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April 9, 2015

REIT Issuer

Ichigo Real Estate Investment Corporation (8975)

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Issuance of New Shares and Secondary Share Offering

The Board of Directors of Ichigo Real Estate Investment Corporation (“Ichigo REIT”) decided today to issue new shares via a public offering and conduct an over-allotment secondary share offering with the underwriters in support of this new share issuance.

1. Issuance of New Shares through Public Offering

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| (1) Number of shares to be offered: | 271,700 shares |
| (2) Paid-in amount (issue amount): | The amount will be determined at a Board of Directors meeting held between April 21, 2015 and April 23, 2015 (the “Pricing Date”). |
| (3) Total paid-in amount (total issue amount): | To be determined |
| (4) Offering method: | The shares will be offered as a public offering and underwritten in full by SMBC Nikko Securities Inc. (“Lead Manager”) as well as by Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and Daiwa Securities Co. Ltd. (“Underwriters” collectively with Lead Manager). The issue price of the public offering will be calculated by multiplying the closing price of Ichigo REIT’s shares on the Tokyo Stock Exchange (“TSE”) on the Pricing Date (or the closing date on the day preceding the Pricing Date in the event there is no closing price), after deducting projected dividend per share of 1,600 yen, by a factor of 0.90~1.00 (rounded up to the nearest one yen), and will be determined in consideration of demand and other factors. |

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- (5) Underwriting agreement: The Underwriters will pay Ichigo REIT the total paid-in amount on the “Payment date” below. The difference between the issue price total and the paid-in total shall be the Underwriters’ proceeds. Ichigo REIT will pay no commission to the Underwriters.
- (6) Subscription period: April 22, 2015 to April 23, 2015.
Subject to demand and other factors, the subscription period may be postponed in which case the latest subscription period will be April 24, 2015 to April 27, 2015.
- (7) Subscription units: One share or more in single share multiples
- (8) Payment date: May 1, 2015
- (9) Delivery date: May 7, 2015
- (10) The issue price, the paid-in amount, and other necessary items relating to the issuance of new shares will be decided at a future Board of Directors meeting. Amendments prior to the determination will be delegated to the Statutory Executive Officers.
- (11) The aforementioned items will be subject to the effectiveness of the procedures in accordance with the Financial Instruments and Exchange Act of Japan.

2. Over-Allotment Secondary Share Offering

- (1) Seller: SMBC Nikko Securities Inc.
- (2) Number of shares to be offered: 14,300 shares
These are the maximum number of shares that may be issued through the secondary offering (over-allotment). Depending on demand and other factors, there may be cases where this number is reduced or the secondary offering (over-allotment) itself is not held at all. The number of shares to be offered through the secondary offering will be determined on the Pricing Date.
- (3) Offer price: The offer price will be determined on the Pricing Date and shall be the same as the issue price for the public offering.
- (4) Total offer price: To be determined

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- (5) Offering method: SMBC Nikko Securities Inc. will offer the shares (maximum: 14,300 shares) borrowed from the shareholders of Ichigo REIT, depending on demand and other factors.
- (6) Subscription period: Same as the subscription period for the public offering as described in section 1 (6).
- (7) Subscription units: One share or more in single share multiples
- (8) Delivery date: Same as the delivery date for the public offering as described in section 1 (9).
- (9) The offer price and other items necessary for the Over-Allotment will be determined at a future Board of Directors meeting. Amendments prior to the determination will be delegated to the Statutory Executive Officers.
- (10) Each of the aforementioned items shall be subject to the effectiveness of the procedures in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issuance of New Shares to be Offered to Underwriter by Way of Third-Party Allotment

- (1) Number of shares to be offered: 14,300 shares
- (2) Third-party allottee and number of shares to be issued to the third party: SMBC Nikko Securities Inc. 14,300 shares
- (3) Paid-in amount (issue amount): The paid-in amount will be determined on the Pricing Date at the Board of Directors meeting and will be same as the paid-in amount for the public offering.
- (4) Total paid-in amount (total issue amount): To be determined
- (5) Subscription period (Subscription date): May 26, 2015
- (6) Subscription units: One share or more in single share multiples
- (7) Payment date: May 27, 2015
- (8) The paid-in amount and other items necessary for the underwriter third-party allotment will be determined at a future Board of Directors meeting. Amendments prior to the determination will be delegated to the Statutory Executive Officers.
- (9) If there are no subscriptions for all or a part of the shares on or before the subscription period described in (5), the issuance of such shares will be canceled.
- (10) If the public offering is suspended, the issuance of new shares by way of underwriter third-party allotment will also be suspended.
- (11) Each of the aforementioned items will be subject to the effectiveness of procedures in accordance with the Financial Instruments and Exchange Act of Japan.

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Reference Information

1. Details of the Secondary Offering (Over-Allotment)

Taking into account demand as well as other factors, SMBC Nikko Securities Inc. may implement a secondary offering of the borrowed shares (up to a maximum of 14,300 shares) borrowed from Ichigo REIT shareholders. Depending on demand as well as other factors, the number may decrease or the secondary offering through over-allotment itself may not be held at all.

In order for SMBC Nikko Securities Inc. to acquire the shares needed to return the borrowed shares upon the secondary offering through over-allotment, Ichigo REIT's Board of Directors has resolved to issue the 14,300 shares via underwriter third-party allotment, with SMBC Nikko Securities Inc. as the allottee and the payment date designated as May 27, 2015.

In order to return the borrowed shares, SMBC Nikko Securities Inc. may also purchase shares up to the number in the secondary offering (over-allotment) at the TSE (the "syndicated cover transaction") from the day following the close of the subscription period to May 22, 2015 (the "syndicated cover transaction period"). All of the shares purchased by SMBC Nikko Securities Inc. through the syndicated cover transaction will be used to return the borrowed shares. At its own discretion, SMBC Nikko Securities Inc. may choose not to conduct the syndicated cover transaction or to end the syndicated cover transaction with a total of shares that is smaller than the number offered through the secondary offering (over-allotment).

Moreover, SMBC Nikko Securities Inc. may conduct stabilizing transactions with relation to the public offering and the secondary offering (over-allotment). The shares purchased through such stabilizing transactions may be used, in whole or in part, to return the borrowed shares.

SMBC Nikko Securities Inc. intends to agree to the underwriter third-party allotment in order to acquire the necessary shares to cover the number obtained by subtracting a) the shares purchased through the stabilizing transactions and the syndicated cover transaction that are used to return the borrowed shares from b) the shares for the secondary offering (over-allotment). As a result, there may be cases in which there will be no subscription either in whole or in part to the shares offered by the underwriter third-party allotment and, accordingly, the final number of shares issued by way of the underwriter third-party allotment will decrease due to forfeiture of rights or such issuance itself will not take place at all.

Whether or not the secondary offering through over-allotment will be conducted as well as the number of shares to be offered will both be decided on the Pricing Date. In case there is no secondary offering through over-allotment, SMBC Nikko Securities Inc. will not borrow the shares from the shareholders. Subsequently, there will be no subscription to the shares offered by the underwriter third-party allotment and, accordingly, the shares shall not be issued by the underwriter third-party allotment due to forfeiture of rights. Further, there will be no syndicated cover transaction on the TSE.

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2. Change in Number of Shares Outstanding After New Issuance

Total number of shares outstanding at present: 1,130,323 shares

Number of increased shares through public offering: 271,700 shares

Total number of shares outstanding after public offering: 1,402,023 shares

Number of shares from the Underwriter Third-Party Allotment: 14,300 shares¹

Total number of shares after the Underwriter Third-Party Allotment: 1,416,323 shares¹

¹The number is based on the assumption that SMBC Nikko Securities Inc. subscribes to all the shares issued by the underwriter third-party allotment and that all such shares are issued.

3. Rationale and Purpose of New Issuance

Ichigo REIT has defined the April 2015 and October 2015 fiscal periods as Stage IV Increase Size & Scale in its growth strategy¹ and is seeking to drive further dividend increases and maximize shareholder value through strategically focusing its portfolio on mid-size offices, an asset class that offers both stability of returns and upside potential. This new issuance of shares is being undertaken to support this growth strategy. With respect to its financing strategy, Ichigo REIT expects to strengthen its lender base, obtain a credit rating, and expand uncollateralized borrowing to further improve its financial position.

Ichigo will acquire 12 mid-size office assets² as announced in today's release "Asset Acquisitions and Sale." These acquisitions will be financed by funds from the public offering, new borrowings from banks, including Japanese megabanks,³ and cash-on-hand.

1	Build a mid-size office portfolio which offers both stability and growth potential	<ul style="list-style-type: none">■ Build a diversified portfolio that focuses on mid-size office assets with upside potential via value-add to support earnings growth
2	Drive earnings via Ichigo's accumulated investment experience and capabilities in mid-size office	<ul style="list-style-type: none">■ Maintain high-occupancy while seeking further earnings upside by effectively deploying accumulated management know-how■ Improve competitiveness and profitability of assets by leveraging Ichigo Group's differentiated leasing and value-add capabilities
3	Strengthen financial position	<ul style="list-style-type: none">■ Strengthen lender base, obtain credit rating, and seek uncollateralized borrowing

¹ Please see "Reference: Growth Strategy" at the end this release for details of Ichigo REIT's growth strategy.

² Please see today's release "Asset Acquisitions and Sale" for details of the assets.

³ Specific details of the borrowings will be announced as soon as they are determined.

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4. Amount of Funds to be Procured, Use of Proceeds, and Scheduled Expenditure Date

- (1) Amount of funds to be procured (approximate net proceeds): 25,377,000,000 yen (maximum)

(Note) This amount represents the sum of 24,109,000,000 yen in net proceeds Ichigo REIT will receive from the public offering and the maximum amount of 1,268,000,000 yen Ichigo REIT will receive from the issuance of new shares via the underwriter third-party allotment. This sum is an estimate based on the closing price of the shares in a regular trading session at the TSE as of April 2, 2015.

- (2) Specific use of the funds to be procured and the scheduled expenditure date

Ichigo REIT plans to use the net proceeds (24,109,000,000 yen) from the public offering for the acquisition of the assets specified in today's release "Asset Acquisitions and Sale." Furthermore, the proceeds (maximum amount 1,268,000,000 yen) Ichigo REIT will receive from the underwriter third-party allotment will be used for part of the miscellaneous expenses incidental to the acquisitions. Any remaining funds will be kept as cash-on-hand and be used for future asset acquisitions and loan repayment. The procured funds will be deposited at banks until disbursement.

5. Designated Allocation to Counterparties

None

6. Future Outlook

Please refer to today's release "Earnings and Dividend Forecast Revisions for the April 2015 and October 2015 Fiscal Periods."

7. Financial Results for the Past Three Fiscal Periods and Equity Financing History

- (1) Financial results for the past three fiscal periods

	October 2013	April 2014	October 2014
Net Income/Loss per Share	1,619 yen	1,295 yen	1,373 yen
Dividend per Share	1,537 yen ¹	1,541 yen ¹	1,547 yen ¹
Payout Ratio ²	96.2%	121.0%	112.6%
Net Assets per Share	60,005 yen	59,698 yen	59,531 yen

¹ In order to maintain a stable dividend that reflects Ichigo REIT's operating earnings, dividends of 275 million yen for the fiscal period ending April 2014 and 177 million yen for the fiscal period ending October 2014 were distributed. For the fiscal period ending October 2013, 55 million yen has been set aside as a dividend reserve.

² Payout Ratio is calculated as below and is rounded to the nearest one decimal place.

Payout Ratio = Total dividend / Quarterly Net Income × 100

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(2) Recent status of share price

(i) Status in the last three fiscal periods

(yen)

	October 2013	April 2014	October 2014
Opening Price	63,300	61,700	62,000
Highest Price	65,100	64,800	85,700
Lowest Price	55,900	59,700	61,300
Closing Price	61,300	61,500	83,700

(Note) The opening price, the highest price, and the lowest price are described based on the closing price of the shares in a regular trading session at the TSE.

(ii) Status in the last six months

(yen)

	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015
Opening Price	83,900	87,400	93,200	92,800	95,000	94,600
Highest Price	85,500	93,600	101,000	95,900	99,800	99,800
Lowest Price	79,500	85,900	92,100	87,200	91,600	94,600
Closing Price	85,500	93,600	92,400	94,400	97,100	99,800

¹The opening price, the highest price, and the lowest price are the closing price of the shares in the regular trading session at the TSE.

²The share price for April 2015 is as of April 8, 2015.

(iii) Share price on the business day preceding the resolution day of the issuance

(yen)

	April 8, 2015
Opening Price	99,600
Highest Price	99,800
Lowest Price	99,000
Closing Price	99,800

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(3) History of equity financing conducted in the past three fiscal periods

Public Offering

Issuance Date	December 3, 2013
Amount of Funds to be Procured	4,929,745,000 yen (Estimated net proceeds)
Paid-in Amount (Issue Amount)	57,997 yen
Number of shares issued and outstanding before the offering	932,823 shares
Number of shares issued in the offering	85,000 shares
Number of shares issued and outstanding after the offering	1,017,823 shares
Intended use of proceeds at the time of the issue	Proceeds would be allocated to funds for acquiring specified assets and repayment of loans
Scheduled timing of disbursement at the time of the issue	After December, 2013
Current status	Completed disbursement on above scheduled date

Third-Party Allotment

Issuance Date	January 7, 2014
Amount of Funds to be Procured	429,974,500 yen (Estimated net proceeds)
Paid-in Amount (Issue Amount)	57,997 yen
Number of shares issued and outstanding before the offering	1,017,823 shares
Number of shares issued in the offering	8,500 shares
Number of shares issued and outstanding after the offering	1,026,323 shares
Third party allottee	SMBC Nikko Securities Inc.
Intended use of proceeds at the time of the issue	Proceeds would be used for repayment of loans; Remainder would be cash-on-hand for future repayment of loans
Scheduled timing of disbursement at the time of the issue	After January 2014
Current status	Completed disbursement on above scheduled date

Public Offering

Issuance Date	December 3, 2014
Amount of Funds to be Procured	7,679,850,880 yen (Estimated net proceeds)
Paid-in Amount (Issue Amount)	80,266 yen
Number of shares issued and outstanding before the offering	1,026,323 shares
Number of shares issued in the offering	95,680 shares
Number of shares issued and outstanding after the offering	1,122,003 shares
Intended use of proceeds at the time of the issue	Proceeds would be allocated to funds for acquiring specified assets and repayment of loans
Scheduled timing of disbursement at the time of the issue	After December 2014
Current status	Completed disbursement on above scheduled date

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Third-Party Allotment

Issuance Date	December 24, 2014
Amount of Funds to be Procured	667,813,120 yen (Estimated net proceeds)
Paid-in Amount (Issue Amount)	80,266 yen
Number of shares issued and outstanding before the offering	1,122,003 shares
Number of shares issued in the offering	8,320 shares
Number of shares issued and outstanding after the offering	1,130,323 shares
Third party allottee	SMBC Nikko Securities Inc.
Intended use of proceeds at the time of the issue	Proceeds would be used for repayment of loans; Remainder would be cash-on-hand for future repayment of loans
Scheduled timing of disbursement at the time of the issue	After December 2014
Current status	Completed disbursement on above scheduled date

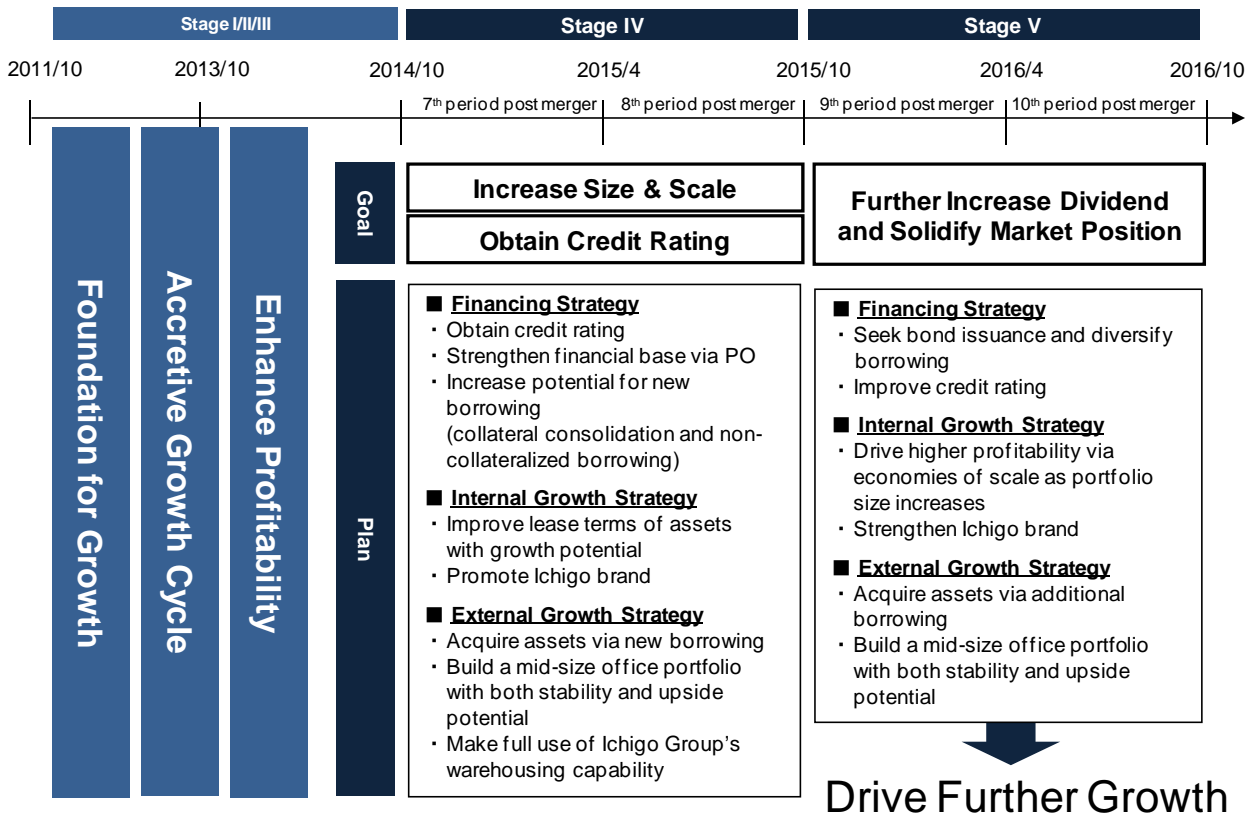
8. Restrictions on Sale and Additional Issuance of Shares (Lock-Up)

- (1) Ichigo Asset Management, Ltd., Ichigo Trust Pte. Ltd., and Ichigo Real Estate Investment Advisors Co., Ltd. who hold shares amounting to 1, 320,060, and 1,400 shares, respectively, have agreed with the Lead Manager that they will not sell, transfer, pledge as collateral, or lend to any other party or otherwise dispose of the shares they own during the period starting from the pricing date to a date 45 days from the delivery date, without prior written consent from the Lead Manager (excluding Ichigo Trust Pte. Ltd. purchasing shares from the over-allotment secondary offering).
- (2) Ichigo REIT has agreed with the Lead Manager not to engage in the issuance of the shares and certain other transactions without the prior written consent of the Lead Manager during the period starting from the pricing date to the date 90 days from the delivery date (excluding the public offerings, the underwriter third-party allotment, the issuance of shares via stock-split, and certain other exceptions).
- (3) For either (1) or (2) above, the Lead Manager retains the right to terminate a part or all of the aforementioned agreement under its own discretion during the restriction period thereof or to shorten the restriction period thereof.

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

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Reference: Growth Strategy



Note: Growth outcomes may differ from this plan and are not guaranteed.

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