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June 17, 2013

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDING APRIL 2013 (November 1, 2012 – April 30, 2013)

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

Asset Management Company: **Ichigo Real Estate Investment Advisors Co., Ltd.**
 Representative: Wataru Orii, President & Representative Statutory Executive Officer
 Inquiries: Masanori Kubota, Statutory Executive Officer (Finance, Accounting)
 Tel. +81-3-3502-4891

Submission Date for Securities Report: July 25, 2013 (expected)
 Start Date for Dividend Payments: July 22, 2013 (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 2013

(Monetary figures 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 2013	4,147	(4.0%)	2,036	9.1%	451	(31.9%)	451	—
Fiscal Period Ending October 2012	4,320	1.1%	1,866	21.6%	663	26.0%	(526)	—

	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 2013	535	0.9%	0.4%	10.9%
Fiscal Period Ending October 2012	(624)	(1.0%)	0.6%	15.4%

(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 2013	1,494	1,259	0	0	279.0	2.5
Fiscal Period Ending October 2012	1,387	1,168	0	0	—	2.3

(Note 1) The dividend for the October 2012 period includes a dividend reserve of 1,695 million yen and differs from Net Income.

(Note 2) The dividend for the April 2013 period includes a dividend reserve of 808 million yen and differs from Net Income.

(Note 3) The Payout Ratio is rounded down to one decimal. Payout Ratio = Total Dividends / Net Income x 100

(3) Assets and Equity

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Unit (yen)
Fiscal Period Ending April 2013	112,830	50,312	44.6	59,695
Fiscal Period Ending October 2012	114,980	51,030	44.4	60,547

(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 2013	1,693	(341)	(2,389)	8,285
Fiscal Period Ending October 2012	1,847	(2,549)	396	9,323

2. Earnings Forecasts for the Fiscal Periods ending October 2013

(million yen; period-on-period change)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Fiscal Period Ending October 2013	4,391	5.9%	2,095	2.9%	1,309	189.9%	1,309	190.1%

(yen)

	Dividend per Unit (not including dividends in excess of earnings)	Dividend per Unit in Excess of Earnings
Fiscal Period Ending October 2013	1,490	0

(Note 1) The forecasted Net Income per unit for the October 2013 period is 1,390 yen.

(Note 2) The dividend for the October 2013 period is scheduled to include a dividend reserve of 97 million yen and differ from Net Income.

(Reference) The Fiscal Period Ending October 2013 runs from May 1, 2013 to October 31, 2013.

3. Other

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

- (i) Changes Accompanying Amendments to Accounting Standards: No
- (ii) Changes Not Listed in (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 842,823 units at the end of the October 2012 period and at the end of the April 2013 period.
- (ii) The number of treasury investment units was 0 units at the end of the October 2012 period and at the end of the April 2013 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 2013” on pages 4-5.

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 2013

Item	Preconditions
Periods	The Fiscal Period Ending October 2013: May 1, 2013 – October 31, 2013 (184 days)
Portfolio Assets	<ul style="list-style-type: none"> • 69 properties as of October 31, 2013, which is the sum of 66 properties as of April 30, 2013 and the three assets acquired on Jun 3, 2013 (“Specified Assets”): Ichigo Akihabara North Building, Ichigo Sakaisuji Honmachi Building, and Konami Sports Club Izumi Fuchu. • The number of assets may change due to acquisitions or sales.
Number of Investment Units	<ul style="list-style-type: none"> • 941,823 units. This is the sum of the number of investment units issued and outstanding at the time of this publication (932,823 units) and the newly issued investment units by way of third-party allotment (9,000 units).
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue is conservatively calculated based on lease contracts that are in effect as of April 30, 2013, taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions.
Operating Expenses	<ul style="list-style-type: none"> • Ichigo REIT’s principal operating expenses are from rental activity. Excepting depreciation, such expenses are calculated based on historical data while taking into consideration variable expenses. • The anticipated amount of property tax and city planning tax is 317 million yen for the October 2013 period. In addition, the prorated property tax and city planning tax relating to the acquisition of the Specified Assets are included in the acquisition costs and not included in operating expenses. • Building maintenance and repair expenses are estimated to be 99 million yen for the October 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. • Service provider expenses including property management fees, etc. are estimated to be 405 million yen for the October 2013 period. • Depreciation has been calculated using the straight line method. For the managed properties, depreciation is calculated by including the depreciation for future additional capital expenditures in the amortization amount. Depreciation for the October 2013 period is forecasted at 564 million yen. • Due to unexpected circumstances, the actual operating expenses might differ significantly from the forecasts.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses for the October 2013 period are forecasted at 550 million yen. • Borrowing-related expenses for the October 2013 period are forecasted at 208 million yen. • Expenses related to the issuance of new investments units for the October 2013 period are forecasted at 30 million yen.
Borrowings	<ul style="list-style-type: none"> • As of April 30, 2013, Ichigo REIT’s balance of loans payable stands at 56,458 million yen. • 3,700 million yen of new borrowing occurred on June 3, 2013.
Dividend per Unit	<ul style="list-style-type: none"> • Dividends are based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo REIT’s Articles of Incorporation. • Dividend for the October 2013 period is assumed to be 1,406 million yen, which is the total amount of retained earnings of 1,309 million yen plus a dividend reserve of 97 million yen. • The dividend per unit is subject to change due to factors such as changes in rent revenue associated with tenant turnover, the occurrence of unexpected maintenance and repair costs, fluctuations in interest rates, as well as the issuance of additional investment units.
Dividend in Excess of Earnings per Unit	<ul style="list-style-type: none"> • Ichigo REIT does not plan on making any dividend distribution in excess of earnings per unit or retained earnings.

Other	<ul style="list-style-type: none">• 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.• 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.
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Financial Statements

(1) Balance Sheet

(Thousand yen)

	Fiscal Period Ending October 2012 (as of October 31, 2012)	Fiscal Period Ending April 2013 (as of April 30, 2013)
Assets		
Current assets		
Cash and deposits	4,391,631	3,413,067
Cash and deposits in trust	4,946,188	4,888,455
Operating accounts receivable	12,738	30,525
Prepaid expenses	410,744	342,781
Consumption taxes receivable	108,851	—
Deposit paid	538,843	283,932
Other	5,330	2,126
Total current assets	10,414,328	8,960,888
Noncurrent assets		
Property, plant, and equipment		
Buildings	8,718,772	8,514,591
Accumulated depreciation	(286,933)	(385,530)
Buildings, net	8,431,838	8,129,061
Structures	41,535	35,882
Accumulated depreciation	(5,087)	(7,001)
Structures, net	36,447	28,881
Machinery and equipment	249,890	257,998
Accumulated depreciation	(20,019)	(30,123)
Structures, net	229,870	227,875
Fixtures	28,668	43,150
Accumulated depreciation	(4,941)	(7,993)
Fixtures, net	23,727	35,157
Land	19,925,346	19,555,504
Construction in progress	861	—
Buildings in trust	23,001,545	23,162,755
Accumulated depreciation	(1,556,258)	(1,897,702)
Buildings in trust, net	21,445,287	21,265,052
Structures in trust	56,848	63,222
Accumulated depreciation	(9,072)	(10,762)
Structures in trust, net	47,775	52,459
Machinery and equipment in trust	172,636	181,705
Accumulated depreciation	(33,117)	(41,455)
Machinery and equipment in trust, net	139,518	140,249
Fixtures in trust	638,626	644,955
Accumulated depreciation	(144,175)	(159,464)
Fixtures in trust, net	494,451	485,491
Land in trust	53,390,733	53,390,733
Construction in progress in trust	2,721	955
Total property, plant, and equipment	104,168,580	103,311,422

(Thousand yen)

	Fiscal Period Ending October 2012 (as of October 31, 2012)	Fiscal Period Ending April 2013 (as of April 30, 2013)
Investments and other assets		
Tenant leasehold and security deposits	15,227	15,227
Long-term prepaid expenses	382,582	542,690
Total investments and other assets	397,809	557,917
Total noncurrent assets	104,566,390	103,869,339
Total assets	114,980,718	112,830,228
Liabilities		
Current liabilities		
Operating accounts payable	302,841	246,828
Current portion of long-term loans payable	8,232,500	2,460,000
Current portion of long-term loans payable in trust	50,972	—
Accounts payable – others	242,389	229,157
Accrued expenses	127,637	83,528
Income taxes payable, etc.	605	605
Accrued consumption taxes, etc.	27,880	62,581
Advances received	624,332	597,677
Other	15,990	8,558
Total current liabilities	9,625,147	3,688,935
Noncurrent liabilities		
Long-term loans payable	46,536,500	53,998,000
Long-term loans payable in trust	2,859,827	—
Tenant leasehold and security deposits	1,882,897	1,775,503
Tenant leasehold and security deposits in trust	3,038,728	3,047,865
Asset retirement obligations	7,085	7,118
Total noncurrent liabilities	54,325,037	58,828,487
Total liabilities	63,950,185	62,517,423
Net assets		
Unitholders' equity		
Unitholders' capital	14,928,800	14,928,800
Surplus		
Capital surplus	20,566,420	20,566,420
Dividend reserve	16,061,353	14,366,273
Unappropriated retained earnings /loss	(526,040)	451,311
Total surplus	36,101,732	35,384,005
Total unitholders' equity	51,030,532	50,312,805
Total net assets	51,030,532	50,312,805
Total liabilities and net assets	114,980,718	112,830,228

(2) Income Statement

(Thousand yen)

	Fiscal Period Ending October 2012 (from May 1, 2012 to October 31, 2012)	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)
Operating revenue		
Rent revenue – real estate	3,777,902	3,731,734
Other lease business revenue	542,243	415,202
Gain on sales of real estate	—	180
Dividend income from investment in TK equity	631	—
Total operating revenue	4,320,777	4,147,116
Operating expenses		
Expenses related to rent business	1,790,551	1,671,178
Loss on sales of real estate	214,468	—
Asset management fee	341,854	328,317
Asset custody fee	9,732	10,498
Administrative service fees	28,827	35,182
Directors' compensations	9,675	6,300
Other operating expenses	59,311	59,157
Total operating expenses	2,454,421	2,110,635
Operating income	1,866,355	2,036,481
Non-operating income		
Interest income	1,520	942
Reversal of distribution payable	1,058	1,099
Insurance Income	98	142
Differences in consumption tax	25,083	—
Interest on refund	—	1,104
Other	2,083	—
Total non-operating income	29,844	3,288
Non-operating expenses		
Interest expenses	669,657	585,674
Borrowing related expenses	562,643	1,002,221
Other	112	—
Total non-operating expenses	1,232,413	1,587,896
Ordinary income	663,786	451,872
Extraordinary loss		
Impairment loss	1,189,489	—
Total extraordinary losses	1,189,489	—
Income (losses) before income taxes	(525,702)	451,872
Income taxes – current	605	605
Total income taxes	605	605
Net income (losses)	(526,307)	451,267
Retained earnings brought forward	267	43
Unappropriated retained earnings/loss	(526,040)	451,311

(3) Statement of Unitholders' Equity

(Thousand yen)

	Fiscal Period Ending October 2012 (from May 1, 2012 to October 31, 2012)	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)
Unitholders' equity		
Unitholders' capital		
Balance as restated	14,928,800	14,928,800
Changes during the period		
Total changes during the period	—	—
Balance at end of the period	14,928,800	14,928,800
Surplus		
Capital surplus		
Balance as restated	20,566,420	20,566,420
Changes during the period		
Total changes during the period	—	—
Balance at end of the period	20,566,420	20,566,420
Dividend reserve		
Balance as restated	—	16,061,353
Changes during the period		
Provision of dividend reserve	16,061,353	—
Reversal of dividend reserve	—	(1,695,079)
Total changes during the period	16,061,353	(1,695,079)
Balance at end of the period	16,061,353	14,366,273
Unappropriated retained earnings/loss		
Balance as restated	17,089,021	(526,040)
Changes during the period		
Provision of dividend reserve	(16,061,353)	—
Reversal of dividend reserve	—	1,695,079
Dividends from surplus	(1,027,401)	(1,168,995)
Net income (losses)	(526,307)	451,267
Total changes during the period	(17,615,062)	977,352
Balance at end of the period	(526,040)	451,311
Total surplus		
Balance as restated	37,655,442	36,101,732
Changes during the period		
Provision of dividend reserve	—	—
Reversal of dividend reserve	—	—
Dividends from surplus	(1,027,401)	(1,168,995)
Net income (losses)	(526,307)	451,267
Total changes during the period	(1,553,709)	(717,727)
Balance at end of the period	36,101,732	35,384,005
Total unitholders' equity		
Balance as restated	52,584,242	51,030,532
Changes during the period		
Dividends from surplus	(1,027,401)	(1,168,995)
Net income (losses)	(526,307)	451,267
Total changes during the period	(1,553,709)	(717,727)
Balance at end of the period	51,030,532	50,312,805
Total net assets		
Balance as restated	52,584,242	51,030,532
Changes during the period		
Dividends from surplus	(1,027,401)	(1,168,995)
Net income (losses)	(526,307)	451,267
Total changes during the period	(1,553,709)	(717,727)
Balance at end of the period	51,030,532	50,312,805

(4) Cash Flow Statement

(Thousand yen)

	Fiscal Period Ending October 2012 (from May 1, 2012 to October 31, 2012)	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)
Cash flows from operating activities		
Income (losses) before income taxes	(525,702)	451,872
Depreciation and amortization	510,874	506,056
Impairment loss	1,189,489	—
Interest income	(1,520)	(942)
Interest expenses	669,657	585,674
Decrease (increase) in operating accounts receivable	2,173	(17,786)
Decrease (increase) in consumption taxes receivable	(108,851)	108,851
Decrease (increase) in prepaid expenses	(13,345)	67,962
Decrease (increase) in long-term advance charges	(54,605)	(160,107)
Decrease (increase) in deposit paid	99,252	254,911
Increase (decrease) in accrued consumption taxes	(74,349)	34,700
Increase (decrease) in operating accounts payable	44,250	(91,610)
Increase (decrease) in accounts payable – others	(12,104)	(13,231)
Increase (decrease) in advances received	29,464	(13,849)
Decrease by sale of property, plant, and equipment	—	617,220
Decrease by sale of property, plant, and equipment in trust	785,113	—
Amortization of security deposit	(1,370)	(275)
Other, net	19,291	(6,745)
Subtotal	2,557,718	2,322,701
Interest income received	1,520	942
Interest expenses paid	(710,977)	(629,783)
Income taxes paid	(605)	(605)
Net cash provided by (used in) operating activities	1,847,656	1,693,255
Cash flows from investment activities		
Purchase of property, plant, and equipment	(47,084)	(39,986)
Purchase of property, plant, and equipment in trust	(2,470,471)	(191,074)
Increase in tenant leasehold and security deposits	26,370	37,582
Decrease in tenant leasehold and security deposits	(105,482)	(156,826)
Increase in tenant leasehold and security deposits in trust	193,808	260,255
Decrease in tenant leasehold and security deposits in trust	(166,284)	(251,251)
Sale of investment securities	20,000	—
Net cash provided by (used in) investment activities	(2,549,143)	(341,300)
Cash flows from financing activities		
Increase in long-term loans payable	16,658,000	24,479,000
Decrease in long-term loans payable	(13,409,384)	(22,790,000)
Decrease in long-term loans payable in trust	(1,825,486)	(2,910,799)
Dividends paid	(1,026,865)	(1,167,748)
Net cash provided by (used in) financing activities	396,263	(2,389,547)
Net increase (decrease) in cash and cash equivalents	(305,223)	(1,037,592)
Cash and cash equivalents at beginning of the period	9,628,561	9,323,338
Cash and cash equivalents at end of the period	9,323,338	8,285,745