the Solon Keyakidori Building in June 2012. The forecast assumes acquisition of the M's SQUARE asset in which Ichigo REIT owns TK equity and has a preferential negotiation right.</li> <li>• The anticipated acquisition price of M's SQUARE is 2,130 million yen, (excluding acquisition related expenses, fixed asset tax, city planning tax and consumption tax, etc.)</li> <li>• The total number of portfolio assets may change due to acquisition or sale of properties.</li> </ul>
Number of Investment Units	<ul style="list-style-type: none"> <li>• 842,823 units, the current issued amount.</li> </ul>
Operating Revenue	<ul style="list-style-type: none"> <li>• Rent revenue is calculated conservatively based on lease contracts that are in effect as of April 30, 2012, while taking into consideration such factors as historical rents, the competitiveness of the properties and market conditions.</li> <li>• The anticipated portfolio occupancy is 92.4% at the end of the October 2012 period and 94.0% at the end of the April 2013 period.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>• Among expenses related to rental activity, which are Ichigo REIT's principal operating expenses, those other than depreciation are calculated based on historical data, while taking into consideration variable expenses.</li> <li>• The anticipated amount of property tax and city planning tax is 329 million yen for the October 2012 period and 335 million yen for the April 2013 period.</li> <li>• The amount for building maintenance and repair expenses is estimated to be 152 million yen for the October 2012 period and 76 million yen for the April 2013 period. However, expenses for each period could differ significantly from these estimated amounts for various reasons due to the irregularity of maintenance and repair expenses, costs due to unexpected building damage, etc., and year-to-year changes in costs.</li> <li>• Service provider expenses including property management fees, etc. are estimated to be 388 million yen for the October 2012 period and 383 million yen for the April 2013 period.</li> <li>• Depreciation has been calculated using the straight line method. For the existing 67 properties, depreciation is calculated by including the depreciation for future additional capital expenditures in the amortization amount. Depreciation of 512 million yen has been anticipated for the October 2012 period and 528 million yen for the April 2013 period.</li> <li>• Capital loss incurred by sale of Solon Keyakidori Building on June 5, 2012 is estimated to be 214 million yen.</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>• Interest expenses of 673 million yen are anticipated for the October 2012 period and 641 million yen for the April 2013 period.</li> <li>• Borrowing-related expenses of 456 million yen are anticipated for the October 2012 period and 228 million yen for the April 2013 period.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>• Ichigo REIT's balance of loans payable stands at 56,256 million yen as of April 30, 2012.</li> <li>• Ichigo REIT borrowed 10,994 million yen via a syndicated loan, with Sumitomo Mitsui Banking Corporation (SMBC) and Mizuho Trust &amp; Banking Co., Ltd. as joint arrangers, in order to refinance a loan from ORIX Bank Corporation and loans from The Tokyo Star Bank, Limited on May 9, 2012.</li> <li>• 3,684 million yen in a loan payable to Aozora Bank, Ltd. will mature during the October 2012 period. 1,425 million yen in a loan payable to The Kagawa Bank, Ltd., 2,910 million yen in a loan payable to The Tokyo Star Bank, Limited, and 3,800 million yen in a loan payable to The Gibraltar Life Insurance Co., Ltd. will mature during the April 2013 period. Ichigo REIT assumes refinancing of these loans at the same amount.</li> <li>• With the acquisition of the M's SQUARE asset in October 2012 Period, Ichigo REIT assumes the borrowing of 2,130 million yen as a long-term loan.</li> </ul>

Dividend per Unit	<ul style="list-style-type: none"> <li>• Dividends (dividend per unit) are based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo REIT's Articles of Incorporation.</li> <li>• Dividend for the October 2012 period is assumed to be 1,067 million yen, which is the total amount of retained earnings of 618 million yen plus a dividend reserve of 448 million yen.</li> <li>• Dividend for the April 2013 period is assumed to be paid from retained earnings of 1,106 million yen.</li> <li>• The amount of the dividend per unit is subject to change due to factors such as changes in rent revenue associated with changes in tenants, other changes in properties, the occurrence of unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional investment units.</li> </ul>
Dividend in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• Ichigo REIT does not plan on making any dividend distribution exceeding retained earnings (dividend in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>• The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and ordinances, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc.</li> <li>• The performance forecasts are also based on the assumption that there will be no unexpected material change in general economic trends, real estate market conditions, etc.</li> </ul>

# 1. Financial Statements

## (1) Balance Sheets

(Thousand yen)

	Fiscal Period ending October 2011 (as of October 31, 2011)	Fiscal Period ending April 2012 (as of April 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	690,249	4,307,181
Cash and deposits in trust	1,213,052	5,331,418
Operating accounts receivable	6,857	14,912
Prepaid expenses	33,849	397,399
Deferred tax assets	350	—
Deposit paid	—	638,096
Other	9,756	15,169
Total current assets	1,954,115	10,704,176
Noncurrent assets		
Property, plant and equipment		
Buildings	127,405	8,867,457
Accumulated depreciation	(15,358)	(150,697)
Buildings, net	112,046	8,716,759
Structures	2,842	40,078
Accumulated depreciation	(449)	(2,752)
Structures, net	2,393	37,326
Machinery and equipment	—	247,588
Accumulated depreciation	—	(9,998)
Structures, net	—	237,590
Tools, furniture and fixtures	4,827	16,557
Accumulated depreciation	(1,127)	(2,489)
Tools, furniture and fixtures, net	3,699	14,068
Land	329,736	20,944,358
Construction in progress	—	1,228
Buildings in trust	7,148,668	22,424,523
Accumulated depreciation	(905,484)	(1,228,866)
Buildings in trust, net	6,243,183	21,195,656
Structures in trust	42,207	47,127
Accumulated depreciation	(6,903)	(7,922)
Structures in trust, net	35,304	39,205
Machinery and equipment in trust	62,977	150,649
Accumulated depreciation	(11,975)	(22,316)
Machinery and equipment in trust, net	51,002	128,333
Tools, furniture and fixtures in trust	575,487	626,779
Accumulated depreciation	(114,614)	(129,025)
Tools, furniture and fixtures in trust, net	460,872	497,754
Land in trust	15,787,122	52,332,659
Construction in progress in trust	—	3,800
Total property, plant and equipment	23,025,362	104,148,742
Intangible assets		
Other	48	—
Total intangible assets	48	—

(Thousand yen)

	Fiscal Period ending October 2011 (as of October 31, 2011)	Fiscal Period ending April 2012 (as of April 30, 2012)
Investments and other assets		
Investment securities	—	20,014
Tenant leasehold and security deposits	10,000	25,227
Long-term prepaid expenses	10,032	327,977
Total investments and other assets	20,032	373,219
Total noncurrent assets	23,045,442	104,521,961
Total assets	24,999,557	115,226,138
Liabilities		
Current liabilities		
Operating accounts payable	20,419	270,422
Current portion of long-term loans payable	98,000	21,060,384
Current portion of long-term loans payable in trust	—	50,972
Accounts payable – others	65,540	254,493
Accrued expenses	37,138	168,957
Income taxes payable, etc.	5,201	605
Accrued consumption taxes, etc.	3,972	102,229
Advances received	66,976	594,868
Provision for disaster-related loss	980	—
Other	9,960	11,803
Total current liabilities	308,189	22,514,736
Noncurrent liabilities		
Long-term loans payable	9,145,000	30,460,000
Long-term loans payable in trust	—	4,685,313
Tenant leasehold and security deposits	2,164	1,962,220
Tenant leasehold and security deposits in trust	379,293	3,012,573
Asset retirement obligations	—	7,052
Total noncurrent liabilities	9,526,458	40,127,159
Total liabilities	9,834,647	62,641,896
Net assets		
Unitholders' equity		
Unitholders' capital	14,928,800	14,928,800
Surplus		
Capital surplus	—	20,566,420
Unappropriated retained earnings (undisposed loss)	236,110	17,089,021
Total surplus	236,110	37,655,442
Total unitholders' equity	15,164,910	52,584,242
Total net assets	15,164,910	52,584,242
Total liabilities and net assets	24,999,557	115,226,138

## (2) Income Statement

(Thousand yen)

	Fiscal Period ending October 2011 (From May 1, 2011 to October 31, 2011)	Fiscal Period ending April 2012 (From November 1, 2011 to April 30, 2012)
Operating revenue		
Rent revenue – real estate	706,612	3,921,370
Other lease business revenue	81,270	351,941
Dividend income from investment in TK equity	—	14
Total operating revenue	787,882	4,273,326
Operating expenses		
Expenses related to rent business	262,899	1,776,731
Loss on sales of real estate	—	464,210
Asset management fee	57,711	367,377
Asset custody fee	2,519	9,913
Administrative service fees	9,877	28,031
Directors' compensations	10,800	10,800
Directors' retirement benefits	5,475	—
Other operating expenses	36,567	81,939
Total operating expenses	385,850	2,739,003
Operating income	402,032	1,534,323
Non-operating income		
Interest income	182	933
Reversal of distribution payable	531	4,205
Insurance Income	—	1,524
Other	—	300
Total non-operating income	713	6,963
Non-operating expenses		
Interest expenses	145,774	760,523
Borrowing related expenses	15,801	254,107
Other	183	48
Total non-operating expenses	161,759	1,014,679
Ordinary income	240,987	526,608
Extraordinary income		
Gain on negative goodwill	—	16,562,405
Other	—	980
Total extraordinary income	—	16,563,386
Income before income taxes	240,987	17,089,994
Income taxes – current	5,232	605
Income taxes – deferred	(330)	384
Total income taxes	4,901	989
Net income	236,086	17,089,005
Retained earnings brought forward	24	16
Unappropriated retained earnings (undisposed loss)	236,110	17,089,021

## (3) Statements of Unitholders' Equity

(Thousand yen)

	Fiscal Period ending October 2011 (From May 1, 2011 to October 31, 2011)	Fiscal Period ending April 2012 (From November 1, 2011 to April 30, 2012)
Unitholders' equity		
Unitholders' capital		
Balance as restated	14,928,800	14,928,800
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of the period	14,928,800	14,928,800
Surplus		
Capital surplus		
Balance as restated	—	—
Changes of items during the period		
Increase by merger	—	20,566,420
Total changes of items during the period	—	20,566,420
Balance at end of the period	—	20,566,420
Unappropriated retained earnings (undisposed loss)		
Balance as restated	224,215	236,110
Changes of items during the period		
Dividends from surplus	(224,191)	(236,094)
Net income	236,086	17,089,005
Total changes of items during the period	11,894	16,852,911
Balance at end of the period	236,110	17,089,021
Total surplus		
Balance as restated	224,215	236,110
Changes of items during the period		
Increase by merger	—	20,566,420
Dividends from surplus	(224,191)	(236,094)
Net income	236,086	17,089,005
Total changes of items during the period	11,894	37,419,331
Balance at end of the period	236,110	37,655,442
Total unitholders' equity		
Balance as restated	15,153,015	15,164,910
Changes of items during the period		
Increase by merger	—	20,566,420
Dividends from surplus	(224,191)	(236,094)
Net income	236,086	17,089,005
Total changes of items during the period	11,894	37,419,331
Balance at end of the period	15,164,910	52,584,242
Total net assets		
Balance as restated	15,153,015	15,164,910
Changes of items during the period		
Increase by merger	—	20,566,420
Dividends from surplus	(224,191)	(236,094)
Net income	236,086	17,089,005
Total changes of items during the period	11,894	37,419,331
Balance at end of the period	15,164,910	52,584,242

#### (4) Cash Flow Statement

(Thousand yen)

	Fiscal Period ending October 2011 (From May 1, 2011 to October 31, 2011)	Fiscal Period ending April 2012 (From November 1, 2011 to April 30, 2012)
Cash flows from operating activities		
Income before income taxes	240,987	17,089,994
Depreciation and amortization	105,332	514,206
Gain on negative goodwill	—	(16,562,405)
Interest income	(182)	(933)
Interest expenses	145,774	760,523
Decrease (increase) in operating accounts receivable	172	88,166
Decrease (increase) in prepaid expenses	8,431	57,834
Amortization of long-term advance charges	15,801	186,520
Decrease (increase) in deposit paid	—	(88,671)
Increase (decrease) in accrued consumption taxes	1,489	69,977
Increase (decrease) in operating accounts payable	(289)	(65,860)
Increase (decrease) in accounts payable – others	4,417	(60,704)
Increase (decrease) in advances received	(5,610)	(26,659)
Decrease by sale of property, plant, and equipment	—	2,798,690
Decrease by sale of property, plant, and equipment in trust	—	365,029
Amortization of security deposit	(50,309)	(2,182)
Reversal of provision for disaster-related loss	(3,664)	—
Other, net	(3,673)	(16,151)
Subtotal	458,676	5,107,372
Interest income received	182	933
Interest expenses paid	(145,972)	(768,174)
Income taxes paid	(1,005)	(5,918)
Net cash provided by (used in) operating activities	311,881	4,334,213
Cash flows from investment activities		
Purchase of property, plant and equipment	—	(54,865)
Purchase of property, plant and equipment in trust	(399)	(119,175)
Proceeds from tenant leasehold and security deposits	—	26,683
Repayments of tenant leasehold and security deposits	—	(60,770)
Proceeds from tenant leasehold and security deposits in trust	12,749	219,649
Repayments of tenant leasehold and security deposits in trust	(8,439)	(482,199)
Purchase of investment securities	—	(20,000)
Net cash provided by (used in) investment activities	3,910	(490,677)
Cash flows from financing activities		
Decrease in short-term loans payable	—	(300,000)
Decrease in long-term loans payable	(49,000)	(1,850,615)
Decrease in long-term loans payable in trust	—	(275,486)
Dividends paid	(224,021)	(803,655)
Net cash provided by (used in) financing activities	(273,021)	(3,229,756)
Net increase (decrease) in cash and cash equivalents	42,770	613,779
Cash and cash equivalents at beginning of the period	1,858,760	1,901,531
Increase in cash and cash equivalents by merger	—	7,113,250
Cash and cash equivalents at end of the period	1,901,531	9,628,561