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August 26, 2013

REIT Issuer

**Ichigo Real Estate Investment Corporation (8975)**

1-1-1, Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Yoshihiro Takatsuka, Executive Director

Asset Management Company

**Ichigo Real Estate Investment Advisors Co., Ltd.**

Representative: Wataru Orii, President & Representative Statutory Executive Officer

Inquiries: Minoru Ishihara, Executive Vice President & Statutory Executive Officer

Tel: 03-3502-4891

### Sale of Portfolio Asset

Ichigo Real Estate Investment Corporation (“Ichigo REIT”) has decided to sell the following portfolio asset, per the below.

1. Sale Summary

O-30 Ibaraki Kowa Building

Legal Form of Asset	Trust beneficiary rights in real estate (juekiken)
Acquisition Date (Ichigo REIT merger) (Original acquisition date)	November 1, 2011 (March 17, 2006)
Sale Price	827,500,000 yen (excluding fixed asset tax, city planning tax, consumption tax, etc.)
Book Value	639,168,895 yen (estimated as of July 31, 2013)
Difference between Sale Price and Book Value	+188,331,105 yen
Contract Date	August 26, 2013
Settlement Date (expected)	September 4, 2013
Settlement Method	Assignment of trust beneficiary rights

2. Reason for the Sale

Ichigo REIT seeks to contribute to a sustainable society by preserving and adding value to high-quality real estate assets. In the past year, Ichigo REIT has added substantial value to this building via a major structural retrofit to improve its earthquake resistance and a targeted tenant leasing program to increase occupancy from 74% to 100%. The sale will therefore generate a nearly 30% capital gain for Ichigo REIT’s shareholders. After loan repayment, Ichigo REIT believes there is an opportunity to recycle and reinvest the sales proceeds to drive increased shareholder returns.

### 3. Use of Funds

Sale proceeds will be used for both loan repayment and activities to drive increased shareholder returns, such as additional value-add asset purchases.

### 4. Summary of Asset

#### O-30 Ibaraki Kowa Building

Legal Form of Asset		Trust beneficiary rights in real estate (juekiken)
Location		7-1, Eidaicho, Ibaraki, Osaka
Land	Property Right	Ownership (fee simple)
	Size	608.78 m2
	Zoning	Commercial, Neighborhood Commercial
	Coverage Ratio / Floor Area Ratio	80%/600%, 80%/300%
Building	Property Right	Ownership (fee simple)
	Use	Retail, Office
	Structure	S/SRC B1F/9F
	Total Floor Area	3,111.78 m2
	Construction Date	December 11, 1969
Number of Tenants		7 (as of July 31, 2013)
Monthly Rent		7,940,000 yen (as of July 31, 2013)
Tenant Security Deposits		49,736,000 yen (as of July 31, 2013)
Leasable Space		2,186.40 m2 (as of July 31, 2013)
Leased Space		2,186.40 m2 (as of July 31, 2013)
Occupancy		100% (as of July 31, 2013)
Acquisition Price		604,000,000 yen
Appraisal	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Date	April 30, 2013
	Value	651,000,000 yen

### 5. Buyer Profile

Name	Lilac Co., Ltd.
Address	1-12-30, Nishikujo, Konohana-ku, Osaka
Representative	Yuban Aoki, Representative Director
Principal Businesses	Real Estate
Capital	10,000,000 yen
Relationship with Ichigo REIT or Asset Management Company	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 as well as the internal rules of the Asset Management Company.

## 6. Broker Profiles

Name	Resona Bank, Limited
Address	2-2-1, Bingocho, Chuo-ku, Osaka
Representative	Kazuhiro Higashi, President & Representative Executive Officer
Principal Businesses	Banking and Trust Services
Capital	279,900,000,000 yen
Relationship with Ichigo REIT or Asset Management Company	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 as well as the internal rules of the Asset Management Company.
Brokerage Fee	N/A (broker's consent was not provided)

Name	Ichigo Estate Co., Ltd. ("IES")
Address	The Imperial Hotel Tower, 1-1-1, Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Takuma Hasegawa, President & Representative Director
Capital	500,000,000 yen
Principal Businesses	Real Estate Solutions Business Focused on Small-Sized Assets and Ground Leases
Relationship with Ichigo REIT or Asset Management Company	IES and the Asset Management Company are subsidiaries of Ichigo Group Holdings Co., Ltd. In addition, Ichigo REIT, IES, and the Asset Management Company are signatories of a Support Agreement. The acquisition process has followed the internal rules of the Asset Management Company, because IES is a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law as well as the internal rules of the Asset Management Company.
Brokerage Fee	8,275,000 yen (excluding consumption tax, etc.)

## 7. Future Outlook

The sale will increase earnings in this fiscal period ending October 2013. Per the above, because Ichigo REIT believes there is an opportunity to recycle and reinvest the sales proceeds in other activities to drive increased shareholder returns, including additional value-add asset purchases, it is not amending its dividend forecast.

## Portfolio Reference Information

### 1. Post-Sale Portfolio Summary

	Before Sale (A)	After Sale (B)	Difference (B-A)
Occupancy (as of July 31, 2013)	94.9%	94.8%	-0.1%
Average Building Age (as of September 4, 2013)	20.8 years	19.8 years	-1.0 years
Diversification by Area – Tokyo Metropolitan Area/Other Areas (as of September 4, 2013)	75.1% / 24.9%	75.5% / 24.5%	+0.4% / -0.4%

(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-Sale Portfolio Assets

No.	Property	Area	Acquisition Price (mm yen)	% of Portfolio
O-01	COI Shinbashi Building	Central Tokyo	6,110	5.44%
O-02	COI Nishisando Building	Central Tokyo	3,254	2.90%
O-03	MTC Building	Central Tokyo	2,740	2.44%
O-04	COI Nanpeidai Building	Central Tokyo	1,920	1.71%
O-05	Joware Hanzomon	Central Tokyo	1,550	1.38%
O-06	COI Hijirizaka Building	Central Tokyo	1,200	1.07%
O-07	COI Shibuya Kamiyamacho Building	Central Tokyo	1,505	1.34%
O-08	COI Akasaka 5 Chome Building	Central Tokyo	735	0.65%
O-09	COI Shibazonobashi Building	Central Tokyo	1,100	0.98%
O-10	COI Ebisu Nishi Building	Central Tokyo	1,917	1.71%
O-11	COI Ginza 612	Central Tokyo	1,773	1.58%
O-12	COI Uchikanda Building	Central Tokyo	1,140	1.01%
O-13	COI Kudan-Minami Building	Central Tokyo	387	0.34%
O-14	COI Yotsuya 4 Chome Building	Central Tokyo	550	0.49%
O-15	COI Akasaka Tameike Building	Central Tokyo	580	0.52%
O-16	DSM Jimbocho Building	Central Tokyo	1,820	1.62%
O-17	DSM Nihonbashi Kakigaracho Building	Central Tokyo	1,150	1.02%
O-18	COI Kudan 2 Chome Building	Central Tokyo	763	0.68%
O-19	COI Kudan 3 Chome Building	Central Tokyo	844	0.75%
O-20	COI Gotanda Building	Central Tokyo	5,060	4.50%
O-21	Benex S-2	Tokyo Metropolitan Area	1,816	1.62%
O-22	COI Minami-Ikebukuro Building	Tokyo Metropolitan Area	1,460	1.30%
O-23	Technos Nakano Building	Tokyo Metropolitan Area	764	0.68%
O-24	COI Eitai Building	Tokyo Metropolitan Area	1,490	1.33%
O-25	COI Yokosuka Bayside Building	Tokyo Metropolitan Area	971	0.86%
O-26	Chitose Building	Tokyo Metropolitan Area	2,030	1.81%
O-27	Route Ikebukuro Building	Tokyo Metropolitan Area	639	0.57%
O-28	Nishi-Gotanda Access	Central Tokyo	765	0.68%
O-29	TK Kichijoji Building	Tokyo Metropolitan Area	2,160	1.92%

O-33	COI Mei-Eki Building	Four Major Regional Cities	837	0.74%
O-34	COI Nagoya Plaza Building	Four Major Regional Cities	4,705	4.19%
O-35	COI Sendai Chuo Building	Other Regional Cities	510	0.45%
O-37	CRD Marunouchi	Four Major Regional Cities	6,710	5.97%
O-38	Toyamaeki Nishi Building	Other Regional Cities	1,650	1.47%
O-39	Daihyaku Mirai-Shinkin Building	Other Regional Cities	1,100	0.98%
O-40	Kearney Place Saga	Other Regional Cities	659	0.59%
O-42	COI Takamatsu Building	Other Regional Cities	3,010	2.68%
O-44	Akita Sanno 21 Building	Other Regional Cities	560	0.50%
O-46	M's SQUARE	Central Tokyo	2,130	1.90%
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	4.89%
O-46	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.73%
Subtotal - Office (41 Properties)			77,504	68.97%
R-01	ForeCity Roppongi	Central Tokyo	1,730	1.54%
R-02	ForeCity Azabujuban	Central Tokyo	1,140	1.01%
R-03	ForeCity Azabujuban No.2	Central Tokyo	1,250	1.11%
R-04	Bureau Takanawadai	Central Tokyo	1,360	1.21%
R-05	ForeCity Shirokanedai	Central Tokyo	824	0.73%
R-06	B-Site Hamamatsucho	Central Tokyo	701	0.62%
R-07	ForeCity Akihabara	Central Tokyo	2,520	2.24%
R-08	Sweet One Court	Central Tokyo	786	0.70%
R-09	B-site Ginza East	Central Tokyo	946	0.84%
R-10	ForeCity Sasazuka	Central Tokyo	1,050	0.93%
R-11	Gran Presso Kawadacho	Central Tokyo	592	0.53%
R-12	ForeCity Sakurashinmachi	Tokyo Metropolitan Area	932	0.83%
R-13	ForeCity Shinkamata	Tokyo Metropolitan Area	1,040	0.93%
R-14	ForeCity Nakaochiai	Central Tokyo	435	0.39%
R-15	ForeCity Tomigaya	Central Tokyo	1,341	1.19%
R-16	ForeCity Ryogoku	Tokyo Metropolitan Area	1,080	0.96%
R-17	ForeCity Toyosu	Tokyo Metropolitan Area	1,349	1.20%
R-18	ForeCity Nishihonmachi	Four Major Regional Cities	927	0.83%
Subtotal - Residence (18 Properties)			20,005	17.80%
Z-01	Falcon Shinsaibashi Building	Four Major Regional Cities	3,410	3.03%
Z-02	Fiesta Shibuya	Central Tokyo	1,970	1.75%
Z-03	Burc Omori	Tokyo Metropolitan Area	3,218	2.86%
Z-04	Pagoda Asakusa	Tokyo Metropolitan Area	1,640	1.46%
Z-05	Regalo Building	Tokyo Metropolitan Area	1,310	1.17%
Z-06	Lespoir 296	Tokyo Metropolitan Area	903	0.80%
Z-07	El Centro Sapporo	Four Major Regional Cities	558	0.50%
Z-08	Daimyo Balcony	Four Major Regional Cities	638	0.57%
Z-09	Konami Sports Club Izumi Fuchu	Tokyo Metropolitan Area	1,210	1.08%
Subtotal - Others (9 Properties)			14,857	13.22%
Total			112,366	100.00%