



# Ichigo REIT October 2011 Fiscal Period Corporate Presentation

December 15, 2011

**Ichigo Real Estate Investment Corporation**  
**Ichigo REIT Management Co., Ltd.**

The former FC Residential Investment Corporation and former Ichigo Real Estate Investment Corporation merged on November 1, 2011. FC Residential Investment Corporation was the surviving corporation, and was renamed Ichigo Real Estate Investment Corporation.



**Creating peace of mind through  
honest and committed management**

## Message from Directors

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The new Ichigo Real Estate Investment Corporation (securities code: 8975) was established on November 1, 2011 by a merger between the former FC Residential Investment Corporation, a J-REIT focusing on residential properties in urban areas, and the former Ichigo Real Estate Investment Corporation, a J-REIT focusing on office buildings in the Tokyo Metropolitan area.

As a comprehensive J-REIT, the new Ichigo Real Estate Investment Corporation is committed to maximizing unitholder value by creating success beyond which could have been generated by either REIT individually.



Yoshihiro Takatsuka  
Executive Director  
Ichigo Real Estate Investment Corporation

Wataru Orii  
President & Representative Director  
Ichigo REIT Management Co., Ltd.

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# Financial Summary for October 2011 Fiscal Period

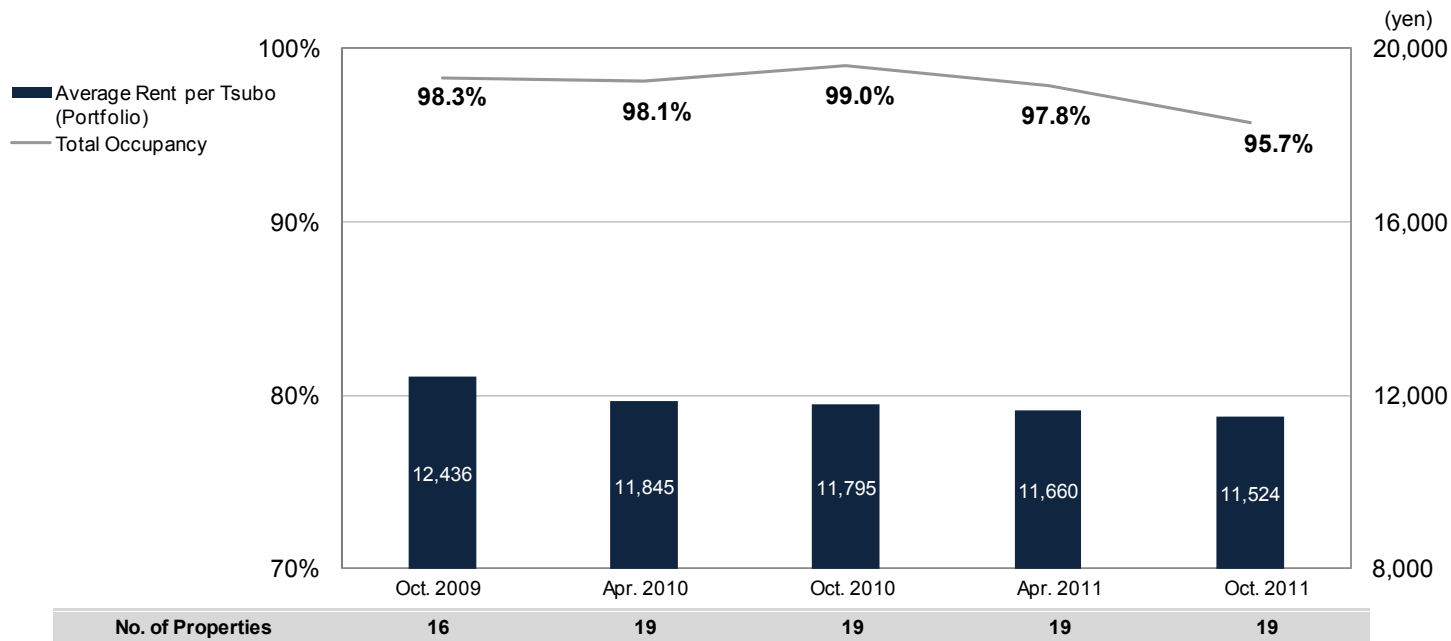
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# Occupancy (Former FC Residential Investment Corporation)

- Maintaining high and stable occupancy in residential properties
  - ✓ Minor decrease in total occupancy from exit of several retail tenants
  - ✓ To maintain and increase occupancy, beginning strategic use of model rooms
  
- Total portfolio occupancy at end of October 2011: 95.7%

**Change in Occupancy and Average Rent per Tsubo**



# Financial Results (Former FC Residential Investment Corporation)

Dividend of ¥7,220 per investment unit (pre-split)

- ✓ Maintained rental income at level of prior period
- ✓ Forecast revised upward due to one-off income from certain tenants vacating premises

(Million yen)

Category	Apr. 2011 (Actual)	Oct. 2011 (Actual)	Initial Forecast	Difference	Major Factors for Variation
Operating revenue	762	787	752	+35	Increase in rental income +38 (one-time income arising from a tenant exit)
Operating income	389	402	357	+45	Decrease in rental expenses +10
Ordinary income	229	240	196	+44	—
Net income	224	236	193	+43	—
<b>Dividend per unit</b>	<b>6,856 yen</b>	<b>7,220 yen</b>	<b>5,910 yen</b>	<b>+1,310 yen</b>	
No. of properties	19	19	19	—	—
No. of tenants	19	19	—	—	—
Leasable area	34,026.33 m <sup>2</sup>	34,027.28 m <sup>2</sup>	—	—	—





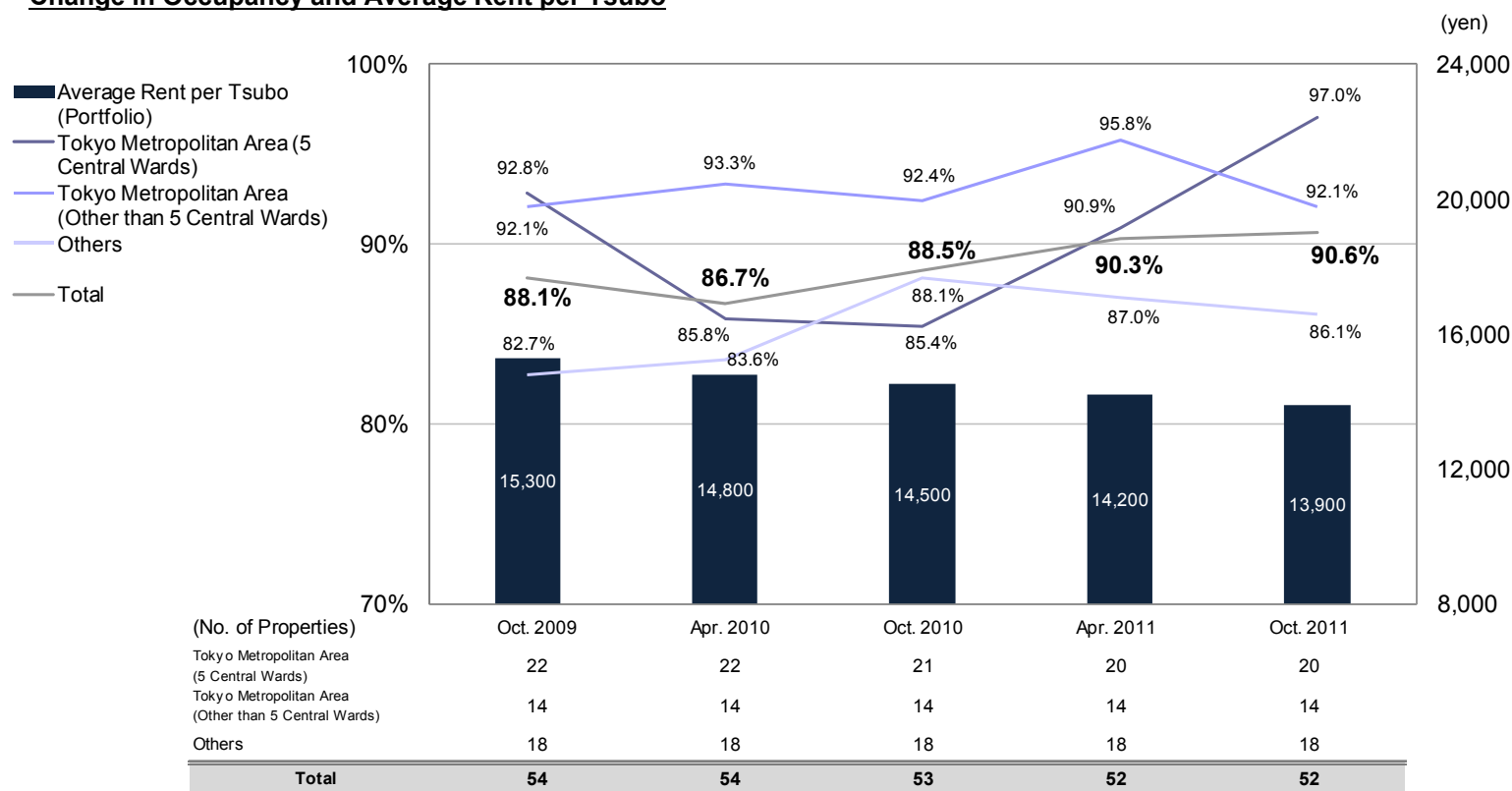
# Occupancy (Former Ichigo REIT)

## □ Increased occupancy via targeted leasing strategy

- ✓ After Ichigo Group became the sponsor, improved leasing with hands-on approach
- ✓ Achieved occupancy of 97.0% for the five main wards of Tokyo
  - COI Shinbashi Building now fully occupied with large new contract for approximately 600 tsubo

## □ Total portfolio occupancy at end of October 2011: 90.6%

**Change in Occupancy and Average Rent per Tsubo**



# Financial Results (Former Ichigo REIT)

Dividend of ¥2,777 per investment unit

- ✓ Rental income increased with higher occupancy than forecast
- ✓ Due to electricity-saving measures over the summer, decreased utilities income and costs
- ✓ Merger costs partially expensed on income statement

(Million yen)

Category	Apr. 2011 (Actual)	Oct. 2011 (Actual)	Initial Forecast	Difference	Major Factors for Variation
Operating revenue	3,684	3,674	3,652	+22	Increase in rental income +29 (early conclusion of contracts, etc.) Decrease in utilities revenue -17 Increase in other rental income +10
Operating income	1,427	1,457	1,388	+69	Decrease in utilities expenses +15 Decrease in repair expenses +40
Ordinary income	378	591	523	+68	—
Net income	377	568	522	+46	Extraordinary loss -21 (Merger related expenses)
<b>Merger dividend per unit</b>	<b>1,847 yen</b>	<b>2,777 yen</b>	<b>2,500 yen</b>	<b>+277 yen</b>	
No. of properties	52	52	52	—	—
No. of tenants	532	538	—	—	—
Leasable area	142,218.45 m <sup>2</sup>	141,957.63 m <sup>2</sup>	—	—	—



# New Ichigo REIT

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# Comprehensive J-REIT with Stable Profitability and Steady Growth

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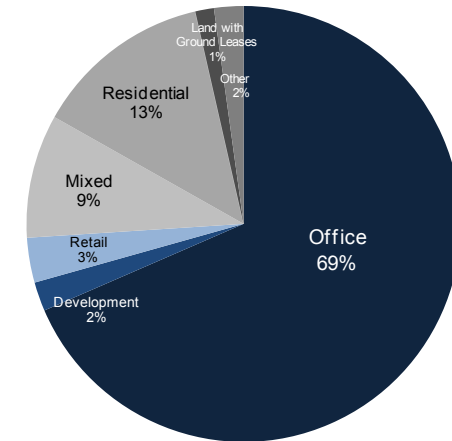
- ❑ New Ichigo REIT established on November 1, 2011
  - ✓ Seeking stable profitability and steady portfolio growth by combining portfolios of urban residential properties with stable income and urban office buildings with potential income gains
  - ✓ Expanded assets (¥23.4 bil → ¥107.9 bil) and diversified region and asset types
  
- ❑ Stable Income and Steady Growth
  - ✓ In addition to residential properties, ground leases, and long-term leases to strengthen the income base and generate upside, considering new acquisitions such as office properties
  - ✓ Expect to enhance portfolio quality and acquire new assets, taking advantage of Ichigo REIT's negative goodwill and low levels of leverage
  
- ❑ Comprehensive Portfolio with a Focus on Income
  - ✓ Focus on income and stability rather than asset types
  - ✓ Seek mid- to long-term asset growth and income stability with attention to financial and economic conditions and real estate market trends

# Evolution to Comprehensive J-REIT

## □ Evolution from Specialized to Comprehensive J-REIT



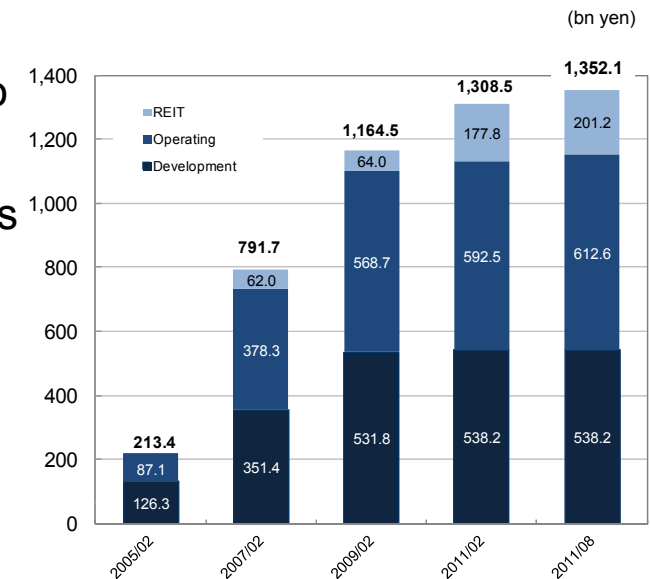
■ Ichigo Group Portfolio Diversification by Asset Type (as of August 2011)



## □ Growth Advantage of Comprehensive J-REIT

- ✓ Can acquire properties regardless of asset type → Expansion of investment opportunities
- ✓ Increased responsiveness and flexibility with respect to external growth
- ✓ Can structure portfolio to respond to economic changes
- ✓ Risk diversification by asset type and area
- ✓ Maximize use of Ichigo Group know-how and experience across various asset types

■ Ichigo Group Historical Change in Accumulated Assets Under Management (as of August 2011)



# Strengthened Management Structure to Support Growth

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- ❑ Changed Investment Guidelines to Create Comprehensive J-REIT
  - ✓ Allows acquisition of wide variety of asset types
  
- ❑ Strengthened Sourcing of Assets by Executing Support Contract with Ichigo Group
  - ✓ Executed Support Contract with Ichigo Solutions on property information and research (November 1, 2011)
  - ✓ Strengthened sourcing of assets, property research, and marketing using the know-how and the network of the Ichigo Group
  
- ❑ Reorganized the Asset Management Company for Future Growth
  - ✓ Segmented functions and centralized the overall real estate control function to the Investment Management Division
  - ✓ Newly established Portfolio Management Division
    - Dedicated team for portfolio analysis and risk management
    - Able to structure strategic portfolio for future growth

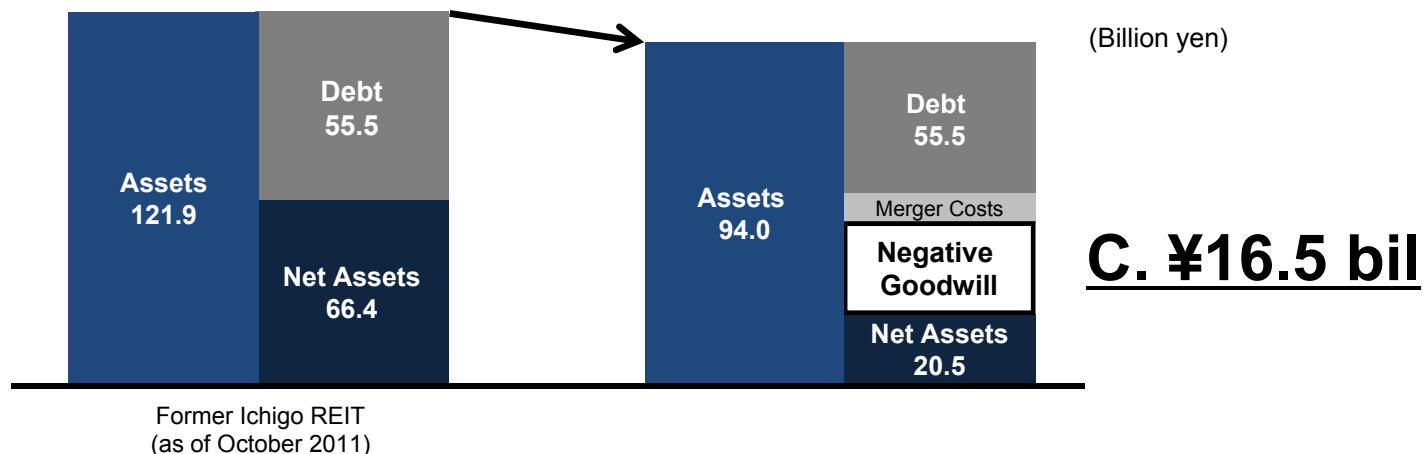
# Expanded Growth Opportunities from Merger

Merger enables positive resolution of issues that were difficult for the pre-merger REITs to tackle separately

	Issues	Hurdles for Resolution	Growth Opportunities from Merger
Finance	<ul style="list-style-type: none"> <li>Concentrated lender formation</li> <li>Relatively high borrowing cost</li> </ul>	<ul style="list-style-type: none"> <li>Large-scale early repayment difficult due to amortization cost of upfront fees</li> </ul>	<ul style="list-style-type: none"> <li>Use of negative goodwill allows proactive early repayment as necessary</li> <li>Opportunity to consider positive steps to restructuring borrowings</li> </ul>
Internal Growth	<ul style="list-style-type: none"> <li>Certain properties have low future profitability prospects</li> <li>Future impairment risk coming from the difference between the acquisition and appraisal values</li> </ul>	<ul style="list-style-type: none"> <li>Impairment risk made it difficult to do large-scale repairs</li> <li>Leasing hampered by impairment risk and “necessary” rent levels</li> </ul>	<ul style="list-style-type: none"> <li>Value enhancement via property repair and improvement</li> <li>Increase occupancy by leasing with full focus on total income to the REIT</li> </ul>
External Growth	<ul style="list-style-type: none"> <li>Need to improve portfolio quality</li> <li>Weak dividend levels and unit prices</li> </ul>	<ul style="list-style-type: none"> <li>Timing of disposition of properties conditional on market conditions</li> <li>Difficult to develop a clear external growth strategy</li> </ul>	<ul style="list-style-type: none"> <li>Using negative goodwill, can replace properties with lowest upside</li> <li>Higher dividends enables consideration of external growth strategy with new financing to increase scale and efficiencies</li> </ul>

# Strategic Use of Negative Goodwill

- ❑ Negative goodwill generated by mark-to-market of former Ichigo REIT assets



- ❑ Envisaged Main Possible Uses of Negative Goodwill

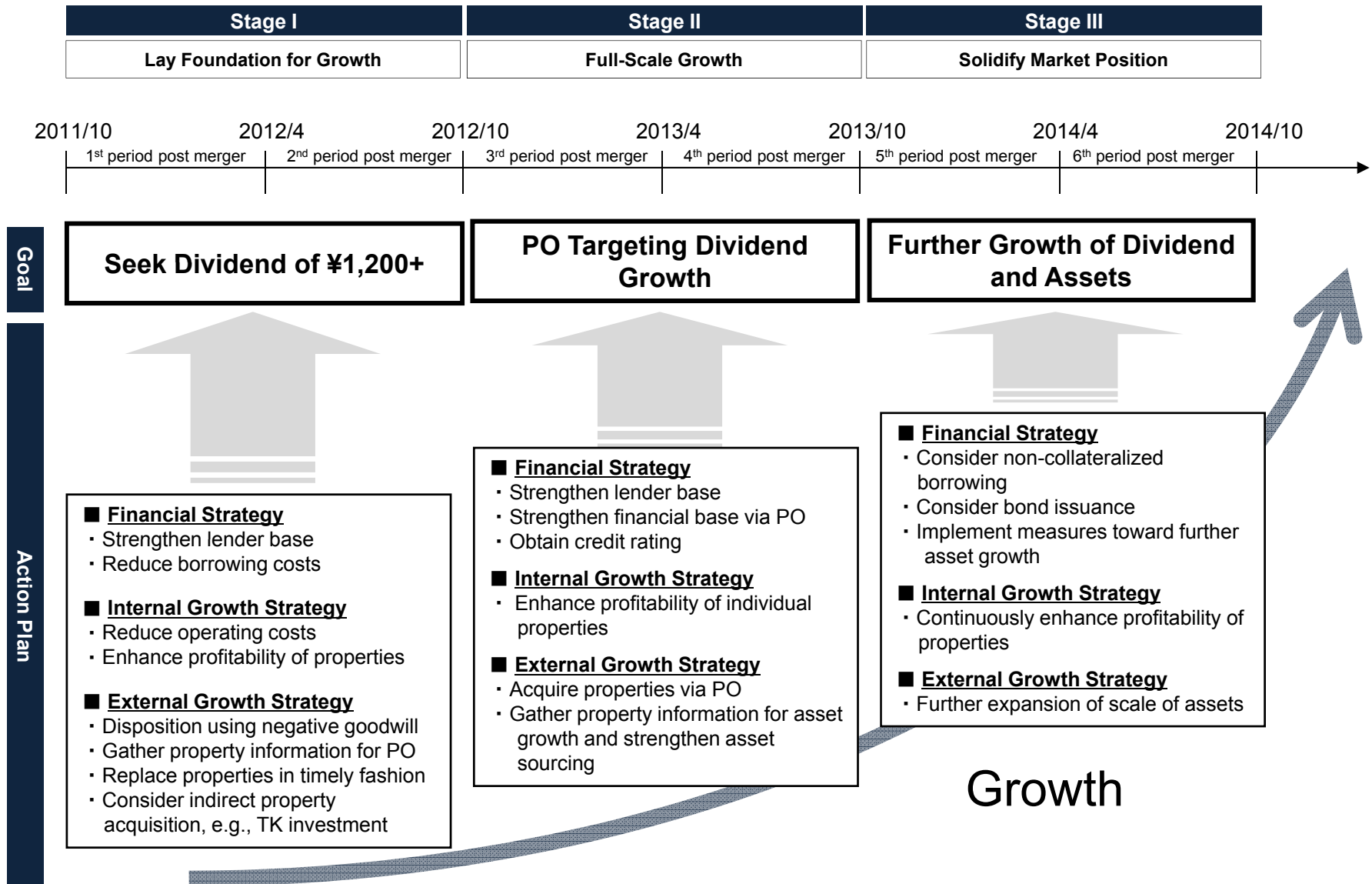
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Offset refinancing costs due to early repayment</li> <li>• Offset interest rate hedging costs</li> </ul>
<b>Internal Growth</b>	<ul style="list-style-type: none"> <li>• Offset costs from large-scale repair of properties</li> </ul>
<b>External Growth</b>	<ul style="list-style-type: none"> <li>• Offset any losses from asset sales during portfolio upgrades</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Offset any dilution of dividends from new unit issuance</li> <li>• Offset any dividend reduction in the event of other special factors</li> </ul>



# Growth Strategy for Significant Expansion

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# Growth Strategy Road Map



## Strengthen Financial Base

### □ Improve Profitability by Strengthening the Lender Base

- ✓ Actively attract major and regional banks
- ✓ Diversify the lender base and re-examine borrowing costs
- ✓ Consider early repayment using negative goodwill, depending on loan conditions
- ✓ Consider new debt financing using excess collateral and non-collateralized properties to acquire new assets
- ✓ Increase dividend with new lower-cost financing

### □ Reduce Borrowing Costs

- ✓ Borrowing costs rose due to lower creditworthiness of bankrupt former sponsor
  - Current average interest rate: 2.6%
- ✓ Recent borrowing cost significantly lower due to improvement of the balance sheet and stronger creditworthiness of Ichigo Group as sponsor
  - Interest rate of June 2011 Resona Bank loan: 1.8% (as of November 30, 2011)
  - Difference from the current average borrowing cost: -0.8%



## Reduced Costs through Merger Synergies

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- Have reduced SG&A by approx. ¥91 million
  - ✓ Reduced administration costs by consolidation of certain custody and administration service vendors
  - ✓ Reduced asset management fee by reduction of asset value via mark-to-market of former Ichigo REIT assets
  - ✓ Raising dividend to reflect these cost savings

Impact on the dividend per unit: approx. + ¥108

- Reduce costs further by consolidating service vendors
  - ✓ Consolidated casualty insurance contracts (as of November 2011)

## Asset-Level Value Enhancement (1)

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- ❑ Differentiated Asset Management with Hands-On Approach
  
- ❑ Full Deployment of Asset Management Know-How and Network
  - ✓ Integrate the know-how and broad network of the two pre-merger asset management companies which focused on different asset types (office and residential)
  
- ❑ Strengthen Coordination with the Ichigo Group and its Broad Real Estate Capabilities
  - ✓ Use the architectural capability of the Ichigo Group
  - ✓ Proactively seek property value enhancement, evaluate earthquake resistance, and carry out thorough risk appraisal
  - ✓ Reinforce the Ichigo Brand and its trustworthiness as an asset manager

## Asset-Level Value Enhancement (2)

### ❑ Strengthen Leasing Leveraging the Ichigo Brand

- ✓ Soft: Hands-on, asset-level service
  - Work with PMs to understand local characteristics to be reflected in the leasing strategy and tenant attraction promotions
  - Raise service level by standardizing the quality of the property management service
- ✓ Hard: Reinforce Ichigo Brand by unifying tenant signage, etc.

#### ■ COI Nanpeidai Building (Entrance)



### ❑ Active Leasing Effort

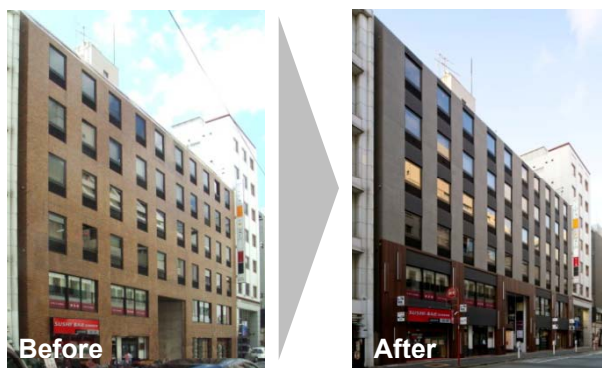
- ✓ Develop and implement targeted leasing strategies for low occupancy properties in regional areas
- ✓ Attract tenants and raise occupancy through understanding local characteristics
  - COI Shinbashi Building
    - Changed PM strategy, strengthened the relationship, and realized full occupancy from 33.9% level
  - TK Kichijoji Building
    - Expanded pool of targeted tenants to drive new demand

# Asset-Level Value Enhancement (3)

## □ Renovation to Increase Asset Values

- ✓ Low cost value enhancement using Ichigo Group's architectural capabilities

### ■ COI Ginza 612



Improved appearance in preparation for the redevelopment of the surrounding area

- ✓ Improved interior and entrance

### ■ Entrance of TK Kichijoji Building



### ■ Solon Keyakidori Building



## □ Other Measures

- ✓ Lease out unused property spaces to “pop-up” retailers, etc.

## Improve Portfolio Quality

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- ❑ Using negative goodwill, dispose of properties with little prospect for mid- to long-term value growth while maintaining dividend level (assumed disposition scale: approx. ¥7 billion)
  - ✓ Screen properties for disposition based on criteria such as 1) age (old earthquake-resistance standards), 2) occupancy (low or outlook low), 3) maintenance cost (high, or repairs not justifiable based on likely future value, etc.)
  - ✓ Market assets, source buyers, and examine disposition timing in coordination with Ichigo Group based on Support Contract
  
- ❑ Gather information for future property acquisitions
  - ✓ Strengthen property information with support from the Ichigo Group
  - ✓ Gather information on prospective seed properties in consideration of possible future public offering
  
- ❑ Examine a variety of asset acquisition approaches
  - ✓ Property acquisition using the excess collateral from non-collateralized properties
  - ✓ Indirect property acquisition approaches, e.g., TK investment



## Future Dividend Policy — Maximizing Unitholders' Value

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# Dividend Forecast

- ✓ Forecast for April 2012 dividend: ¥1,100
  - Merger-driven reduction of costs of JPY 91 million
- ✓ Forecast for October 2012 dividend: ¥1,200
  - Assumes no use of negative goodwill

(Million yen)

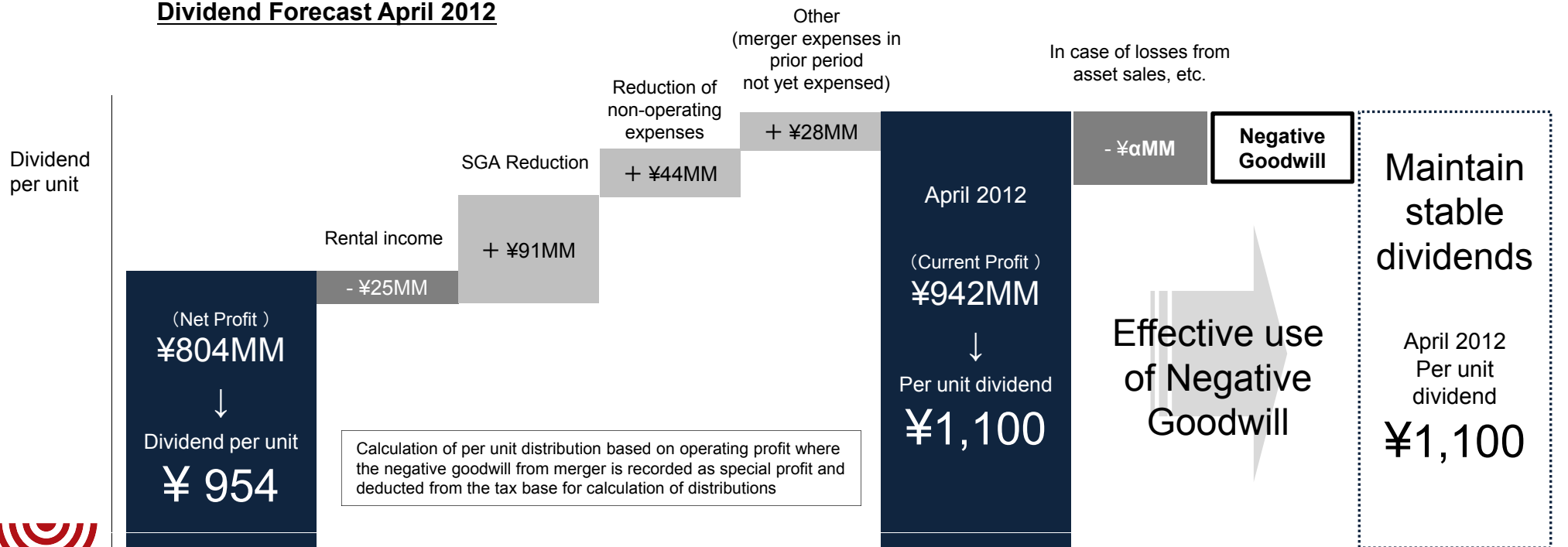
Category	Oct 2011 Period Actual			Apr 2012 Period Forecast (B)	(B)-(A)	Major Factors for Variation in Net Income	Oct 2012 Forecast (C)	(C)-(B)	Major Factors for Variation in Net Income
	FCR	Ichigo REIT	Simple Sum (A)						
Operating Revenue	787	3,674	4,461	4,371	-90	Decrease in rental income -50 Decrease in utilities revenue -33 (seasonal factor)	4,457	+86	Increase in rental income +38 Increase in utilities revenue +49 (seasonal factor)
Operating Income	402	1,457	1,859	1,926	+67	Decrease in SG&A +91 Decrease in depreciation +113 Increase in repair expenses -57	2,030	+104	Decrease in repair expenses +37 Increase in utilities expenses -29 (seasonal factor)
Ordinary Income	240	591	831	942	+111	Decrease in non-operating expenses +44	1,048	+106	
Net Income	236	568	804	17,508	+16,704	Extraordinary profit +16,567 (negative goodwill) Extraordinary loss -21 (merger- related expenses)	1,047	-16,461	Decrease in extraordinary profit -16,567
<b>Dividend per Unit (Merger Dividend)</b>	<b>7,220 yen (before unit split)</b>	<b>2,777 yen (before unit split)</b>	<b>954 yen (after unit split)</b>	<b>1,100 yen</b>	<b>+146 yen</b>		<b>1,200 yen</b>	<b>+100 yen</b>	

# Effective Use of Negative Goodwill

On-going ability to pay full dividends, as any asset disposition costs to upgrade portfolio will be absorbed by negative goodwill

- ✓ Over the long-term, expect to increase the dividend organically without use of negative goodwill

## Dividend Forecast April 2012



Adjusted pre-merger dividend as of October 2011 for each REIT



# Full Focus on Raising Dividend

Raise dividend by addressing two key issues of reducing borrowing costs and increasing office rental income

## ■ Effect of reduction of borrowing costs on dividend

[Assumption] Refinanced Loan Amount: JPY10 billion

Change	-0.2%	-0.4%	-0.6%	-0.8%	-1.0%
Decrease in Interest Expenses (per Period)	10 mm yen	20 mm yen	30 mm yen	40 mm yen	50 mm yen

Effect on dividend per unit

<b>Dividend per Unit</b>	<b>+11 yen</b>	<b>+23 yen</b>	<b>+35 yen</b>	<b>+47 yen</b>	<b>+59 yen</b>
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## ■ Effect of increase in rental income on dividend

[Assumption] Higher occupancy at former Ichigo REIT office assets where occupancy can be raised  
(Oct. 2011 rental income: JPY1.91 billion)

Change	+0.4%	+0.8%	+1.2%	+1.6%	+2.0%
Increase in Rental Income	8 mm yen	15 mm yen	23 mm yen	31 mm yen	38 mm yen

Effect on dividend per unit

<b>Dividend per Unit</b>	<b>+9 yen</b>	<b>+18 yen</b>	<b>+27 yen</b>	<b>+36 yen</b>	<b>+45 yen</b>
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## Appendix: Finance

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# Loan Details

As of November 1, 2011

Lender	Outstanding balance (mm yen)	Drawdown Date	Repayment date
BNY Mellon Trust	300	November 29, 2010	November 29, 2011
Aozora Bank, Ltd.	3,910	February 29, 2008	August 31, 2012
The Tokyo Star Bank, Limited	2,955	November 30, 2010	November 30, 2012
The Kagawa Bank, Ltd.	1,462	November 30, 2010	November 30, 2012
The Tokyo Star Bank, Limited	5,518	January 29, 2010	January 29, 2013
AIG Edison Life Insurance Company	3,800	March 16, 2006	March 16, 2013
The Tokyo Star Bank, Limited	3,725	March 31, 2010	March 31, 2013
Mizuho Trust & Banking Co., Ltd. (Loan Backed by Trust Assets) ORIX Bank Corporation	2,050	September 17, 2010	March 14, 2014
Resona Bank, Limited	2,000	June 29, 2011	April 30, 2014
GE Japan Corporation	30,000	November 30, 2010	May 30, 2014
Mizuho Trust & Banking Co., Ltd. (Loan Backed by Trust Assets) Prudential LPS	2,961	November 30, 2010	May 25, 2016
<b>Total</b>	<b>58,682</b>		

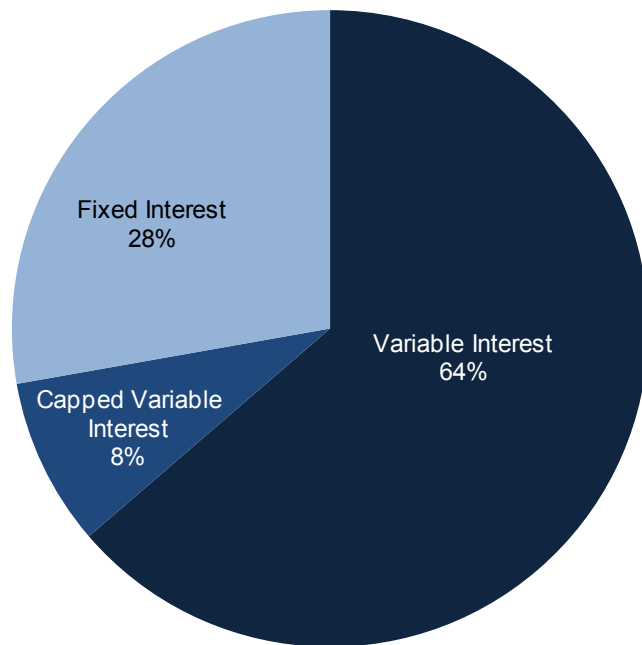


LTV: 49.3% (using November 1, 2011 asset value)

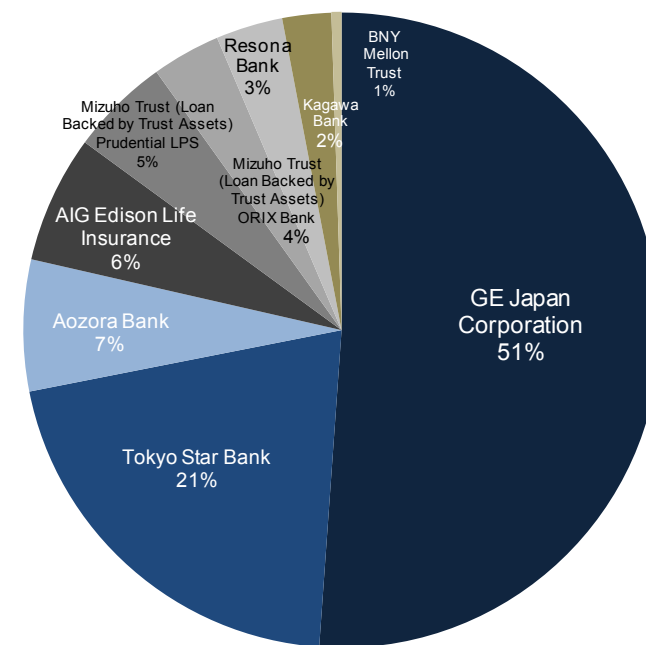
# Ratio of Variable/Fixed Rate Loans and Distribution of Lenders

As of November 1, 2011

■ Breakdown of Variable and Fixed Rate Loans



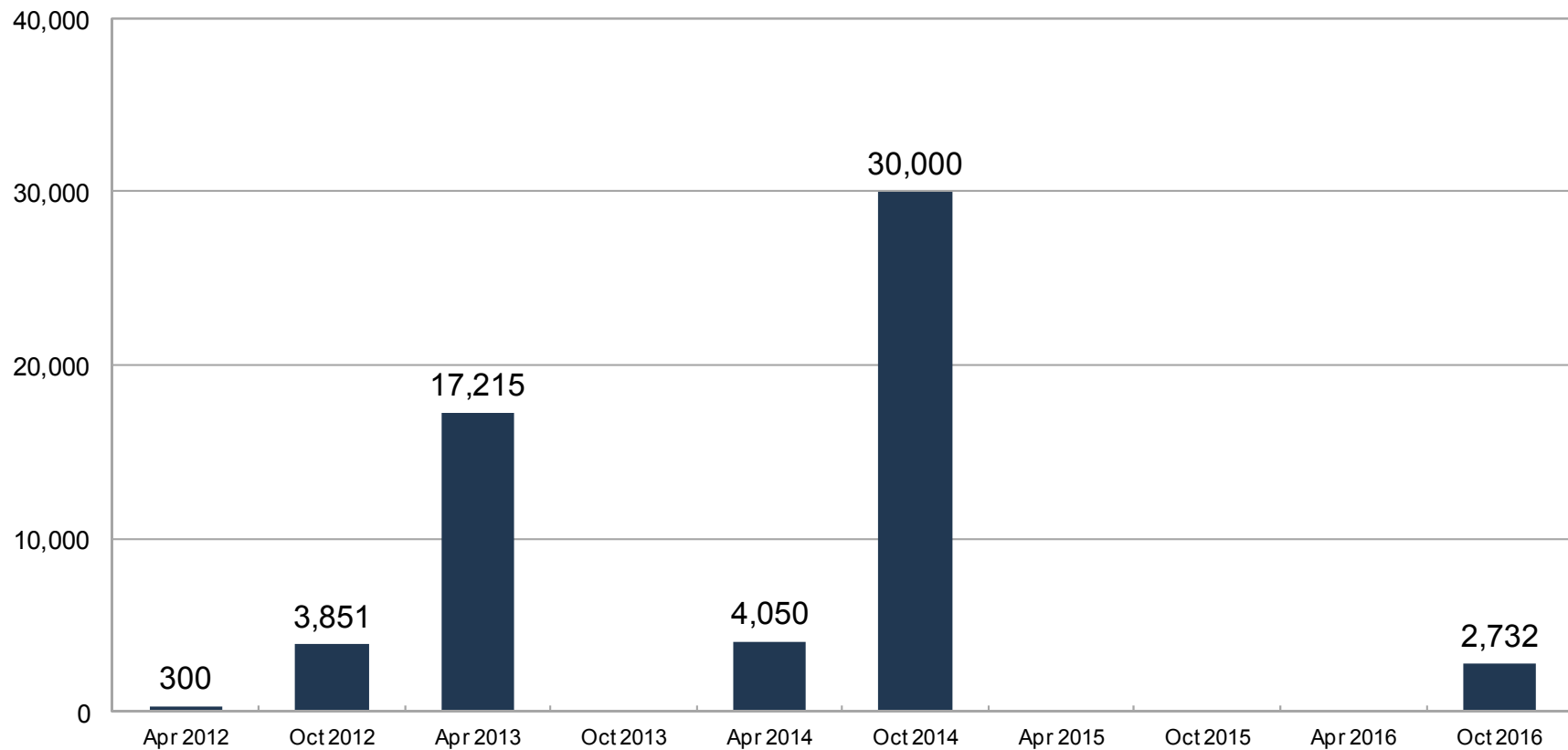
■ Distribution of Lenders



# Distribution of Repayment Dates

(Million Yen)

As of November 1, 2011





## Appendix: Portfolio Overview

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# Portfolio Diversification

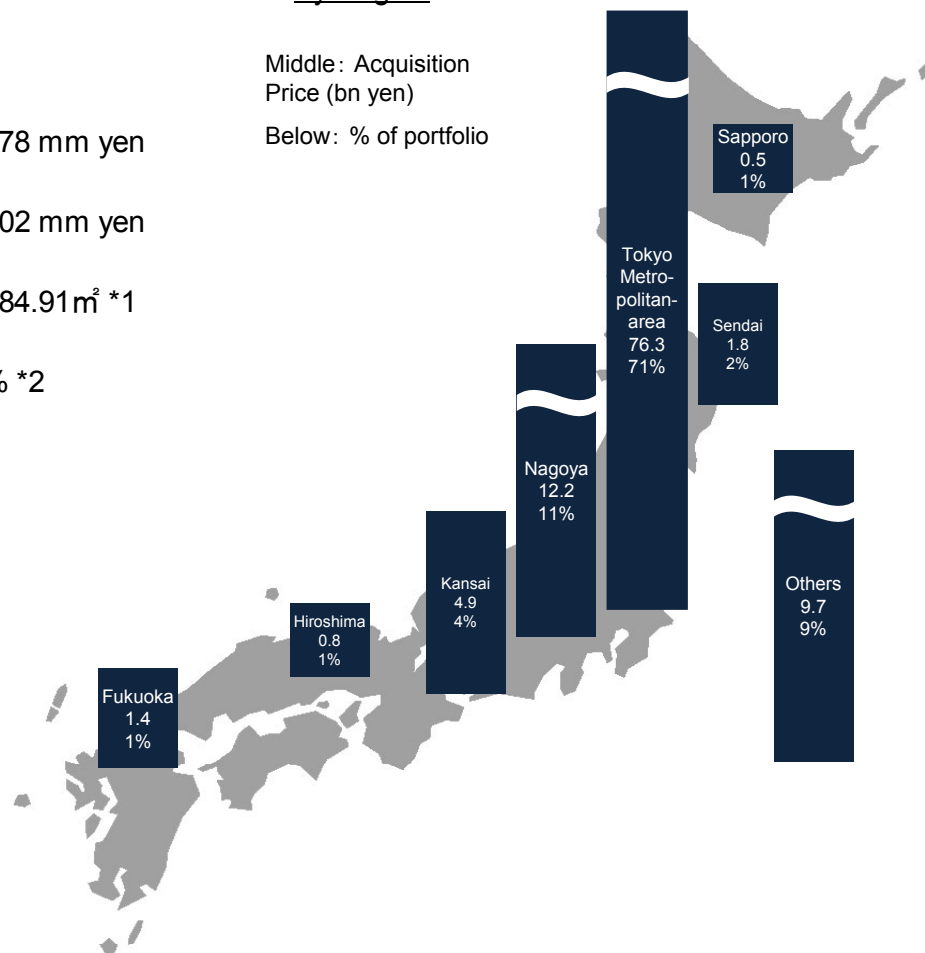
As of November 1, 2011

## ■ Portfolio Overview

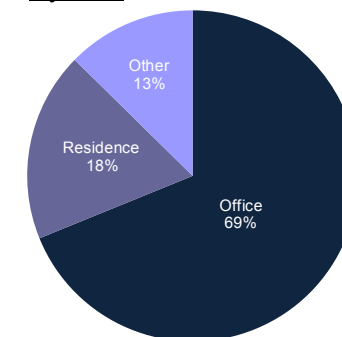
No. of Properties	71
Total Acquisition Price	107,978 mm yen
Total Appraisal Value	104,902 mm yen
Leasable Area	175,984.91 m <sup>2</sup> *1
Occupancy	91.6% *2

## ■ By Region

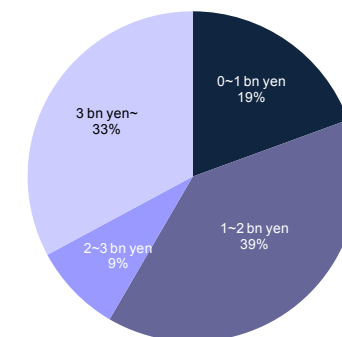
Middle: Acquisition Price (bn yen)  
Below: % of portfolio



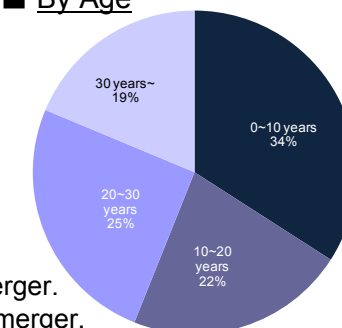
## ■ By Use



## ■ By Price



## ■ By Age



**Average: 20.5 years**

\*1 Leasable area is the sum of the leasable areas as of October 31, 2011 of the two investment corporations before merger.

\*2 Occupancy is estimated based on the occupancy as of October 31, 2011 of the two investment corporations before merger.



# Portfolio Description (1)

As of October 31, 2011

Use	No.	Property	Area	Address	Acquisition Price (mm yen)	NRA (m <sup>2</sup> )	Occupancy (%)	Appraisal	
								Oct 2011 (mm yen)	Cap rate (%)
Office	O-01	COI Shinbashi Building	Central Tokyo	Shinbashi, Minato-ku, Tokyo	6,110	5,519.98	100.0	6,110	—
	O-02	COI Nishisando Building	Central Tokyo	Yoyogi, Shibuya-ku, Tokyo	3,254	4,863.79	96.2	3,254	5.3
	O-03	MTC Building	Central Tokyo	Shiba, Minato-ku, Tokyo	2,740	4,097.63	100.0	2,740	5.3
	O-04	COI Nanpeidai Building	Central Tokyo	Nanpeidaicho, Shibuya-ku, Tokyo	1,920	1,925.24	100.0	1,920	4.7
	O-05	Joware Hanzomon	Central Tokyo	Hayabusacho, Chiyoda-ku, Tokyo	1,550	2,080.37	76.4	1,550	5.1
	O-06	COI Hijirizaka Building	Central Tokyo	Mita, Minato-ku, Tokyo	1,200	1,947.65	100.0	1,200	5.5
	O-07	COI Shibuya Kamiyamacho Building	Central Tokyo	Kamiyamacho, Shibuya-ku, Tokyo	1,505	1,321.54	100.0	1,505	4.9
	O-08	COI Akasaka 5 Chome Building	Central Tokyo	Akasaka, Minato-ku, Tokyo	735	687.78	100.0	735	4.9
	O-09	COI Shibazonobashi Building	Central Tokyo	Shiba, Minato-ku, Tokyo	1,100	1,602.29	100.0	1,100	5.3
	O-10	COI Ebisu Nishi Building	Central Tokyo	Ebisu-nishi, Shibuya-ku, Tokyo	1,917	1,484.39	100.0	1,917	5.1
	O-11	COI Ginza 612	Central Tokyo	Ginza, Chuo-ku, Tokyo	1,773	1,395.58	94.6	1,773	4.8
	O-12	COI Uchikanda Building	Central Tokyo	Uchikanda, Chiyoda-ku, Tokyo	1,140	1,379.33	100.0	1,140	5.3
	O-13	COI Kudan-Minami Building	Central Tokyo	Kudan-Minami, Chiyoda-ku, Tokyo	387	490.91	91.0	387	5.1
	O-14	COI Yotsuya 4 Chome Building	Central Tokyo	Yotsuya, Shinjuku-ku, Tokyo	550	780.64	100.0	550	5.2
	O-15	COI Akasaka Tameike Building	Central Tokyo	Akasaka, Minato-ku, Tokyo	580	494.14	80.6	580	4.8
	O-16	DSM Jimbocho Building	Central Tokyo	Kanda Jinbocho, Chiyoda-ku, Tokyo	1,820	1,931.48	100.0	1,820	5.1
	O-17	DSM Nihonbashi Kakigaracho Building	Central Tokyo	Nihonbashi Kakigaracho, Chuo-ku, Tokyo	1,150	2,379.80	89.1	1,150	5.3
	O-18	COI Kudan 2 Chome Building	Central Tokyo	Kudan Minami, Chiyoda-ku, Tokyo	763	1,288.31	100.0	763	5.2
	O-19	COI Kudan 3 Chome Building	Central Tokyo	Kudan Minami, Chiyoda-ku, Tokyo	844	1,318.80	100.0	844	5.3
	O-20	COI Gotanda Building	Central Tokyo	Higashi-Gotanda, Shinagawa-ku, Tokyo	5,060	5,346.76	95.3	5,060	5.7
	O-21	Benex S-2	Tokyo Metropolitan Area	Shinyokohama, Kohoku-ku, Yokohama City, Kanagawa	1,816	4,183.11	77.5	1,816	5.9
	O-22	COI Minami-Ikebukuro Building	Tokyo Metropolitan Area	Minami-Ikebukuro, Toshima-ku, Tokyo	1,460	1,490.31	100.0	1,460	5.2



Post-merger acquisition price as of November 1, 2011

Cap rate of COI Shinbashi Building using the adjusted inwood method, assuming future redevelopment of the asset, is 4.9%

# Portfolio Description (2)

As of October 31, 2011

Use	No.	Property	Area	Address	Acquisition Price (mm yen)	NRA (m <sup>2</sup> )	Occupancy (%)	Appraisal	
								Oct 2011 (mm yen)	Cap rate (%)
Office	O-23	Technos Nakano Building	Tokyo Metropolitan Area	Arai, Nakano-ku, Tokyo	764	1,250.85	100.0	764	5.9
	O-24	COI Eitai Building	Tokyo Metropolitan Area	Eidai, Koto-ku, Tokyo	1,490	2,602.31	100.0	1,490	5.9
	O-25	COI Yokosuka Bayside Building	Tokyo Metropolitan Area	Wakamatsu-cho, Yokosuka City, Kanagawa	971	2,186.73	78.2	971	6.5
	O-26	Chitose Building	Tokyo Metropolitan Area	Ohashi, Meguro-ku, Tokyo	2,030	2,385.69	100.0	2,030	5.5
	O-27	Route Ikebukuro Building	Tokyo Metropolitan Area	Ikebukuro, Toshima-ku, Tokyo	639	1,261.91	100.0	639	5.6
	O-28	Nishi-Gotanda Access	Central Tokyo	Nishigotanda, Shinagawa-ku, Tokyo	765	1,311.21	100.0	765	5.6
	O-29	TK Kichijoji Building	Tokyo Metropolitan Area	Kichijoji Honcho, Musashino-shi, Tokyo	2,160	4,146.86	86.0	2,160	5.8
	O-30	Ibaraki Kowa Building	Other Regional Cities	Eidaicho, Ibaraki City, Osaka	604	2,186.41	73.7	604	7.6
	O-31	Sendai Ichibancho Building	Other Regional Cities	Ichibancho, Aoba-ku, Sendai City, Miyagi	1,384	5,675.73	84.8	1,384	6.2
	O-32	COI Hiroshima Kamiyacho Building	Other Regional Cities	Motomachi, Naka-ku, Hiroshima City, Hiroshima	885	2,893.29	81.8	885	6.3
	O-33	COI Mei-Eki Building	Four Major Cities	Meieki, Nakamura-ku, Nagoya City, Aichi	837	2,063.52	100.0	837	6.0
	O-34	COI Nagoya Plaza Building	Four Major Cities	Sakae, Naka-ku, Nagoya City, Aichi	4,705	3,928.12	91.1	4,705	5.4
	O-35	COI Sendai Chuo Building	Other Regional Cities	Chuo, Aoba-ku, Sendai City, Miyagi	510	2,378.07	87.4	510	6.1
	O-36	Solon Keyakidori Building	Four Major Cities	Kego, Chuo-ku, Fukuoka City, Fukuoka,	788	1,969.05	39.6	788	6.1
	O-37	CRD Marunouchi	Four Major Cities	Marunouchi, Naka-ku, Nagoya City, Aichi	6,710	8,009.11	98.3	6,710	5.4
	O-38	Toyamaeki Nishi Building	Other Regional Cities	Jinzuhonmachi, Toyama City, Toyama	1,650	8,601.71	98.9	1,650	6.9
	O-39	Daihyaku Mirai-Shinkin Building	Other Regional Cities	Niagemachi, Oita City, Oita	1,100	3,247.03	92.8	1,100	6.8
	O-40	Kearney Place Saga	Other Regional Cities	Ekimae-Chuo, Saga City, Saga	659	2,786.37	91.4	659	7.0
	O-41	Kearney Place Kanazawaeki-Mae	Other Regional Cities	Horikawashinmachi, Kanazawa City, Ishikawa	533	2,454.09	73.4	533	6.5
	O-42	COI Takamatsu Building	Other Regional Cities	Kotobukicho, Takamatsu City, Kagawa	3,010	6,329.33	96.7	3,010	7.1
	O-43	COI Toyama Shinsakuramachi Building	Other Regional Cities	Shinsakuramachi, Toyama City, Toyama	367	2,089.68	70.6	367	8.0
O-44	Akita Sanno 21 Building	Other Regional Cities	Sanno, Akita City, Akita	560	3,512.36	55.3	560	8.1	
O-45	COI Niigata Building	Other Regional Cities	Higashiodori, Chuo-ku, Niigata City, Niigata	1,830	6,577.22	76.5	1,830	7.2	
<b>Subtotal - Office</b>					<b>74,325</b>	<b>127,856.48</b>		<b>74,325</b>	



Post-merger acquisition price as of November 1, 2011

# Portfolio Description (3)

As of October 31, 2011

Use	No.	Property	Area	Address	Acquisition Price (mm yen)	NRA (m <sup>2</sup> )	Occupancy (%)	Appraisal	
								Oct 2011 (mm yen)	Cap rate (%)
Residence	R-01	ForeCity Roppongi	Central Tokyo	Roppongi, Minato-ku, Tokyo	1,730	1,663.87	96.4	1,360	5.1
	R-02	ForeCity Azabujuban	Central Tokyo	Mita, Minato-ku, Tokyo	1,140	1,111.20	91.7	1,070	5.0
	R-03	ForeCity Azabujuban No.2	Central Tokyo	Mita, Minato-ku, Tokyo	1,250	1,177.20	86.1	1,150	5.0
	R-04	Bureau Takanawadai	Central Tokyo	Shirokanedai, Minato-ku, Tokyo	1,360	1,677.88	100.0	1,010	6.2
	R-05	ForeCity Shirokanedai	Central Tokyo	Shirokanedai, Minato-ku, Tokyo	824	927.90	97.5	669	5.3
	R-06	B-Site Hamamatsucho	Central Tokyo	Hamamatsucho, Minato-ku, Tokyo	701	821.84	100.0	530	6.4
	R-07	ForeCity Akihabara	Central Tokyo	Kanda Sakumacho, Chiyoda-ku, Tokyo	2,520	3,452.29	100.0	2,040	5.3
	R-08	Sweet One Court	Central Tokyo	Irifune, Chuo-ku, Tokyo	786	1,030.63	93.8	630	5.4
	R-09	B-site Ginza East	Central Tokyo	Shintomi, Chuo-ku, Tokyo	946	1,332.87	100.0	726	6.4
	R-10	ForeCity Sasazuka	Central Tokyo	Sasazuka, Shibuya-ku, Tokyo	1,050	1,452.61	100.0	848	5.4
	R-11	Gran Presso Kawadacho	Central Tokyo	Kawadacho, Shinjuku-ku, Tokyo	592	667.16	88.8	467	5.4
	R-12	ForeCity Sakurashinmachi	Tokyo Metropolitan Area	Sakurashinmachi, Setagaya-ku, Tokyo	932	1,182.96	96.2	731	5.4
	R-13	ForeCity Shinkamada	Tokyo Metropolitan Area	Shinkamada, Ota-ku, Tokyo	1,040	1,756.33	97.4	895	5.7
	R-14	ForeCity Nakaochiai	Central Tokyo	Nakaochiai, Shinjuku-ku, Tokyo	435	599.30	100.0	356	5.4
	R-15	ForeCity Tomigaya	Central Tokyo	Tomigaya, Shibuya-ku, Tokyo	1,341	2,105.94	91.6	1,540	5.2
	R-16	ForeCity Ryogoku	Tokyo Metropolitan Area	Midori, Sumida-ku, Tokyo	1,080	1,572.39	100.0	1,020	5.4
	R-17	ForeCity Toyosu	Tokyo Metropolitan Area	Shinonome, Koto-ku, Tokyo	1,349	3,058.24	100.0	1,540	5.6
	R-18	ForeCity Nishihonmachi	Four Major Cities	Nishihonmachi, Nishi-ku, Osaka City, Osaka	927	2,675.88	100.0	938	6.1
<b>Subtotal - Residence</b>					<b>20,006</b>	<b>28,266.49</b>		<b>17,520</b>	



Post-merger acquisition price as of November 1, 2011

# Portfolio Description (4)

As of October 31, 2011

Use	No.	Property	Area	Address	Acquisition Price (mm yen)	NRA (m <sup>2</sup> )	Occupancy (%)	Appraisal	
								Oct 2011 (mm yen)	Cap rate (%)
Other	Z-01	Falcon Shinsaibashi Building	Four Major Cities	Higashi-Shinsaibashi, Chuo-ku, Osaka City, Osaka	3,410	5,760.79	87.3	2,820	5.6
	Z-02	Fiesta Shibuya	Central Tokyo	Udagawacho, Shibuya-ku, Tokyo	1,970	1,220.02	100.0	1,970	5.0
	Z-03	Burc Omori	Tokyo Metropolitan Area	Omorikita, Ota-ku, Tokyo	3,218	5,358.25	87.1	3,218	6.2
	Z-04	Pagoda Asakusa	Tokyo Metropolitan Area	Kaminarimon, Taito-ku, Tokyo	1,640	2,091.27	100.0	1,640	5.6
	Z-05	Regalo Building	Tokyo Metropolitan Area	Haramachida, Machida City, Tokyo	1,310	2,183.65	100.0	1,310	6.0
	Z-06	Lespoir 296	Tokyo Metropolitan Area	Minami-Saiwai, Nishi-ku, Yokohama City, Kanagawa	903	1,282.92	100.0	903	5.7
	Z-07	El Centro Sapporo	Four Major Cities	Minami 2 Jo Nishi, Chuo-ku, Sapporo City, Hokkaido	558	1,199.43	86.7	558	6.1
	Z-08	Daimyo Balcony	Four Major Cities	Daimyo, Chuo-ku, Fukuoka City, Fukuoka	638	765.61	100.0	638	6.3
<b>Subtotal - Other</b>					<b>13,647</b>	<b>19,861.94</b>		<b>13,057</b>	
<b>Total</b>					<b>107,978</b>	<b>175,984.91</b>		<b>104,902</b>	



Post-merger acquisition price as of November 1, 2011

## Appendix: About Ichigo REIT

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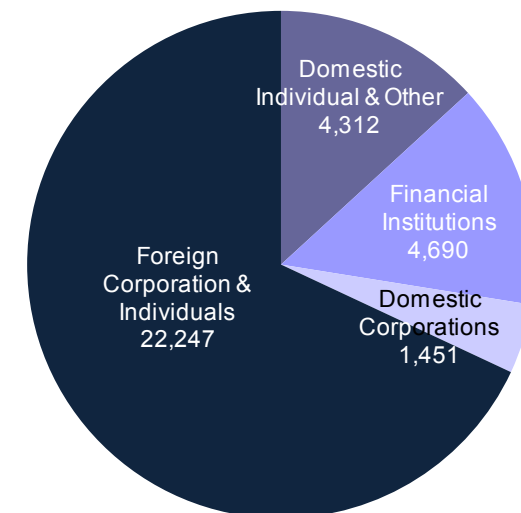
# Investor Composition (Former FCR as of October-End)

As of October 31, 2011

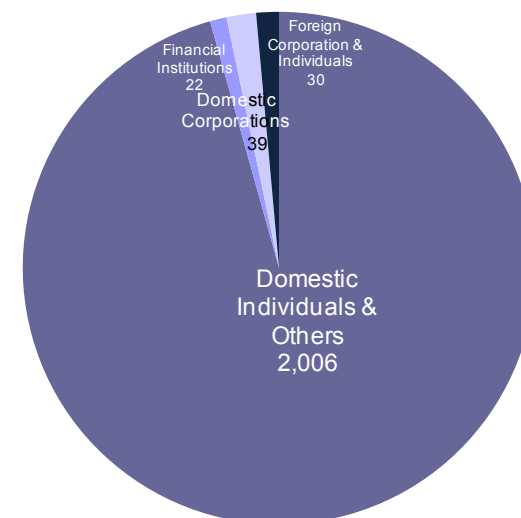
## Major Unitholders

	Name	Units	Share
1	Ichigo Trust	13,700	42%
2	FAL HOLDINGS PTE. LTD.	6,205	19%
3	The Nomura Trust and banking Co., Ltd.	1,757	5%
4	GOLDMAN, SACHS & CO. REG	1,624	5%
5	Japan Trustee Service Bank, Trust Account	1,379	4%
6	Aiden Co., Ltd.	644	2%
7	The Okinawa Kaiho Bank, Ltd.	580	2%
8	Trust & Custody Service Bank, Ltd., Securities Investment Trust Account	433	1%
9	GOLDMAN SACHS INTERNATIONAL	295	1%
10	Minami Nippon Bank, Ltd.	235	1%
	<b>Total</b>	<b>26,852</b>	<b>82%</b>

## Number of units by unitholder type



## Number of unitholders by type





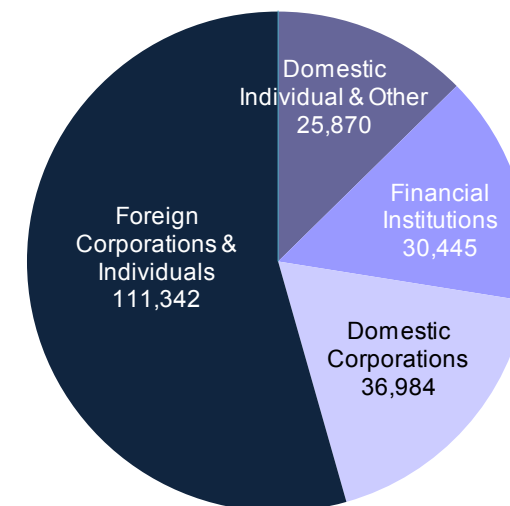
# Investor Composition (Former Ichigo REIT as of October-End)

As of October 31, 2011

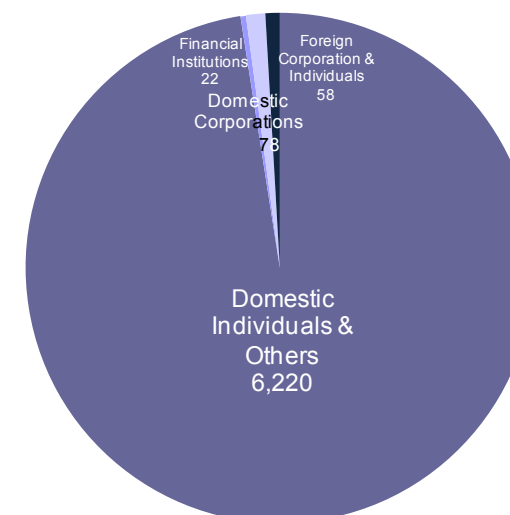
## Major Unitholders

	Name	Units	Share
1	Ichigo Trust	65,895	32%
2	Jupiter LLC	35,623	17%
3	GOLDMAN SACHS INTERNATIONAL	24,660	12%
4	The Nomura Trust and banking Co., Ltd.	10,535	5%
5	Japan Trustee Service Bank, Trust Account	8,110	4%
6	Trust & Custody Service Bank, Ltd., Securities Investment Trust Account	6,013	3%
7	PROSPECT JAPAN FUND LIMITED	4,635	2%
8	The Master Trust Bank of Japan, Trust Account	3,667	2%
9	DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	3,519	2%
10	BBH FOR OPPENHEIMER QUEST INTERNATIONAL VALUE FUND	1,866	1%
	<b>Total</b>	<b>164,523</b>	<b>80%</b>

## Number of units by unitholder type



## Number of unitholders by type



# Overview of Ichigo REIT

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As of November 1, 2011

Name	<b>Ichigo Real Estate Investment Corporation</b>
Securities Code	8975
Address	1-1-1 Uchisaiwai-cho Chiyoda-ku, Tokyo
Executive Director	Yoshihiro Takatsuka
Portfolio	71 properties
Portfolio Value	107,978 million yen (Based on acquisition price)
Fiscal Periods	November 1 – April 30 and May 1 – October 31
Asset Manager	<b>Ichigo REIT Management Co., Ltd.</b>
President of Asset Manager	Wataru Orii

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