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August 29, 2012

REIT Issuer

Ichigo Real Estate Investment Corporation (8975)

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Asset Management Company

Ichigo Real Estate Investment Advisors Co., Ltd.

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Acquisition of Portfolio Asset (M's SQUARE)

Ichigo Real Estate Investment Corporation ("Ichigo REIT") decided today to acquire an asset (the "Acquisition") per the below.

1. Acquisition Summary

Asset Name	M's SQUARE (The "Property")
Asset Type	Trust beneficiary rights in real estate (<i>juekiken</i>)
Acquisition Amount	2,130,000,000 yen (excluding taxes)
Seller	Namboku Holdings GK
Contract Date	August 29, 2012
Acquisition Date	August 31, 2012
Financing Method	Borrowing and cash on hand
Settlement Method	Lump-sum payment at the time of transfer

2. Acquisition Rationale

Following its merger with the former Ichigo Real Estate Investment Corporation on November 1, 2011, Ichigo REIT has pursued strategies to further its growth as a comprehensive J-REIT while securing stable and steady profitability. Ichigo REIT has declared the period until October 2012 as "Stage I" of this growth strategy, with the aim of creating a foundation for growth. One way it has done this is by improving portfolio quality via the strategic use of its negative goodwill.

In implementing this growth strategy, Ichigo REIT disposed of 5 properties after the merger. In addition, Ichigo REIT made a TK investment in Namboku Holdings GK on March 26, 2012, which manages the trust beneficiary right of M's SQUARE. Ichigo REIT obtained a preferential negotiation right for acquiring the underlying real estate, which Ichigo REIT is now exercising to carry out the Acquisition. The Acquisition is being financed by use of a syndicated loan and cash on hand, as announced in the "Notice of Refinancing and Repayment of Existing Loan" released today.

M's SQUARE is a high-profile office building of exceptional quality. Its facilities are almost identical to those of new buildings. The Acquisition is accordingly expected to contribute to Ichigo REIT's stable portfolio growth and increased profitability over the mid- to long-term.

In deciding to acquire the Property, Ichigo REIT made note of the following positive features:

(1) Location

The property is in an excellent location in the Kanda-Ogawamachi area near Otemachi, the financial center of Tokyo. Ichigo REIT believes that there will remain strong and constant tenant demand for properties in this area.

(2) Asset Characteristics

The property benefits from extremely convenient train and subway access, and is a short walk from multiple stations, including Ogawamachi Station on the Toei Shinjuku Line, Awajicho Station on the Tokyo Metro Marunouchi Line, Shin Ochanomizu Station on the Tokyo Metro Chiyoda Line, Ochanomizu on the JR Chuo Line and Kanda Station on the Tokyo Metro Ginza Line and JR Yamanote Line. The property is located on a corner lot with three sides exposed, which makes the building highly visible. The floor plan is ideal for office use, with a rectangular shape without intervening columns or pillars, which makes it flexible for various layouts. The building is also relatively new and consequently highly competitive with other properties in the area.

3. Property Overview

Asset Overview			Appraisal Overview	
Asset Type	Trust beneficiary rights in real estate (<i>juekiken</i>)		Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Trustee	Sumitomo Mitsui Trust Bank, Limited		Value	2,220,000,000 yen
Period of Trust Contract	February 27, 2007 – August 31, 2022		Date	August 10, 2012
Location	1-16-1, Kandanishikicho, Chiyoda-ku, Tokyo (lot number)		Value by Direct Capitalization Method	2,230,000,000 yen
Land	Property Right	Ownership (fee simple)	Income	160,792,316 yen
	Size	417.32 m ²	Obtainable Rent Income	153,441,060 yen
	Zoning	Commercial	Other Income	16,661,088 yen
	Coverage Ratio / Floor Area Ratio	80% / 800%	Amount Equivalent to Loss on Vacant Space	9,309,832 yen
Building	Property Right	Ownership (fee simple)	Expenses	49,263,931 yen
	Zoning	Office, Residence, Parking	Administrative and Maintenance Expenses	11,689,559 yen
	Structure	S/RC B1F/11F	Taxes	18,100,012 yen
	Total Floor Area	3,506.87 m ²	Other Expenses	19,474,360 yen
	Construction Date	March 10, 2003	Net Operating Income (NOI)	111,528,385 yen
Architect	Sumitomo Mitsui Construction Co., Ltd.		Gain on Investment of Deposits	1,948,510 yen
Builder	Sumitomo Mitsui Construction Co., Ltd.		Capital Expenditure	6,218,000 yen
Structural Strength Calculator	Sumitomo Mitsui Construction Co., Ltd.		Net Profit	107,258,895 yen

Inspection Agency	Tokyo Bldg-Tech Center Co., Ltd.	Cap Rate	4.8%
PML (Assessor)	2.34% (NKSJ Risk Management, Inc.)	Value by DCF method	2,220,000,000 yen
Rent Overview (as of August 29, 2012)		Discount Rate	4.6%
Number of Tenants	1 (Note 1)	Terminal Cap Rate	5.0%
Monthly Rental Income	(Note 2)	Value by Cost Approach	2,360,000,000 yen
Deposit	(Note 2)	Land	72.0%
Leasable Space	2,344.96 m ²	Property	28.0%
Leased Space	2,344.96 m ²		
Occupancy	100 %		
Property Management Company (expected)	XYMAX AXIS corporation		
Master Lease Company (expected)	XYMAX AXIS corporation (Note 3)		
Assumed NOI (NOI yield) (Note 4)	126 million yen (5.95%)		
Special Items			
N/A			

(Note 1) The Trustee has a master lease contract with the lessor which allows the lessor to sublease the space to tenants.

(Note 2) The lessor has not provided consent for disclosure of Monthly Rental Income and the Deposit.

(Note 3) The Trustee and the lessor agreed to terminate the master lease contract on March 31, 2013. After termination of the master lease contract, the lessor's position as a sublessor will be succeeded into by the Trustee.

(Note 4) Assumed NOI is an annual NOI after termination of master lease contract (on-going basis) based on the following assumptions:

- Occupancy on end tenant base: 95.8%
- Tax based on assessment value of 2012 fiscal year.

4. Seller Profile

Name	Namboku Holdings GK (Note 5)
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin High Stage Manager: Atsushi Nakao
Principal Businesses	1. The acquisition, holding and sale of trust beneficiary rights (<i>juekiken</i>) 2. The acquisition, holding and sale of real estate 3. Other businesses relating to the aforementioned businesses
Capital	100,000 yen
Establishment Date	July 14, 2011
Equity Holder	Ippan Shadan Hojin High Stage
Relationship with the Ichigo REIT or Asset Manager	The Seller does not have any capital, personnel or business relationship and is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law (Note 6)

(Note 5) Namboku Holdings GK is a TK operator (*tokumei kumiai*), and Ichigo REIT has invested 20 million yen (0.94%) as a TK investment in this GK. Ichigo REIT has exercised its preferential negotiation right for the Acquisition. For details of the TK real estate equity interest, please refer “Acquisition of TK Real Estate Equity Interest” released on March 26, 2012.

(Note 6) Namboku Holdings GK is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law. Nonetheless, the acquisition process has followed the internal rules of IRE for the following reasons. First, Ichigo Group Holdings Co. Ltd., the 100 % shareholder of Ichigo Real Estate Investment Advisors Co., Ltd. (Ichigo REIT’s asset manager, “IRE”), is a related party as defined in accordance with the internal rules of IRE, and holds more than half of the equity in Namboku Holdings GK. Second, Ichigo Estate Co., Ltd., a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, is providing asset management advisory services. In addition, Ichigo REIT has obtained a second opinion regarding the property’s appraisal and confirmed its propriety.

5. Previous Owners Overview

Overview	Current Owner (Seller)	Previous Owner
Name	Namboku Holdings GK	Party with no particular interest
Relationship with Party having Particular Vested Interest	Related Party as defined in the internal rules of IRE	—
Acquisition Background, Reasons	For investment purpose	—
Acquisition Price	2,040 million yen (excluding acquisition costs)	—
Acquisition Date	March 26, 2012	—

6. Broker Profile

N/A

7. Future Outlook

With regard to the Acquisition, Ichigo REIT is making no amendment to the earnings forecast for the fiscal period ending October 2012 (May 1, 2012 – October 31, 2012) and April 2013 (November 1, 2012 – April 30, 2013), as announced in “Financial Report for the Fiscal Period ending April 2012” on June 18, 2012.

Reference Information
1. Property Photos



2. Location Map



Portfolio Reference Information

1. Post-Acquisition Portfolio Summary

	Before Acquisition (A)	After Acquisition (B)	Difference (B-A)
Occupancy (as of July 31, 2012)	93.0%	93.1%	+0.1%
Average Building Age (as of August 31, 2012)	21.2 years	21.0 years	-0.2 years
Diversification by Area (Note) (Tokyo Metropolitan Area/Other Areas) (as of August 31, 2012)	73.4% / 26.6%	73.9% / 26.1%	+0.5% / -0.5%

(Note) “Tokyo Metropolitan Area” refers to “Central Tokyo” and “Tokyo Metropolitan Area.”
“Other Areas” refers to “Four Major Regional Cities” and “Other Regional Cities.”

2. Post-Acquisition Portfolio Assets

No.	Property	Area	Acquisition Price (mm yen)	% of Portfolio
O-01	COI Shinbashi Building	Central Tokyo	6,110	5.76%
O-02	COI Nishisando Building	Central Tokyo	3,254	3.07%
O-03	MTC Building	Central Tokyo	2,740	2.58%
O-04	COI Nanpeidai Building	Central Tokyo	1,920	1.81%
O-05	Joware Hanzomon	Central Tokyo	1,550	1.46%
O-06	COI Hijirizaka Building	Central Tokyo	1,200	1.13%
O-07	COI Shibuya Kamiyamacho Building	Central Tokyo	1,505	1.42%
O-08	COI Akasaka 5 Chome Building	Central Tokyo	735	0.69%
O-09	COI Shibazonobashi Building	Central Tokyo	1,100	1.04%
O-10	COI Ebisu Nishi Building	Central Tokyo	1,917	1.81%
O-11	COI Ginza 612	Central Tokyo	1,773	1.67%
O-12	COI Uchikanda Building	Central Tokyo	1,140	1.07%
O-13	COI Kudan-Minami Building	Central Tokyo	387	0.36%
O-14	COI Yotsuya 4 Chome Building	Central Tokyo	550	0.52%
O-15	COI Akasaka Tameike Building	Central Tokyo	580	0.55%
O-16	DSM Jimbocho Building	Central Tokyo	1,820	1.71%
O-17	DSM Nihonbashi Kakigaracho Building	Central Tokyo	1,150	1.08%
O-18	COI Kudan 2 Chome Building	Central Tokyo	763	0.72%
O-19	COI Kudan 3 Chome Building	Central Tokyo	844	0.80%
O-20	COI Gotanda Building	Central Tokyo	5,060	4.77%
O-21	Benex S-2	Tokyo Metropolitan Area	1,816	1.71%
O-22	COI Minami-Ikebukuro Building	Tokyo Metropolitan Area	1,460	1.38%
O-23	Technos Nakano Building	Tokyo Metropolitan Area	764	0.72%

O-24	COI Eitai Building	Tokyo Metropolitan Area	1,490	1.40%
O-25	COI Yokosuka Bayside Building	Tokyo Metropolitan Area	971	0.91%
O-26	Chitose Building	Tokyo Metropolitan Area	2,030	1.91%
O-27	Route Ikebukuro Building	Tokyo Metropolitan Area	639	0.60%
O-28	Nishi-Gotanda Access	Central Tokyo	765	0.72%
O-29	TK Kichijoji Building	Tokyo Metropolitan Area	2,160	2.03%
O-30	Ibaraki Kowa Building	Other Regional Cities	604	0.57%
O-33	COI Mei-Eki Building	Four Major Regional Cities	837	0.79%
O-34	COI Nagoya Plaza Building	Four Major Regional Cities	4,705	4.43%
O-35	COI Sendai Chuo Building	Other Regional Cities	510	0.48%
O-37	CRD Marunouchi	Four Major Regional Cities	6,710	6.32%
O-38	Toyamaeki Nishi Building	Other Regional Cities	1,650	1.55%
O-39	Daihyaku Mirai-Shinkin Building	Other Regional Cities	1,100	1.04%
O-40	Kearney Place Saga	Other Regional Cities	659	0.62%
O-42	COI Takamatsu Building	Other Regional Cities	3,010	2.84%
O-44	Akita Sanno 21 Building	Other Regional Cities	560	0.53%
O-45	COI Niigata Building	Other Regional Cities	1,830	1.72%
O-46	M's SQUARE	Central Tokyo	2,130	2.01%
Subtotal - Office (41 Properties)			72,498	68.30%
R-01	ForeCity Roppongi	Central Tokyo	1,730	1.63%
R-02	ForeCity Azabujuban	Central Tokyo	1,140	1.07%
R-03	ForeCity Azabujuban No.2	Central Tokyo	1,250	1.18%
R-04	Bureau Takanawadai	Central Tokyo	1,360	1.28%
R-05	ForeCity Shirokanedai	Central Tokyo	824	0.78%
R-06	B-Site Hamamatsucho	Central Tokyo	701	0.66%
R-07	ForeCity Akihabara	Central Tokyo	2,520	2.37%
R-08	Sweet One Court	Central Tokyo	786	0.74%
R-09	B-site Ginza East	Central Tokyo	946	0.89%
R-10	ForeCity Sasazuka	Central Tokyo	1,050	0.99%
R-11	Gran Presso Kawadacho	Central Tokyo	592	0.56%
R-12	ForeCity Sakurashinmachi	Tokyo Metropolitan Area	932	0.88%
R-13	ForeCity Shinkamada	Tokyo Metropolitan Area	1,040	0.98%
R-14	ForeCity Nakaochiai	Central Tokyo	435	0.41%
R-15	ForeCity Tomigaya	Central Tokyo	1,341	1.26%
R-16	ForeCity Ryogoku	Tokyo Metropolitan Area	1,080	1.02%
R-17	ForeCity Toyosu	Tokyo Metropolitan Area	1,349	1.27%
R-18	ForeCity Nishihonmachi	Four Major Regional Cities	927	0.87%
Subtotal - Residence (18 Properties)			20,005	18.85%
Z-01	Falcon Shinsaibashi Building	Four Major Regional Cities	3,410	3.21%
Z-02	Fiesta Shibuya	Central Tokyo	1,970	1.86%

Z-03	Burc Omori	Tokyo Metropolitan Area	3,218	3.03%
Z-04	Pagoda Asakusa	Tokyo Metropolitan Area	1,640	1.54%
Z-05	Regalo Building	Tokyo Metropolitan Area	1,310	1.23%
Z-06	Lespoir 296	Tokyo Metropolitan Area	903	0.85%
Z-07	El Centro Sapporo	Four Major Regional Cities	558	0.53%
Z-08	Daimyo Balcony	Four Major Regional Cities	638	0.60%
Subtotal - Others (8 Properties)			13,647	12.86%
Total			106,150	100.00%

Website of Ichigo REIT: www.ichigo-reit.co.jp/english